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July 3, 2025

Ms. Krys Abel  
Records and Recording  
Louisiana Public Service Commission  
602 North 5<sup>th</sup> Street, 12<sup>th</sup> Floor  
Baton Rouge, LA 70821

**VIA HAND DELIVERY**

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

Dear Ms. Abel:

We have enclosed for filing on behalf of the Louisiana Energy Users Group ("LEUG") an original and three (3) copies of the Public-Redacted Pre-Hearing Brief in the referenced docket. In addition, we are also providing an original and three (3) copies of, and filing under seal as confidential Highly Sensitive Protected Materials Attorneys Eyes Only ("HSPM\_AEO"), the HSPM\_AEO version of the Pre-Hearing Brief, pursuant to LPSC Rule 12.1 and the Confidentiality Agreement in this proceeding.

The public version will be served on all parties on the service list by electronic mail. The HSPM and HSPM\_AEO versions will be served by secure links only to those persons respectively authorized and designated to receive such information pursuant to a signed Confidentiality Agreement and Non-Disclosure Certificate in this proceeding.

If you have any questions, please do not hesitate to contact us. Thank you for your assistance with this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'C.R.T.', with a stylized flourish at the end.

Carrie R. Tournillon

CRT/mac  
Enclosure

cc Official Service List (via electronic mail) (Public-Redacted Version)  
HSPM Reviewing Representatives (via electronic mail and secured link) (HSPM Version)  
HSPM\_AEO Reviewing Representatives (via electronic mail and secured link) (HSPM\_AEO Version)

Public Redacted

**BEFORE THE  
LOUISIANA PUBLIC SERVICE COMMISSION**

**ENTERGY LOUISIANA, LLC, ex parte.**

**DOCKET NO. U-37425**

**In re: APPLICATION FOR APPROVAL OF  
GENERATION AND TRANSMISSION RESOURCES  
PROPOSED IN CONNECTION WITH SERVICE TO A  
SIGNIFICANT CUSTOMER PROJECT IN NORTH  
LOUISIANA, INCLUDING PROPOSED RIDER, AND  
REQUEST FOR TIMELY TREATMENT**

**LOUISIANA ENERGY USERS GROUP  
PRE-HEARING BRIEF**

The Louisiana Energy Users Group (“LEUG”) submits this Pre-Hearing Brief and its testimony in this proceeding to address and oppose the significant financial risk that will be imposed on existing ratepayers of Entergy Louisiana, LLC (“Entergy” or “ELL”) if the Commission approves the power supply proposal for the Laidley Data Center in the manner proposed by Entergy.

Entergy is seeking authorization from the Commission to invest *Billions* of dollars in generation and transmission investment to provide electric service for the projected load of Laidley as a single new Data Center customer. The projected new load far exceeds the size of any other load existing today on the Entergy system, and consideration by the LPSC of the requested investment to serve the new load is unique and unprecedented in financial magnitude. The projected new Data Center load could and hopefully would eventually bring benefits to existing Entergy ratepayers, if the new load fully materializes and is sustained over time; however, the immediate effect of the Entergy proposal today is an upfront expenditure of *Billions* of dollars that

results in tremendous and unprecedented risk to existing ratepayers, while allowing Entergy an unprecedented increase in its return-on-equity earnings for the benefit of its shareholders. Entergy will earn \$48 Million per year in increased return-on-equity for each and every Billion of new infrastructure investment added to its rate base. The imposition of the risk to existing ratepayers, and the increase in Entergy return-on-equity earnings come up-front, while the potential benefits to the existing ratepayers are a hope - - a hope that may materialize over the course of many years but is far from certain at this time.

While LEUG welcomes Laidley and the new Data Center to Louisiana and the business community, LEUG also believes that it is vital that the LPSC protect the interests of existing ratepayers as the LPSC considers the proposal by Entergy to utilize its monopoly regulatory structure in Louisiana to accomplish the power needs to meet the Data Center load. Entergy should not be allowed to use its monopoly structure to unreasonably impose financial risks on its existing captive ratepayers to serve the new Data Center load, while it reaps the return-on-equity benefits to be gained from the unprecedented *Billions* of new infrastructure spending.

LEUG testimony finds that Entergy has failed to sufficiently mitigate the financial risk to existing ratepayers, or to itself share in such risk, in order for Entergy's application to be approved as in the public interest and in compliance with the Commission's orders - - namely, the 1983

General Order,<sup>1</sup> the Market Based Mechanisms Order (“MBM Order”),<sup>2</sup> and the Transmission Certification and Siting General Order (“Transmission Siting Order”).<sup>3</sup>

LEUG testimony submits that more needs to be done to protect the interests of the existing Entergy ratepayers, and that Entergy should be required to share in the risk as well. LEUG testimony also opposes Entergy efforts to grant preferential and discriminatory treatment to the provision of renewable generation to the new Data Center load, by moving the Data Center to the front-of-the-line ahead of industrial loads which have been waiting for multiple years to access renewable generation through Entergy programs.

