

# Louisiana Public Service Commission



POST OFFICE BOX 91154  
BATON ROUGE, LOUISIANA 70821-9154  
[www.lpsc.louisiana.gov](http://www.lpsc.louisiana.gov)

Telephone: (225) 342-4427

## COMMISSIONERS

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February 10, 2022

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### VIA HAND DELIVERY

Ms. Terri Bordelon  
Louisiana Public Service Commission  
Records and Recordings  
602 N. Fifth St.  
Galvez Bldg. 12<sup>th</sup> Floor  
Baton Rouge, LA 70802

2022 FEB 10 PM 4:10  
LA PUBLIC SERVICE  
COMMISSION

**Re: LPSC Docket No. U-35991, Entergy Louisiana, LLC, ex parte. Application for Recovery of Rates of Costs Related to Hurricanes Laura, Delta, Zeta and Winter Storm Uri and for Related Relief.**

Dear Ms. Bordelon,

Enclosed for filing is the public and confidential (filed under seal) Joint Motion for the Scheduling of Hearing on Uncontested Stipulated Settlement, with attachments, in the above-referenced docket. Please contact me if you have any questions concerning this filing.

Sincerely,

Justin Bello  
Staff Attorney

Encl.

cc: Service List

BEFORE THE  
LOUISIANA PUBLIC SERVICE COMMISSION

2022 FEB 10 PM 4: 10  
LA PUBLIC SERVICE  
COMMISSION

*IN RE: APPLICATION OF ENTERGY* )  
*LOUISIANA, LLC FOR RECOVERY* )  
*IN RATES OF COSTS RELATED TO* )  
*HURRICANES LAURA, DELTA,* )  
*ZETA, AND WINTER STORM URI* )  
*AND FOR RELATED RELIEF* )

DOCKET NO. U-35924

**JOINT MOTION FOR THE SCHEDULING OF HEARING  
ON UNCONTESTED STIPULATED SETTLEMENT**

Entergy Louisiana, LLC (“ELL” or the “Company”) and the Louisiana Public Service Commission (“Commission”) Staff (“Commission Staff” or “Staff”), through undersigned counsel and pursuant to Rule 6 of the Commission’s Rules of Practice and Procedure, respectfully request that a stipulation hearing on the Uncontested Stipulated Settlement (“Stipulated Settlement”) be scheduled for February 16, 2022 commencing at 9:30 A.M. The Stipulated Settlement reflects a settlement among the Company, the Staff, Marathon Petroleum Company LP (“Marathon”), the Louisiana Energy Users Group (“LEUG”), the Alliance for Affordable Energy (“AAE”), and Walmart Inc. (“Walmart”) and is submitted as Attachment 1 to this Joint Motion. Both this Motion and the Stipulated Settlement are supported or unopposed by all parties to this proceeding. In support of this Motion, Staff and the Company represent as follows:

1.

On April 30, 2021, the Company filed with the Commission its Application in this docket, supported by the testimony and exhibits of seven witnesses, requesting that the Commission approve the amount of recoverable costs incurred and to be incurred by the Company to restore its facilities following the damage caused by Hurricanes Laura, Delta, and Zeta, as well as Winter

Storm Uri, plus the re-establishment and replenishment of the Company's storm damage reserve escrow.

2.

Notice of this docket was published in the May 14, 2021 edition of the Commission's Official Bulletin. Petitions of Intervention were filed on behalf of Marathon, LEUG, AAE, and Walmart, and on June 2, 2021, the docket was assigned to the Honorable Administrative Law Judge Joy Guillot.

3.

This matter was assigned to the Administrative Hearings Division, and, after a status conference on June 15, 2021, the Tribunal issued a procedural schedule for this Docket that established pre-hearing deadlines, including deadlines for the submission of pre-filed testimony by the parties. The hearing in this matter was originally scheduled to commence on January 25, 2022.

4.

On July 23, 2021, the Company filed Supplemental Direct Testimony and supporting exhibits of five witnesses providing updated quantification of storm costs, a Report of Independent Accountants on Summary of Storm Costs as of June 30, 2021, and updated carrying costs calculations through January 2022.

5.

