

**BEFORE THE**  
**LOUISIANA PUBLIC SERVICE COMMISSION**

**ENTERGY LOUISIANA, LLC,                    )**  
**EX PARTE. *IN RE*: APPLICATION            )**  
**FOR EXTENSIONS OF GAS RATE            )**  
**STABILIZATION PLAN AND                 )**  
**INFRASTRUCTURE RIDER AND               )**  
**REQUEST FOR EXPEDITED                 )**  
**HEARING                                        )**

**DOCKET NO. U-\_\_\_\_\_**

**DIRECT TESTIMONY**

**OF**

**RYAN DANIEL JONES**

**ON BEHALF OF**

**ENTERGY LOUISIANA, LLC**

**APRIL 2022**

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## EXHIBITS

<u>Name</u>	<u>Description</u>
Exhibit RDJ-1	List of Prior Testimony
Exhibit RDJ-2	Gas Rate Stabilization Plan, <i>in globo</i>
Exhibit RDJ-3	IIRR-G Rider, <i>in globo</i>

**I. INTRODUCTION**

Q1. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is Ryan D. Jones. I am employed by Entergy Louisiana, LLC (“ELL” or the “Company”) as a Senior Lead Analyst, Regulatory Affairs. My business address is 4809 Jefferson Highway, Jefferson, Louisiana 70121.

Q2. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I hold a Bachelor of Science in Management degree with a major in Finance from Tulane University in New Orleans, Louisiana. I also hold a Master of Management in Energy from Tulane University. I began working for Entergy Services, LLC (“ESL”) in 2015 as a Financial Analyst where I maintained the budget and financial model inputs and provided additional support for ESL’s Customer Operations Support and Commercial Development and Innovation organizations. In 2018, I transferred to work for Louisiana Regulatory Affairs. In that capacity, I am responsible for providing regulatory support services to ELL and for coordinating various dockets and filings before the Louisiana Public Service Commission (“LPSC” or “Commission”). I am also responsible for supporting and/or making certain rate filings on behalf of ELL.

Q3. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY PROCEEDING?

A. Yes. A listing of the cases in which I have previously testified is attached hereto as Exhibit RDJ-1.

1 Q4. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

2 A. I am testifying on behalf of ELL.

3  
4 **II. BACKGROUND INFORMATION**

5 Q5. PLEASE PROVIDE AN OVERVIEW OF ELL'S GAS SERVICES.

6 A. ELL's local distribution company ("LDC") provides gas services for approximately 96,000  
7 residential, commercial, industrial, and governmental customers in East Baton Rouge  
8 Parish, and is responsible for the safe and reliable operation, planning, engineering,  
9 construction, maintenance, and monitoring of ELL's gas systems.

10  
11 Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

12 A. The purpose of my testimony is to support the Company's request for Commission  
13 approval to extend ELL's current Gas Rate Stabilization Plan ("RSP") for an additional  
14 three-year term, with all material provisions left unchanged. I also support the Company's  
15 request for the Commission to approve an extension of ELL's current Gas Infrastructure  
16 Investment Recovery Rider ("IIRR-G Rider"), which is set to expire during the term of the  
17 proposed RSP extension period and thus should be addressed simultaneously. As discussed  
18 in the testimony of Company witness James J. Dillard, the extension of the IIRR-G Rider  
19 is beneficial to the Company's ongoing effort to provide safe and reliable gas service to  
20 customers.

21  
22 Q7. HOW ARE THE COMPANY'S GAS BASE RATES CURRENTLY SET?

23 A. The rates charged for ELL's LDC have been established and adjusted under an RSP since  
24 2006. The most recently approved version of the RSP was adopted pursuant to LPSC

1 Order No. U-35370 issued in February 2020. The current RSP is now in its final year (with  
2 the final Test Year for the approved three-year term ending September 30, 2021), and it  
3 will expire unless renewed or extended by agreement of the LPSC and ELL.