LEUG witnesses Mr. James Dauphinais and Mr. Maurice Brubaker identify and discuss in their testimony the significant financial risks to Entergy customers from Entergy’s application proposals. Their testimony also proposes solutions to allow the proposal to serve Laidley to move forward while affording reasonable protections for existing ratepayers. Mr. Dauphinais also opposes and recommends a path forward to resolve the preferential treatment proposed by Entergy for the Data Center to obtain access to renewable generation as compared to Entergy’s treatment

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<sup>1</sup> The 1983 General Order, as amended by General Order (May 27, 2009), *In re: Possible modifications to the September 20, 1983 General Order to allow (1) for more expeditious certifications of limited-term resource procurements and (2) an exception for annual and seasonal liquidated damages block energy purchases*, Docket No. R-30517 (“1983 General Order”).

<sup>2</sup> See General Order (February 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, Docket No. R-26172 Subdocket A, as amended by General Order, Docket No. R-26172 Subdocket B, dated November 3, 2006 and further amended by the April 26, 2007 General Order and the amendments approved by the Commission at its October 15, 2008 Business and Executive Meeting; the October 29, 2008 General Order No. R-26172, Subdocket C; and the October 14, 2024 General Order No. R-34247 (“MBM Order”).

<sup>3</sup> See General Order 09-10-2024 (R-36199) (September 10, 2024), *In re: Review and Possible Modification of the Commission’s General Order dated October 10, 2013 Governing Transmission Certification and General Siting*, Docket No. R-36199 (“Transmission Certification Order”).



of other existing and/or potential customers who are still waiting to access renewable generation under Entergy programs.

The specific risks to other customers created by Entergy's proposal and the public interest recommendations to mitigate the risk of harm to customers, as recommended by Mr. Dauphinais and Mr. Brubaker in testimony on behalf of LEUG, are summarized as follows:

**Risk to Customers: Minimum Bill Shortfall of \$■ Million per Year<sup>4</sup>**

*LEUG Recommended Mitigation:* Entergy's proposed Minimum Bill provision for Laidley should be increased to cover the annual revenue requirement associated with (i) an additional ■ MW, to cover (a) ■ MW of additional load identified after the initial filing, and (b) ■ MW of MISO planning reserves and transmission losses; (ii) the new \$456 Million Mt. Olive to Sarepta 60 mile 500 kV Transmission Line and Facilities, plus \$750,000 Sterlington 500 kV Substation Upgrades; (iii) natural gas pipeline-related costs needed for new CCCTs; and (iv) revenue requirement of new Babel to Webre 500 kV transmission line, to the extent determined needed for Meta load in a future certification proceeding.

**Risk to Customers: Insufficient Notice for Termination of Electric Service Agreement<sup>5</sup>**

*LEUG Recommended Mitigation:* Increase the length of the notice Laidley is required to give Entergy prior to the end of the initial contract term, should Laidley decide not to renew, from one year to five years. The one-year notice proposal by Entergy is inadequate to protect other Entergy customers from having to pay for an overbuild of generation resources to meet their needs if Laidley were to discontinue service.

**Risk to Customers: Cost of Three New CCCTs Not Vetted Through RFP Process<sup>6</sup>**

*LEUG Recommended Mitigation:* Cap Entergy's cost recovery for the three new CCCT generation resources ("Planned Generators") of 2,262 MW at the \$3.2 Billion amount

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<sup>4</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, HSPM\_AEO Version, at 4/15 – 5/12, 12/7 – 14/8, and 16/1 – 18/4 (April 11, 2025). The shortfall appears to be reduced by Entergy's proposed Rider 2 to the ESA (provided by Entergy only in its Rebuttal Testimony), but the Minimum Bill remains insufficient to protect customers.

<sup>5</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 7/1 – 9/10 (April 11, 2025); Cross-Answering Testimony of LEUG Witness Mr. Maurice Brubaker at 4/3-8 (May 9, 2025).

<sup>6</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 9/11 – 11/5 (April 11, 2025); Cross-Answering Testimony of LEUG Witness Mr. Maurice Brubaker at 5/1 – 7/24 (May 9, 2025).

presented in Entergy testimony,<sup>7</sup> with possible exception for impacts due to a change in law.

**Risk to Customers: Parental Guaranty Uncertainty and Risk<sup>8</sup>**

**LEUG Recommended Mitigation:** Require Entergy shareholders, rather than other Entergy ratepayers, to take the risk of whether the Parental Guaranty offered by Laidley's parent company, Meta, will ultimately be enforceable and collectable, considering Entergy shareholders will receive \$48 Million in Return-on-Equity profit for each Billion of rate base investment to serve Meta. The Entergy proposed form of Parental Guaranty is incomplete, includes limitations, and has unknown durability and enforceability.