On July 30, 2021, the Company filed an unopposed motion for leave to file its First and Second Supplemental Applications and supporting testimony relating to Hurricanes Laura, Delta, and Zeta, and Winter Storm Uri system restoration costs. That motion was granted by the Tribunal on August 2, 2021. The First Supplemental Joint Application (Financing Application) of Entergy

Louisiana, LLC and the Louisiana Utilities Restoration Corporation (“LURC”) (the “Financing Application”) requested that the Commission: (1) approve and authorize the LURC to finance, through the issuance of “system restoration bonds”<sup>1</sup> by the Louisiana Public Facilities Authority or the Louisiana Local Government Environmental Facilities and Community Development Authority, whichever is chosen by the Commission<sup>2</sup> (the “Issuer”), ELL’s system restoration costs associated with Hurricanes Laura, Delta, Zeta, and Winter Storm Uri (with the overall amount financed being calculated in relation to the Company’s system restoration costs; carrying costs on such system restoration costs as of February 1, 2022, including interest and other expense on the \$1.1 billion of shorter-term debt issued as interim storm financing in accordance with LPSC Order No. U-35762; the re-establishment of the Company’s storm damage reserve escrow; and the issuance and other costs with respect to the financing); (2) approve the issuance of system restoration bonds; (3) create system restoration property in favor solely of the Corporation, including the right to impose, collect, and periodically adjust system restoration charges sufficient to pay the system restoration bonds and associated financing costs; (4) in accordance with La. R.S. § 45:1333(B)(3), authorize and require the Corporation to contribute all of the net proceeds from the issuance of system restoration bonds to a special public trust (the “Trust”);<sup>3</sup> (5) approve the structure of the proposed financing, including the Trust’s use of such contributed proceeds to purchase preferred membership interests from Entergy Finance Company, LLC (“EFC”), an indirect subsidiary of ELL; and (6) approve tariffs for the Company to implement the system

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<sup>1</sup> See La. R.S. § 45:1312(17).

<sup>2</sup> At the September 22, 2021 Business and Executive Session, the LPSC selected the Louisiana Local Government Environmental Facilities and Community Development Authority as the Issuer.

<sup>3</sup> The Company is requesting that the amount of the recovery approved in the Quantification Order (including the amount approved for the re-establishment of the Company’s storm damage reserve escrow) be financed through the financing mechanism authorized in Act No. 55 of the Louisiana Regular Session of 2007, La. R.S. §§ 45:1311-1328 (“Act 55”), as supplemented by Act No. 293 of the Louisiana Regular Session of 2021, La. R.S. §§ 45:1331-1343 (“Act 293”) (together, the “Restoration Law”).

restoration charges on behalf of the Corporation. The Second Supplemental Application (Ancillary Application) of Entergy Louisiana, LLC (“Ancillary Application”) requested that the Commission: (1) issue an Ancillary Order approving a tariff for the Company to implement ancillary adjustments relating to elements other than those relating to the financing transaction sought in the Financing Application; (2) authorize or express no opposition to ELL’s approval of the liquidation of Entergy Holdings Company, LLC (“EHCL”), and determine that such action by ELL is in the public interest and satisfies all applicable conditions of the Commission’s General Order of March 18, 1994 (the “1994 General Order”);<sup>4</sup> (3) address in the Ancillary Order the terms and conditions of the escrow agreement governing the Company’s utilization of the storm damage reserve funds; and (4) include in the Ancillary Order a finding that, after issuance of a Financing Order in this docket, ELL’s inclusion in its pole attachment rental rate of certain alternative financing costs, calculated in accordance with the methodology approved in LPSC Order No. U-34688, is consistent with the Commission’s General Order of September 4, 2014, in Docket No. R-26968 (the “Pole Attachment General Order”).<sup>5</sup>

6.

On September 30, 2021, the Company filed an unopposed motion for leave to file its Third Supplemental Joint Application (Ida Escrow Application) of Entergy Louisiana, LLC and the Louisiana Utilities Restoration Corporation (“Ida Escrow Application”) and supporting testimony pertaining to authorizing: 1) the establishment of a \$1 billion Hurricane Ida storm restoration escrow fund (the “Hurricane Ida Escrow”); 2) authorizing the amount of the Hurricane Ida Escrow

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<sup>4</sup> *In Re: Commission Approval Required of Sales, Leases, Mergers, Consolidations, Stock Transfers, and All Other Changes of Ownership or Control of Public Utilities Subject to Commission Jurisdiction*, dated March 18, 1994.

<sup>5</sup> LPSC General Order dated September 4, 2014, in Docket No. R-26968, *In re: Review of the General Order dated March 12, 1999 (Pole Attachments)*.

to be included in the amounts to be financed through “system restoration bonds” in the method requested in the Financing Application and the inclusion of such amounts in the separate Financing Order sought by the Co-Applicants (ELL and the LURC) in the Financing Application and separate Ancillary Order sought by the Company in its Ancillary Application. That motion was granted by the Tribunal on October 1, 2021.<sup>6</sup>

7.