4 Under the terms of the current RSP, following each calendar year of the RSP, ELL  
5 is required to file an Evaluation Report by January 31 that reflects the Company's operating  
6 earnings from gas operations for the immediately preceding twelve months ending  
7 September 30, sometimes referred to as the "Test Year" or "Evaluation Period." Thus, the  
8 rate effective period for each RSP is based upon the LDC's operating results for the prior  
9 twelve months ending September 30, and the beginning of the rate effective period does  
10 not commence until May, approximately eight months after the close of the Test Year. The  
11 RSP Evaluation Reports commonly are identified by the calendar year that forms the final  
12 nine months of the Test Year. For example, the RSP Evaluation Report filed in January  
13 2022 for the twelve months ended September 30, 2021, is referred to as the "2021 TY  
14 RSP." Thus, the rate effective period for the 2021 TY RSP terminates April 2023.  
15 However, these rates will remain in effect until changed as a result of another rate  
16 proceeding.

17  
18 Q8. CAN YOU ELABORATE ON HOW THE COMPANY'S GAS RATES ARE  
19 CURRENTLY SET?

20 A. ELL's RSP regulates gas base rates using an approved Evaluation Period Cost Rate for  
21 Common Equity ("EPCOE") and permits prospective rate changes if ELL's Test Year  
22 operating earnings produce an earned rate of return on common equity ("EROE") either  
23 lower or higher than the approved EPCOE plus or minus an earnings Bandwidth within

1        which rates do not change (*i.e.*, the “Dead Band”). ELL’s RSP includes an approved  
2        EPCOE of 9.80%. The Dead Band includes those values 50 basis points above the EPCOE  
3        (“Upper Band”) and 50 basis points below the EPCOE (“Lower Band”). If operating  
4        results yield an EROE that is within the Dead Band, no change in rates is made.

5                The Gas RSP has a two-tiered sharing structure for Test Year operating results that  
6        fall outside of the Dead Band. For differences between the EROE and the EPCOE of up  
7        to 200 basis points, rates will be increased or decreased by 50% of the difference necessary  
8        to bring the EPCOE to the endpoint of the Dead Band (*i.e.*, 50 basis points above or below  
9        the approved EPCOE of 9.80%), as appropriate. For example, if the EROE were 11.80%,  
10       200 basis points above the EPCOE, rates would be reduced by the amount necessary to  
11       reduce the EROE by 75 basis points to 11.05% (*i.e.*, one half of the difference between 200  
12       basis points and 50 basis points above the EPCOE).

13               For differences between the EROE and the EPCOE of more than 200 basis points,  
14       rates will be adjusted by 100% of the amount necessary to eliminate the return differential  
15       in excess of 200 basis points plus one half of the difference between 200 basis points and  
16       the end point of the Dead Band. For example, if the EROE was 7.30% (*i.e.*, 250 basis  
17       points below the EPCOE), rates would be increased by an amount equal to that necessary  
18       to increase the return by the 50 basis points necessary to reach 200 basis points below the  
19       EPCOE, plus 75 basis points to 8.55% (for one half of the difference between 200 basis  
20       points and 50 basis points below the EPCOE).

1 Q9. DOES THE RSP WORK IN CONJUNCTION WITH THE IIRR-G RIDER?

2 A. Yes. The RSP works in conjunction with the IIRR-G Rider. Both the IIRR-G Rider and  
3 the RSP include a customer safeguard that 100% of any earnings from gas operations above  
4 the Upper Band of the Gas RSP shall be credited against the IIRR-G Rider. The extension  
5 of the RSP, in conjunction with the extension of the IIRR-G Rider, would continue a timely  
6 and efficient means of establishing just and reasonable rates for ELL's LDC.

7  
8 Q10. PLEASE DESCRIBE THE IIRR-G RIDER IN MORE DETAIL, INCLUDING WHEN  
9 AND HOW IT CAME INTO EXISTENCE.

10 A. The IIRR-G Rider was first approved by LPSC Order No. U-32682-A issued in January  
11 2015. The IIRR-G Rider primarily serves as a means for ELL to recover the fixed costs  
12 associated with its long-term accelerated pipe replacement program and the non-revenue  
13 producing investments to address government mandates and historic underground utility  
14 conflicts.

15 ELL developed its accelerated pipe replacement program in response to a 2009  
16 directive from the U.S. Department of Transportation Pipeline and Hazardous Materials  
17 Safety Administration ("PHMSA"). The PHMSA directive required that operators identify  
18 segments of their pipelines where an incident could cause serious consequences and  
19 implement a program to provide greater assurance of the integrity of these pipeline  
20 segments.