**Risk to Customers: Preferential and Discriminatory Access to Renewable Generation<sup>9</sup>**

**LEUG Recommended Mitigation:**

- (1) Prohibit Entergy from providing preference to Laidley for 1,500 MW of renewable generation ahead of other existing Entergy customers that are already on a subscription or waiting list for renewable generation. (*More than 3,000 MW of industrial needs already in-line and still waiting for renewables*);<sup>10</sup> and
- (2) Prohibit Entergy from providing a new, direct path to Laidley for access to renewable power through unsolicited offers without providing a similar non-discriminatory path to other Industrial customers.

**Risk to Customers: Preferential and Discriminatory CSR in Violation of Commission Tariff General Order<sup>11</sup>**

**LEUG Recommended Mitigation:** Pursuant to the Commission Tariff General Order, Entergy's proposed CSR should be equally available to all customers on a non-discriminatory basis.

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<sup>7</sup> Direct Testimony of ELL Witness Philip May, Public Version, at 23/7-9 and 16-17 (October 2024, as Revised).

<sup>8</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 11/6 – 12/9 (April 11, 2025); Cross-Answering Testimony of LEUG Witness Mr. Maurice Brubaker at 8/1 – 9/24 (May 9, 2025).

<sup>9</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, Public Version, at 25/15 – 30/17 (April 11, 2025).

<sup>10</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, Public Version, at 32/18-22 (April 11, 2025).

<sup>11</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, HSPM\_AEO Version, at 25/1-14 and 30/18 – 33/15 (April 11, 2025).

LEUG is opposed to the Entergy application in this proceeding as presented, and recommends and urges solutions be required by the LPSC to protect the interests of the existing Entergy ratepayers, require Entergy to share in the risk, and eliminate the preferential and discriminatory treatment proposed by Entergy for provision of renewable generation.

## **I. DISCUSSION OF CONTESTED ISSUES**

***a. Whether ELL's construction of the Planned Generators 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.***

No. Construction of the Planned Generators, at an estimated cost of \$3.2 Billion, is part of a larger plan to serve the load of a new single customer, Laidley, that imposes too much financial risk on other customers; and thus in turn, certification of the Planned Generators as presented does not serve the public convenience, is not in the public interest, and therefore would not be prudent, pursuant to the Commission's 1983 General Order.

Entergy's proposed Minimum Bill fails to sufficiently protect other customers from the risk of additional revenue requirement that would result from Entergy's investment in the Planned Generators and capacity purchases needed to serve Laidley's load (as well as transmission investment, as discussed under Contested Issue "c" below). Entergy's form of Parental Guaranty with Laidley's parent company, Meta, includes limitations that fails to provide adequate assurance of its enforceability, placing more risk on other customers. Further, the termination notice in Laidley's ESA is woefully insufficient to prevent an overbuild of generation capacity should Laidley not renew its ESA, creating additional risk that customers could be saddled not only with the cost of investment to serve Laidley but also the cost of excess generation capacity.

*Insufficient Minimum Bill.* Entergy has proposed use of a Minimum Bill provision in the Laidley ESA to serve as a backstop to protect other customers from being saddled with the revenue

requirement associated with Entergy's investment to serve Laidley's load if the load, and thus associated revenues from the tariff rates, does not materialize.<sup>12</sup> In the case of Laidley, the amount of load for a single customer is unprecedented, as is the amount of investment required to serve such load. Thus, the risk to other customers should the load, and associated revenues under the tariff rate, not materialize is likewise unprecedented, making it extremely important to public interest considerations that the risk to other customers is sufficiently mitigated. As Mr. Dauphinais testified:<sup>13</sup>

When a new customer requires substantial costs to be incurred by a utility that would not have been incurred by that utility but for the need to serve that new customer, it is critical that the electric service rate for that customer be designed to fully cover the revenue requirement of that portion of those costs the utility will incur even if the customer's load does not fully materialize and remain so as projected by the utility during the new customer's initial service term. Failure to provide such a minimum charge would require the utility's other customers to subsidize either the new customer or the utility. This is because the utility would not have incurred these costs but for the new customer.

However, Entergy's proposed Minimum Bill provision for Laidley fails to include a significant amount of expenses that would not be incurred by Entergy but for the need to provide electric service to Laidley. Mr. Dauphinais has calculated that the Minimum Bill fails to include \$■ Billion in expenses that Entergy is requesting Commission approval to spend specific to providing service to Laidley.<sup>14</sup> Mr. Dauphinais recommends the Commission require the Minimum

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<sup>12</sup> Direct Testimony of ELL Witness Mr. Ryan Jones, Public Version, at 18/6-20 (October 2024, as Revised); *see also*, Direct Testimony of LEUG Witness Mr. James Dauphinais, AEO\_HSPM Version, at 9/5 – 10/18 (April 11, 2025).