Following discovery on the Company’s Applications and accompanying testimony, Staff, and Intervenors, Marathon, and Walmart, filed Direct Testimony on November 22, 2021. No party filed testimony challenging the prudence, propriety, validity, or magnitude of the system restoration costs sought to be recovered pursuant to the Company’s Applications. All parties supported or did not oppose the establishment of a \$290 million storm reserve and, separately, a \$1 billion Hurricane Ida Escrow. All parties supported or did not oppose the cost allocation method recommended by the Company, which is the same as previously approved in Order No. U-32764-B. All parties supported or did not oppose recovery of the carrying costs requested by the Company, including interest expense and unamortized debt discount and expense on the \$1.1 billion of shorter-term debt issued by the Company. All parties supported or did not oppose the Company’s proposal to finance Commission authorized amounts under Act 293. All parties supported or did not oppose the Company’s proposal to guarantee \$27 million of customer savings from Act 293 securitization (relative to Act 64) and that additional customer savings would be shared with customers consistent with prior securitizations. With regard to the \$290 million storm reserve and the \$1 billion Hurricane Ida Escrow, Staff recommended a prior notice process to the Commission before such funds can be withdrawn for eligible purposes.

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<sup>6</sup> An Errata correcting certain portions of the Ida Escrow Application supporting testimony was filed on October 7, 2021.

8.

On December 22, 2021, the Company filed an Unopposed Motion to Suspend Procedural Schedule to provide the parties with the opportunity to engage in good faith settlement discussions. The Tribunal granted ELL's request the same day and issued a Ruling on Unopposed Motion to Suspend Procedural Schedule.

9.

The Stipulated Settlement on which Staff, the Company, Marathon, LEUG, AAE, and Walmart have agreed is attached to this Motion as Attachment 1. As reflected by the signatures on the Stipulated Settlement, the Louisiana Utilities Restoration Corporation ("LURC") does not oppose the Stipulated Settlement.

10.

In support of this motion, Staff and the Company submit the following:

- Attachment 1 — Stipulated Settlement;
- Attachment 2 — Settlement Testimony of Joshua B. Thomas, dated February 2022;
- Attachment 3 — Settlement Testimony of William J. Barta, dated February 3, 2022;
- Attachment 4 — Settlement Testimony of D. Mark Gooding, dated February 9, 2022.

At the settlement hearing, the Company will present the testimony of Mr. Thomas and the Commission Staff will present the testimony of Mr. Barta and Mr. Gooding. The attachments listed above will be offered into evidence through Mr. Thomas and Mr. Gooding and Mr. Barta, respectively. The parties also intend to submit the following Exhibits at the hearing:

- The Application of Entergy Louisiana, LLC for Recovery in Rates of Costs Related to Hurricanes Laura, Delta, Zeta, and Winter Storm Uri and for Related Relief, the attached Direct Testimony of Phillip R. May, John W. Hawkins, Jr., Michelle P. Bourg, Sarah M. Harcus, Sean Meredith, Dr. Barry Keim, and Amy Parker, dated April 2021, and exhibits thereto, and Supplemental Direct Testimony of John W. Hawkins, Jr.,

Michelle P. Bourg, Sarah M. Harcus, and Sean Meredith, dated July 2021, and the exhibits thereto.;

- The First Supplemental Joint Application (Financing Application) of Entergy Louisiana, LLC and the Louisiana Utilities Restoration Corporation, the attached Direct Testimony of Josh B. Thomas, Steven C. McNeal, Patrick J. Collins, and Scott M. Celino, dated July 2021, and the exhibits thereto, and the Supplemental Direct Testimony of Josh B. Thomas, Steven C. McNeal, Patrick J. Collins, and Scott M. Celino, dated September 2021, and the exhibits thereto;
- The Second Supplemental Application (Ancillary Application) of Entergy Louisiana, LLC (“Ancillary Application”), the attached Direct Testimony of Josh B. Thomas and Scott M. Celino, dated July 2021, and the exhibits thereto, and the Supplemental Direct Testimony of Josh B. Thomas and Scott M. Celino, dated September 2021, and the exhibits thereto;
- The Third Supplemental Joint Application (Ancillary Application) of Entergy Louisiana, LLC and the Louisiana Utilities Restoration Corporation (“Ida Escrow Application”), attached Direct Testimony of Phillip R. May and Josh B. Thomas, dated September 2021, and the exhibits thereto;
- Direct Testimony of LEUG Witness James R. Dauphinais dated June 12, 2020;
- Direct Testimony of Staff Witness William J. Barta dated November 22, 2021 and exhibits thereto;
- Direct Testimony of Staff Witness M. Brooke Beckert dated November 22, 2021 and exhibits thereto;
- Revised Direct Testimony of Staff Witness D. Mark Gooding dated November 23, 2021 and exhibits thereto;
- Direct Testimony of Marathon Witness John H. Chavanne dated November 22, 2021 and appendices thereto; and
- Direct Testimony of Walmart Witness Lisa V. Perry dated November 22, 2021 and exhibits thereto.