21 Consistent with the PHMSA directive, ELL developed an Integrity Management  
22 ("IM") program to analyze its gas distribution pipelines and identify and manage risks to  
23 and posed by the pipelines. Through its IM program, ELL identified approximately 100

1 miles of cast iron, bare steel, and early vintage plastic pipe across its system that, when  
2 originally installed, were of material accepted throughout the industry as safe and reliable,  
3 but have since been shown throughout the industry to present safety and reliability issues,  
4 and thus, should be replaced. The IM program also includes government-mandated projects  
5 requiring ELL to move existing pipe in certain circumstances such as street rehabilitation  
6 projects, sewer replacements, and road widening programs.

7 Considering that traditional base rate recovery, which generally requires load  
8 growth to “fund” incremental net investment, does not work efficiently for significant non-  
9 revenue producing infrastructure investments such as that identified by the IM program,  
10 and also considering the need to strike a balance between expediting the replacement  
11 program and managing the financial effects on the Company and its customers, the IIRR-  
12 G Rider was developed and approved by the Commission for a term of 10 years. It was  
13 first implemented in rates for the first billing cycle of July 2015, and is thus set to expire  
14 in July 2025, during the term of the proposed RSP extension. Moreover, as noted above,  
15 the IIRR-G Rider contains a customer safeguard such that if ELL has earned in excess of  
16 the Upper Band of the Dead Band, then 100% of any RSP Excess shall first be applied to  
17 prospectively offset the Rider revenue requirement.

18  
19 Q11. DOES THE COMPANY REGULARLY KEEP THE COMMISSION APPRISED OF  
20 PROGRAM COSTS UNDER THE IIRR-G RIDER?

21 A. Yes, the Company keeps the Commission apprised of program costs. IIRR-G Rider rates  
22 are updated through quarterly filings in LPSC Docket No. U-35370, and the Company also  
23 submits an annual progress report in that docket contemporaneous with the submission of



1 its annual RSP Evaluation Report that provides a comparison of actual and planned  
2 spending for each program year.

3  
4 Q12. WHY IS THE COMPANY PROPOSING TO EXTEND BOTH THE RSP AND THE  
5 IIRR-G RIDER IN THIS PROCEEDING?

6 A. ELL's RSP is only authorized through Test Year 2021, meaning it is set to expire in May  
7 2023, after which ELL has no approved mechanism for setting and evaluating base rates  
8 beginning with the twelve months ended September 30, 2022 (which would be Test Year  
9 2022). ELL is seeking Commission approval to extend the RSP for an additional three-  
10 year period, through April 2026, which would include Test Years 2022, 2023, and 2024.

11 LPSC Order No. U-32682-A established a sunset date for Rider IIRR-G of "ten  
12 years from the date of implementation, i.e., September 30, 2024." ELL made its initial rate  
13 determination filing on March 2, 2015, which covered the three-month period ended  
14 December 31, 2014, for rates effective from April – June 2015. As such, the final period  
15 for eligible additions is the three months ending September 30, 2024, with rates effective  
16 from January – March 2025.

17 Because Rider IIRR-G is set to expire during the term of the proposed RSP  
18 extension period – and also because the IIRR-G Rider works in conjunction with the RSP,  
19 as I described earlier, it is necessary and appropriate for the Commission to consider the  
20 extension of both mechanisms at the same time. If the Commission were to approve only  
21 the RSP, extending it for three years as proposed, then RSP rates would be effective  
22 through May 2026, but the IIRR-G Rider would expire prior to the end of the RSP  
23 extension period, leaving no safeguard mechanism for issuing refunds to customers of

1 potential RSP Excess Earnings. In seeking to extend both the RSP and the IIRR-G Rider  
2 in this proceeding, the Company is trying to avoid that result.

3 The Commission thus should consider the RSP and IIRR-G Rider at the same time  
4 and extend both mechanisms to ensure they continue to operate together. Indeed, as noted  
5 above, the requested extension of the Gas RSP, in conjunction with the IIRR-G Rider,  
6 would preserve a timely and efficient means of establishing just and reasonable rates for  
7 ELL's LDC.