<sup>13</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, Public Version, at 10/10-18 (April 11, 2025).

<sup>14</sup> Direct Testimony of LEUG witness Mr. James Dauphinais, HSPM\_AEO Version, at 16/1 – 18/4 (April 11, 2025).

Bill to be increased to include the following unaccounted for expenses, which would result in an additional \$■ Million in annual revenue requirement:<sup>15</sup>

- i. an additional ■ MW, to cover (a) ■ MW of additional load identified after initial filing, and (b) ■ MW of MISO planning reserves and transmission losses; and
- ii. the new \$456 Million Mt. Olive to Sarepta 60 mile 500 kV Transmission Line and Facilities, plus \$750,000 Sterlington 500 kV Substation Upgrades.

Mr. Dauphinais also recommends the Minimum Bill be further increased beyond the additional \$■ Million in annual revenue requirement to include:<sup>16</sup>

- i. natural gas pipeline-related costs needed for new CCCTs; and
- ii. the new Babel to Webre 500 kV transmission line, to the extent determined it is not needed but for Meta load in a future certification proceeding.

In Rebuttal Testimony, Entergy has provided a proposed Rider 2 to the ESA that adjusts the Minimum Bill to some extent to cover additional purchased generation to meet the new increased load.<sup>17</sup> The adjustment to the Minimum Bill helps to reduce the shortfall but does not eliminate it or resolve the overall financial risk to customers to allow the Planned Generators to be in the public interest.<sup>18</sup>

*Insufficient Termination Notice.* Entergy's ESA with Laidley only requires Laidley to provide one-year notice to Entergy of its intent not to renew its ESA for an additional term.<sup>19</sup>

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<sup>15</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, HSPM\_AEO Version, at 4/15 – 5/12 and 16/1 – 18/4 (April 11, 2025).

<sup>16</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, at 22/35 – 24/24 (April 11, 2025).

<sup>17</sup> ELL's proposed Rider 2 increases the Minimum Bill by \$■ Million per year.  $\$■ \text{ Million per year} \approx \$■ \text{ Million per year} = (\$■ \text{ Million} - \$■ \text{ Million}) / 15 \text{ years}$ . See Exhibit RDJ-4 HSPM (AEO) at "Summary Outputs" tab at "15-Year Min Bills" and Exhibit RDJ-2 HSPM (AEO) at "Summary Outputs" tab at "15-Year Min Bills."

<sup>18</sup> An \$■ Million per year shortfall remains.  $\$■ \text{ Million per year} = \$■ \text{ Million per year} - \$■ \text{ Million per year}$ .

<sup>19</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 7/3-8 (April 11, 2025), referring to Exhibit LKB-2 to the Direct Testimony of ELL Witness Ms. Laura K. Beauchamp.

Should Laidley not renew its ESA for an additional term, Entergy has taken the position that the Planned Generators could be used to serve system load and avoid the need to add additional generation.<sup>20</sup> However, Entergy, Staff and LEUG appear to agree that the lead time for adding generation resources is much longer than the one year termination notice required of Laidley.<sup>21</sup> Thus, by the time Laidley notifies Entergy that it will not renew its contracts, dollars would have already been invested on additional generation resources, leaving other customers paying for excess capacity.

As Mr. Brubaker testifies, to mitigate the impact on other customers from the cost of a potential over-build of generation capacity, Entergy should be required to increase the length of the notice Laidley is required to give Entergy prior to the end of its initial contract term, if it seeks to terminate and not renew the ESA, from one year to five years.<sup>22</sup> The one-year notice proposal by Entergy is inadequate to protect other Entergy customers from having to pay for an overbuild of generation resources to meet their needs if Laidley discontinues service at the end of the initial term of the ESA.

*Insufficient Parental Guaranty.* Entergy has provided a form of Parental Guaranty between it and Laidley's parent company, Meta, to guarantee the financial obligations of Laidley. However, the Parental Guaranty does not include the amount of Laidley's financial obligations being guaranteed by Meta; nor does it provide adequate assurance of enforceability, as it includes several

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<sup>20</sup> Direct Testimony of ELL Witness Ms. Laura K. Beauchamp, Public Version, at 53/18 – 54/2 and 54/17 – 56/20 (October 2024, as Revised); *see also*, Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 7/3-11 (April 22, 2025).

<sup>21</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 7/12 – 9 /15 and Exhibit MEB-1 (ELL Response to Walmart 1-13) (April 11, 2025); *see also*, Direct Testimony of ELL Witness Mr. Samrat Datta at 13/9 – 14/14 (October 2024, as Revised); and *see also*, Direct Testimony of Staff Witness Mr. Lane Sisung, Public Version, at 31/12-16 (April 11, 2025).