11.

If approved, this Stipulated Settlement would resolve all of the issues outstanding in the above captioned Docket. Staff, the Company, Marathon, LEUG, AAE, and Walmart believe the Stipulated Settlement and relief detailed therein are in the public interest. It is upon this basis and



in accordance with Rule 6 of the Commission's Rules of Practice and Procedure that the Company and Staff submit this Joint Motion requesting a hearing on the Stipulated Settlement. Staff and the Company anticipate that the hearing will last approximately one to two hours.

12.

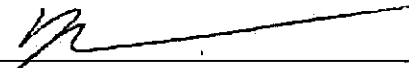
The Parties submit that a pressing public need exists to set the hearing within the 10-day notice requirement of Rule 6(e) of the Commission's Rules of Practice and Procedure. The expedited hearing has been requested in an effort to permit the Stipulated Settlement to be considered by the Commission at the February Business and Executive session in order to secure significant savings for ELL's customers. Delaying consideration of the Stipulated Settlement to the March Business and Executive session would result in an additional \$3.6 million in carrying costs for ELL's customers. Furthermore, the requested expedited Rule 6 hearing date and earlier Commission consideration of the Stipulated Settlement will also help guard against significant credit risk present in the current environment of rising credit rates. For example, should interest rates increase by 25 basis points (0.25%) prior to the securitization contemplated by the Stipulated Settlement, the result would be approximately \$70 million in increased costs for ELL's customers. In light of the potential to guard against millions of dollars in increased costs for ELL's customers, ELL and the Staff aver that a pressing public need supports the Tribunal setting the requested Rule 6 hearing on an expedited basis.

13.

Through undersigned counsel, the Company has contacted counsel for each of the parties to this matter and no party opposes this Motion or the proposed hearing date.

WHEREFORE, for the reasons set forth above, Staff and the Company respectfully submit the proposed Stipulated Settlement for consideration by the Tribunal and the Commission and request that, in accordance with Rule 6 of the Commission's Rules of Practice and Procedure, an uncontested stipulation hearing be scheduled for 9:30 A.M. on February 16, 2022.

Respectfully submitted,

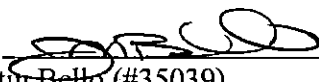
By:   
Lawrence J. Hand, Jr., La Bar # 23770  
D. Skylar Rosenbloom, La. Bar # 31309  
Entergy Services, LLC  
639 Loyola Avenue  
Mail Unit L-ENT-26E  
New Orleans, Louisiana 70113  
Telephone: (504) 576-6825  
Facsimile: (504) 576-5579  
[lhand@entergy.com](mailto:lhand@entergy.com)  
[drosenb@entergy.com](mailto:drosenb@entergy.com)

and

W. Raley Alford, III, La. Bar #27354  
Alison N. Palermo, La. Bar #31276  
STANLEY, REUTER, ROSS, THORNTON  
& ALFORD, L.L.C.  
909 Poydras Street, Suite 2500  
New Orleans, Louisiana 70112  
Telephone: (504) 523-1580  
Facsimile: (504) 524-0069  
[wra@stanleyreuter.com](mailto:wra@stanleyreuter.com)  
[anp@stanleyreuter.com](mailto:anp@stanleyreuter.com)

**ATTORNEYS FOR ENTERGY LOUISIANA, LLC**

and

By:   
Justin Bello (#35039)  
P.O. Box 91154  
Baton Rouge, LA 70821  
Telephone: (225) 342-7871  
[justin.bello@la.gov](mailto:justin.bello@la.gov)  
**ATTORNEY FOR  
THE LOUISIANA PUBLIC  
SERVICE COMMISSION**

and

Paul L. Zimmering

Noel J. Darce  
STONE PIGMAN WALTHER WITTMANN L.L.C.  
909 Poydras Street  
Suite 3150  
New Orleans, Louisiana 70112-4042  
Tel: (504) 581-3200  
**SPECIAL COUNSEL FOR  
THE LOUISIANA PUBLIC  
SERVICE COMMISSION**