<sup>22</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 9/6-10 (April 11, 2025).

broad exceptions from applicability.<sup>23</sup> As Mr. Brubaker testifies, the durability and enforceability of the Parental Guaranty cannot be known at this time.<sup>24</sup> Thus, such form of Parental Guaranty is insufficient to protect other customers should Laidley default on its financial obligations under its ESA and unprecedented load and generation and transmission requirements.

LEUG witness Mr. Brubaker testifies that Entergy shareholders, rather than Entergy ratepayers, should be required to take the risk of whether the Parental Guaranty offered by Meta will ultimately be enforceable and collectable, considering not only the risk to other customers of a default by Laidley *but also* the benefit to Entergy shareholders from its investment to serve Laidley.<sup>25</sup> Notably, Entergy will receive \$48 Million in Return-on-Equity profit for each Billion of rate base investment to serve Laidley.<sup>26</sup>

Entergy's proposed form of Parental Guaranty is incomplete, includes limitations, and has unknown durability and enforceability. Thus, LEUG urges the Commission require Entergy shareholders, and not other customers, to bear the risk of this agreement that Entergy negotiated with Meta.

***b. Whether the Planned Generators provide benefits to all ELL customers and are to be treated as system resources for all ELL customers.***

Please see LEUG response to Contested Issue "a" above.

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<sup>23</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 11/14-18 (April 11, 2025).

<sup>24</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 11/18-20 (April 11, 2025).

<sup>25</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 12/1-9 (April 11, 2025).

<sup>26</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 12/4-6 (April 11, 2025).

***c. Whether ELL should be granted an exemption from the Commission's MBM Order for the Planned Generators based upon the specific facts and circumstances presented in this case.***

No. Entergy is not entitled to an exemption from the MBM Order for the Planned Generators. Granting such an exemption would imply that the Commission was not thoughtful and intentional in its numerous amendments to the MBM Order, including as recently as October 2024, and its determination that only seven specific circumstances warranted exemption from the order - - none of which include the circumstances presented in this proceeding.<sup>27</sup> Moreover, granting such an exemption creates additional risk on other customers that they will overpay for the generation needed to serve Laidley. Thus, any Commission order allowing Entergy to proceed with the Planned Generators should require Entergy to bear the risk of the cost of the 2,262 MW in Planned Generators that exceed the \$3.2 Billion estimate included in Entergy's testimony in this proceeding, with possible exception of change in law impacts as recommended by LEUG witness Mr. Brubaker in direct testimony.<sup>28</sup>

The MBM Order requires an electric utility to conduct its planning and RFP process with the objective being the provision of reliable electric service at the lowest reasonable cost.<sup>29</sup> Thus, as Mr. Brubaker testifies, without following the MBM Order in determining to self-build the three CCCTs to meet Laidley's load requirements, the Commission is unable to determine that the Planned Generators are the lowest reasonable cost resources to serve Laidley.<sup>30</sup>

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<sup>27</sup> See MBM Order at Attachment A, p. 3, Rule at ¶ 2.

<sup>28</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 9/11 – 11/5 (April 11, 2025); Cross-Answering Testimony of LEUG Witness Mr. Maurice Brubaker at 5/1 – 7/24 (May 9, 2025).

<sup>29</sup> See MBM Order at Attachment A, p. 3, Rule at ¶ 11.

<sup>30</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 10/14-16 (April 11, 2025);



Further, the MBM Order also provides customer protections when self-build projects experience a change in cost from the utility's estimate.<sup>31</sup> By circumventing the request for proposal process required by the MBM Order, none of the MBM Order's customer protection provisions are available to Entergy customers should the Planned Generators experience cost overruns. Thus, given the significant and unprecedented investment by Entergy in generation capacity to serve a single customer, given the lack of an RFP process required by the Commission with the objective of ensuring Entergy is providing reliable service at lowest reasonable cost, and given the lack of customer protections available without such RFP should the Planned Generators exceed the cost estimates provided by Entergy in the application, the Commission should require customers to be shielded from costs of the Planned Generators in excess of the costs presented in this proceeding.<sup>32</sup>

LEUG urges the Commission to require Entergy to bear the risk of its decision to forego the RFP process and cap the cost of the Planned Generators eligible for recovery from customers (other than Laidley) at the estimated \$3.2 Billion estimate included in Entergy's application and incorporated into Laidley's Minimum Bill.

***d. Whether the variable and generation dependent expenses incurred under Long Term Service Agreements are deemed eligible for recovery through the Fuel Adjustment Clause consistent with the LPSC General Order dated November 6, 1997.***

LEUG reserves the right to address this Contested Issue in post-hearing briefs based on applicable law and the evidentiary record.

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<sup>31</sup> See MBM Order at Attachment A, p. 3, Rule at ¶ 16.

<sup>32</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 11/1-5 (April 11, 2025).

***e. Whether ELL's proposed construction of the Mount Olive to Sarepta Transmission Facilities is in the public interest and in the interest of affected customers, and therefore prudent, in accordance with the Transmission Siting Order.***

No. Entergy's proposed capital investment in the Mount Olive to Sarepta Transmission Facilities as part of its larger plan to serve Laidley is not in the public interest as proposed and therefore not prudent, pursuant to the Transmission Siting Order.

As LEUG witness Mr. Dauphinais testifies and as discussed under Contested Issue "a," until the costs of the customer-driven expenses, including the Mount Olive to Sarepta Transmission Facilities, are included in Laidley's Minimum Bill, other customers are exposed to significant risk from the Billions of dollars of investment that Entergy is requesting to serve a single customer.<sup>33</sup> As a result, undertaking those significant capital investments are not in the public interest and should not be authorized unless customers are sufficiently protected from the additional revenue requirement should Laidley's load not materialize as expected.<sup>34</sup> Entergy has proposed to partially, but insufficiently, address the risk of the revenue requirement burden being imposed on other customers by the Planned Generators for the Laidley load through a Minimum Bill provision in the Laidley ESA, but Entergy has completely failed to account for the revenue requirement burden being imposed on other customers by the Mount Olive to Sarepta Transmission Facilities investment, which like the Planned Generators, is an investment ELL would not be making but for the Laidley load.<sup>35</sup>

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<sup>33</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, HSPM\_AEO Version, at 22/1-24 (April 11, 2025).

<sup>34</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, HSPM\_AEO Version, at 17/3 – 18/4 (April 11, 2025).

<sup>35</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, Public Version, at 13/3-14 (April 11, 2025); see also, Direct Testimony of Staff Witness Mr. Lane Sisung, Public Version (Corrected), at 91/20 – 92/2 (April 11, 2025).

LEUG urges the Commission require Entergy to increase the Minimum Bill to account for the Mount Olive to Sarepta Transmission Facilities investment required to serve Laidley (along with other investments identified in discussion of Contested Issue “a”) in order to find such investment in the public interest pursuant to the Transmission Siting Order.

***f. Whether there should be any conditions, reporting requirements, or review placed on the certification of the Planned Generators and/or the Mount-Olive-to-Sarepta transmission line.***

Yes, as discussed above, the Commission should not determine Entergy’s plan to serve Laidley is in the public interest and authorize Entergy to recover in rates Billions of dollars in associated capacity and transmission investment. As presented by Entergy in its application, Entergy’s proposal to serve Laidley fails to protect the interests of the existing Entergy ratepayers, fails to require Entergy’s shareholders to share in the risk, and grants preferential and discriminatory treatment to the provision of renewable generation to the new Data Center load, by moving the Data Center to the front-of-the-line ahead of industrial loads which have been waiting for multiple years to access renewable generation through Entergy programs.

For the Commission to determine Entergy’s request to invest Billions to build and acquire capacity and to build transmission facilities is in the public interest, additional customer protections are needed. For the reasons discussed in this brief and supported by the testimony of LEUG witnesses Mr. Dauphinais and Mr. Brubaker, the following conditions must be included in a Commission order for certification of the Planned Generators and Mount Olive to Sarepta Transmission Facilities to be in the public interest as part of Entergy’s larger plan to serve Laidley:

**Increase in Laidley Minimum Bill:**<sup>36</sup> Entergy's proposed Minimum Bill provision for Laidley must be increased to cover the annual revenue requirement associated with (i) an additional ■■■ MW, to cover (a) ■■ MW of additional load identified after the initial filing, and (b) ■■ MW of MISO planning reserves and transmission losses; (ii) the new \$456 Million Mt. Olive to Sarepta 60 mile 500 kV Transmission Line and Facilities, plus \$750,000 Sterlington 500 kV Substation Upgrades; (iii) natural gas pipeline-related costs needed for new CCCTs; and (iv) revenue requirement of new Babel to Webre 500 kV transmission line, to the extent determined needed for Meta load in a future certification proceeding.

**Five-Year Notice for Termination of Laidley ESA:**<sup>37</sup> The length of the notice Laidley is required to give Entergy prior to the end of the initial contract term, should Laidley decide not to renew, must be increased from one year to five years.

**Cost-Recovery Cap of \$3.2 Billion for Three New CCCTs Not Vetted Through RFP Process:**<sup>38</sup> Entergy's cost recovery for the three new CCCT generation resources ("Planned Generators") of 2,262 MW must be capped at the \$3.2 Billion amount presented in Entergy testimony, with possible exception for impacts due to a change in law.

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<sup>36</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, HSPM\_AEO Version, at 4/15 – 5/12, 12/7 – 14/8, and 16/1 – 18/4 (April 11, 2025). The shortfall appears to be reduced by Entergy's proposed Rider 2 to the ESA (provided by Entergy only in its Rebuttal Testimony), but the Minimum Bill remains insufficient to protect customers.

<sup>37</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 7/1 – 9/10 (April 11, 2025); Cross-Answering Testimony of LEUG Witness Mr. Maurice Brubaker at 4/3-8 (May 9, 2025).