**CERTIFICATE OF SERVICE**  
LPSC Docket No. U-35991

I, the undersigned counsel, hereby certify that a copy of the above and foregoing has been served on the persons listed below by facsimile, by hand delivery, by electronic mail, or by depositing a copy of same with the United States Postal Service, postage prepaid, addressed as follows:

Justin Bello  
LPSC Transportation Attorney  
Louisiana Public Service Commission  
P.O. Box 91154  
Baton Rouge, LA 70821-9154

Donnie Marks  
LPSC Utilities Division  
Louisiana Public Service Commission  
P.O. Box 91154  
Baton Rouge, LA 70821-9154

Robin Pendergrass  
LPSC Auditing Division  
Louisiana Public Service Commission  
P.O. Box 91154  
Baton Rouge, LA 70821-9154

Commissioner Eric F. Skrmetta  
Office of the Commissioner  
District 1 – Metairie  
433 Metairie Road, Suite 406  
Metairie, LA 70005

Commissioner Craig Greene  
Office of the Commissioner  
District 2 – Baton Rouge  
Post Office Box 83209  
Baton Rouge, LA 70884

Commissioner Lambert C. Boissiere, III  
Office of the Commissioner  
District 3 – New Orleans  
1450 Poydras Street, Suite 1402  
New Orleans, LA 70112

Commissioner Mike Francis  
Office of the Commissioner  
District 4 – Crowley  
222 N. Parkerson Avenue  
Crowley, LA 70526

Commissioner Foster L. Campbell  
Office of the Commissioner  
District 5 – Shreveport  
One Texas Centre  
415 Texas Street, Suite 100  
Post Office Drawer E  
Shreveport, LA 71101

William Barta  
2088 Sylvania Dr.  
Decatur, GA 30033-2616

D. Mark Gooding  
Steve W. Eaddy  
112 W. 34<sup>th</sup> Street  
18<sup>th</sup> Floor  
New York, NY 10120

Paul Jack  
3103 Bee Caves Road  
Suite 133  
Austin, TX 78746

Tania Askins  
600 N. Pearl Street  
Suite 2100, South Tower  
Dallas, TX 75201

Noel Darce  
Paul Zimmering  
909 Poydras Street, Suite 3150  
New Orleans, LA 70112-4041

W. Raley Alford, III  
Alison N. Palermo  
Stanley, Reuter, Ross, Thornton & Alford  
909 Poydras Street, Suite 2500  
New Orleans, LA 70112

Mark Kleehammer  
Elizabeth C. Ingram  
Stacy Castaing  
Patrick Sullivan  
Entergy Services, LLC  
4809 Jefferson Hwy., L-JEF-357  
Jefferson, LA 70121

Lawrence J. Hand, Jr.  
D. Skylar Rosenbloom  
Entergy Services, LLC  
639 Loyola Avenue  
Mail Unit L-ENT-26E  
New Orleans, LA 70113

Logan Atkinson Burke  
Jessica Hendricks  
Sophie Zaken  
The Alliance for Affordable Energy  
4505 S. Claiborne Ave.  
New Orleans, LA 70125

Katherine W. King  
J. Randy Young  
Carrie R. Tournillon  
Kean Miller, LLP  
400 Convention Street, Suite 700  
P.O. Box 3513  
Baton Rouge, LA 70821

Jamie Hurst Watts  
Catherine E. Smith  
Long Law Firm, L.L.P.  
1800 City Farm Drive, Building 6  
Baton Rouge, LA 70806


Peter Kern  
Marathon Petroleum Company, LP  
539 South Main Street  
Findlay, OH 45840-3229

John H. Chavanne  
C/O Chavanne Enterprises  
111 West Main Street, Suite 2B  
P.O. Box 807  
New Roads, LA 70760-0807

Rick D. Chamberlain  
Walmart Inc.  
6 N.E. 63<sup>rd</sup> Street, Suite 400  
Oklahoma City, OK 73105-1401

Lisa V. Perry  
Walmart Inc.  
2608 SE J Street  
Mail Stop: 5530  
Bentonville, AR 72716

New Orleans, Louisiana, this 10<sup>th</sup> day of February, 2022.

  
\_\_\_\_\_  
D. Skylar Rosenbloom