<sup>38</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 9/11 – 11/5 (April 11, 2025); Cross-Answering Testimony of LEUG Witness Mr. Maurice Brubaker at 5/1 – 7/24 (May 9, 2025).

**Entergy to Bear Risk of Parental Guaranty Uncertainty:**<sup>39</sup> Entergy shareholders, rather than other Entergy ratepayers, should be required to bear the risk of whether the Parental Guaranty offered by Laidley's parent company, Meta, will ultimately be enforceable and collectable, considering Entergy shareholders will receive \$48 Million in Return-on-Equity profit for each Billion of rate base investment to serve Meta.

**Prohibit Preferential and Discriminatory Access to Renewable Generation:**<sup>40</sup> Entergy must be prohibited from granting Laidley preferential treatment and discriminatory access to renewable generation, as follows:

- (1) Prohibit Entergy from providing preference to Laidley for 1,500 MW of renewable ahead of other existing Entergy customers that are already on a subscription or waiting for renewable generation. (More than 3,000 MW of industrial needs already in-line and still waiting for renewables); and
- (2) Prohibit Entergy from providing a new, direct path to Laidley for access to renewable power through unsolicited offers without providing a similar non-discriminatory path to other Industrial customers.

**Deny Preferential and Discriminatory CSR in Violation of Commission Tariff General**

**Order:**<sup>41</sup> Pursuant to the Commission Tariff General Order, Entergy's proposed CSR

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<sup>39</sup> Direct Testimony of LEUG Witness Mr. Maurice Brubaker, Public Version, at 11/6 – 12/9 (April 11, 2025); Cross-Answering Testimony of LEUG Witness Mr. Maurice Brubaker at 8/1 – 9/24 (May 9, 2025).

<sup>40</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, Public Version, at 25/15 – 30/17 (April 11, 2025).

<sup>41</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, HSPM\_AEO Version, at 25/1-14 and 30/18 – 33/15 (April 11, 2025).

should be equally available to all customers on a non-discriminatory basis, if not denied implementation in its entirety.

**Require Certification Proceeding for Babel to Weber 500 kV Transmission Line and Inclusion in Minimum Bill:**<sup>42</sup> Entergy's application in this proceeding must be conditioned on Entergy filing a future certification proceeding for the \$1.07 Billion Babel to Weber 500 kV transmission line and on Laidley's Minimum Bill increasing to include the revenue requirement of the line,<sup>43</sup> to the extent the Commission determines in a future certification proceeding that such line would not be needed in 2030 but to serve Laidley's load.

- g. Whether the Commission should require a future certification proceeding for the planned Babel to Weber transmission line and condition any such certification on increasing the minimum bill charges to Laidley to include its revenue requirement, in whole or in part, if the Commission determines in that future certification proceeding that the Babel to Weber transmission line would not be needed in 2030 but for the addition of the Customer's load.***

Yes, any approval of Entergy's application in this proceeding should be conditioned on Entergy filing a future certification proceeding for the \$1.07 Billion Babel to Weber 500 kV transmission line and on Laidley's Minimum Bill increasing to include the revenue requirement of the line,<sup>44</sup> to the extent the Commission determines in a future certification proceeding that such line would not be needed in 2030 but to serve Laidley's load. Approval without such conditions

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<sup>42</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, Public Version, at 24/5-10 (April 11, 2025).

<sup>43</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, Public Version, at 23/11-23 and FN 18 (April 11, 2025).

<sup>44</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, Public Version, at 23/11-23 and FN 18 (April 11, 2025).

would result in Entergy's other customers being further exposed to additional revenue requirement driven by Entergy's need to serve Laidley.<sup>45</sup>

As discussed under Contested Issue "a," the Minimum Bill provision is intended to protect other customers from bearing the costs incurred by Entergy to serve Laidley if Laidley's load does not materialize as expected. However, Entergy has not included all expenses to serve Laidley in its calculation the Minimum Bill. The cost of the Babel to Webre transmission line may be one such expense, as the evidence in this proceeding supports that such line may not be needed in 2030 *but for* Entergy's needing to serve Laidley load.<sup>46</sup> Thus, customers should not be exposed to the risk of such expense simply because Entergy has not yet requested Commission certification of that additional capital investment.

***h. Whether customers should be shielded from the costs of any other, unidentified transmission facilities that may be needed to serve Laidley.***

Yes. Please LEUG's position in response to Contested Issues "e," "f," and "g."

***i. Whether the Electric Service Agreement and Contribution in Aid of Construction and Capital Costs Agreement are subject to Commission approval.***

LEUG reserves the right to address this Contested Issue in post-hearing briefs based on applicable law and the evidentiary record.

***j. Whether the Commission should authorize ELL to implement the CSR.***

No, the Commission should deny Entergy's request to implement the CSR. As both LEUG witness Mr. Dauphinais and Staff witness Mr. Sisung have testified, the CSR violates the

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<sup>45</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, Public Version, at 24/5-10 (April 11, 2025).

<sup>46</sup> Direct Testimony of LEUG Witness Mr. James Dauphinais, Public Version, at 23/8-9 and 23/19 – 24/4 (April 11, 2025).

Commission Tariff General Order and would result in discriminatory and preferential treatment to Laidley. Further, as discussed in both the direct testimony of Mr. Dauphinais and Cross-Answering Testimony of Mr. Lane Sisung, certain provisions of the CSR are in conflict with Entergy's Rider Geaux Zero.

The CSR would allow Laidley preference to 1,500 MW of renewable generation, in advance of other customers that have been waiting for Entergy to acquire renewable resources to address their own corporate sustainability goals. Allowing Laidley to "cut in line" is not only unfair to existing customers, but is in direct conflict with terms of Entergy rider schedules approved by the LPSC, such as Rider Geaux Zero.

In addition, the CSR and procurement of 1,500 of renewable generation to Laidley would provide Laidley a new, direct path for access to renewable power through unsolicited offers without providing a similar non-discriminatory path to other Industrial customers. The desire of Laidley for renewable generation is not unique to Laidley. For example, existing industrial customers are currently waiting for in excess of 3,000 MW of renewable generation to address existing needs. As discussed by Mr. Dauphinais in direct testimony, creating a new approach to address Laidley's renewable generation needs that is not available to other customers is discriminatory against existing customers and in violation of the Commission Tariff General Order.

Pursuant to the Commission Tariff General Order, and as recommended by Mr. Dauphinais in testimony, if the Commission authorizes Entergy to implement its provisions, the Commission should require Entergy to make the CSR provisions equally available to all customers on a non-discriminatory basis.



***k. Whether the CSR provisions pose a risk of harm to customers.***

Yes. Please see LEUG response to Contested Issue “j.”

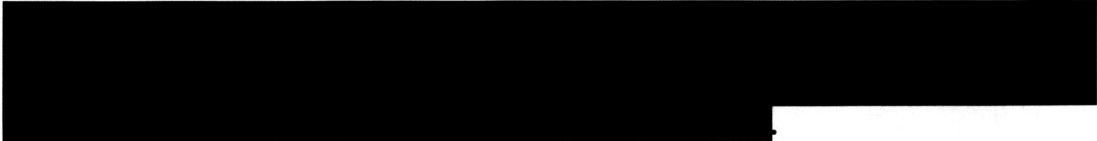
***l. Whether ELL may solicit, procure, certify, and designate to Customer 1,500 MW of solar and/or hybrid resources (“Initial Renewable Subscription Amount”) as contemplated by and detailed in the CSR and associated ratemaking treatment.***

No. Please see LEUG response to Contested Issue “j.”

***m. Whether the provisions of the CSR adequately ensure the development of 1,500 MW of solar and/or hybrid resources.***

Please see LEUG responses to Contested Issues “j,” “k,” and “i” for its position on the CSR.

***n.***



In its direct testimony, Entergy put forth a proposal to defer and amortize revenue from Laidley that is in excess of a corresponding revenue requirement at the time of receipt; and in its direct testimony, Staff proposed a modified version of Entergy’s proposed revenue deferral. LEUG witnesses have not addressed the mechanics of either Entergy or Staff’s proposals. Rather, Mr. Brubaker testified that the Commission’s adoption of Staff’s proposals on revenue deferral (or revenue sharing) would not address the key issues that he and Mr. Dauphinais have put forward in testimony.<sup>47</sup> Thus, resolution of this Contested Issue does not alleviate LEUG’s concerns with respect to the proposals contained in the ESA and other components billings to Laidley and risks imposed on other customers.

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<sup>47</sup> Cross-Answering Testimony of LEUG Witness Mr. Maurice Brubaker at 10/16 – 11/2 (May 9, 2025).

## **II. CONCLUSION**

**WHEREFORE**, LEUG respectfully requests any Commission order authorizing Entergy to proceed with investing Billions of dollars to serve the new Laidley Data Center load to require Entergy to mitigate the risks imposed on Entergy's existing ratepayers as recommended in testimony of Mr. Dauphinais and Mr. Brubaker. Further, LEUG respectfully requests that the Commission reject Entergy's proposed preferential and discriminatory CSR as violating the LPSC Tariff General Order and Rider Geaux Zero, and/or require Entergy to modify the CSR so that it is in compliance with Commission orders and available to other customers.

RESPECTFULLY SUBMITTED:



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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of Louisiana Energy Users Group's Pre-Hearing Brief has been served by electronic mail and/or by U.S. mail, postage prepaid, on all parties on the Official Service List.

New Orleans, Louisiana this 3<sup>rd</sup> day of July, 2025.



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Carrie R. Tournillon