8  
9 **III. REQUEST FOR RSP EXTENSION**

10 Q13. HAVE THE COMPANY AND ITS CUSTOMERS BENEFITTED FROM RATES  
11 BEING SET UNDER THE RSP?

12 A. Yes. The RSP has provided a timely and efficient mechanism for the Commission to review  
13 rates and determine whether adjustments are necessary. The use of an RSP provides  
14 significant administrative efficiencies (both in terms of cost and time) as compared to base  
15 rate cases. The RSP also helps to ensure that adjustments to rates will be made in a timely  
16 fashion, which benefits both customers and the Company. Since the most recent extension  
17 approved by LPSC Order No. U-35370, the RSP has led to both decreases and increases in  
18 rates based on the Company's earned rate of return as calculated and reflected in the Annual  
19 Evaluation Reports. The RSP has likewise allowed the Company to timely adjust rates  
20 based on changing circumstances. For example, the RSP provided an effective and  
21 efficient mechanism for adjusting rates to account for the effect of the Tax Cuts and Jobs  
22 Act of 2017 in order to pass along the associated benefits to customers.

1 Q14. HAS THE COMMISSION FAVORED UTILIZING FORMULA RATES LIKE THE RSP  
2 TO ESTABLISH RATES FOR LOUISIANA LDCS?

3 A. The Commission has repeatedly found that formula-based regulation and review like the  
4 RSP to be in the public interest, and as such, the Commission currently uses either an RSP  
5 or similar process to set rates for all LPSC-jurisdictional investor-owned utilities and a  
6 myriad of other LDCs subject to its jurisdiction. Absent a material change in cost structure  
7 requiring a more expansive review, a formulaic rate-setting paradigm permits the  
8 Commission to focus on the benefits and costs of ELL's significant capital investment  
9 decisions, providing much greater clarity regarding the effects of such investments than  
10 might be provided were the investment decisions to be considered as part of a broader rate  
11 case filing.

12  
13 Q15. IS THE COMPANY PROPOSING SIGNIFICANT MODIFICATIONS TO ANY OF THE  
14 TERMS OF THE RSP?

15 A. No, and ELL is not asking for a rate increase. The Company is proposing that all material  
16 provisions be left unchanged, including the approved EPCOE of 9.80%. ELL is also not  
17 requesting an initial rate reset to the approved EPCOE, but instead, is simply requesting  
18 that the current 9.80% EPCOE be maintained for an additional three-year period.

19  
20 Q16. HOW DO ELL'S CURRENT RATES COMPARE TO OTHER LPSC-  
21 JURISDICTIONAL GAS LDCS?

22 A. As of February 2022, according to the most recent available data provided by the  
23 Commission Staff on its website, ELL's rates are among the lowest in the state. ELL's

1 customer charge is the second lowest in the state, and its Purchased Gas Adjustment  
2 (“PGA”) charge is the third lowest (excluding St. Amant Gas Company, which is shown  
3 to have a \$0 PGA rate). Total bills for a typical ELL gas customer using 40 CCF per month  
4 are also the second lowest in the state (again, excluding St. Amant Gas Company, which  
5 is shown to have a \$0 PGA rate).

6  
7 Q17. HOW DOES THE CURRENTLY APPROVED EPCOE AND EARNINGS DEADBAND  
8 COMPARE TO OTHER LOUISIANA LDCS?

9 A. ELL’s currently approved, and proposed, EPCOE of 9.80% is lower than that of other  
10 Louisiana LDCs. Most recently, ELL’s EPCOE was modified by LPSC Order No. U-  
11 35370 wherein the Commission approved a reduction in ELL’s previously approved  
12 EPCOE of 9.95% that was established by LPSC Order U-32425 following a review of the  
13 Company’s Return on Equity (“ROE”). In December 2020, both CenterPoint Energy  
14 Resources Corporation (“CenterPoint”) rate divisions were granted extensions of their  
15 RSP, with an approved EPCOE of 9.95% and a fixed hypothetical equity ratio of 52%  
16 through the test year ended June 30, 2022.<sup>1</sup> The terms of CenterPoint’s RSP provide for a  
17 50 basis point earnings deadband within which rates do not change; however, if earnings  
18 fall outside of that bandwidth, rates are reset to the midpoint EPCOE of 9.95%. Currently,  
19 CenterPoint has pending applications for extensions of its RSPs, requesting to extend the  
20 formula rates with all material provisions left unchanged, including the approved 9.95%

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<sup>1</sup> See LPSC Order No. U-35739, *CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex, ex parte.*, In re: *Report of Earnings and Return on Equity for the Louisiana Division for the Twelve Months Ending June 30, 2020.*; see also LPSC Order No. U-35740, *CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkla, ex parte.*, In re: *Report of Earnings and Return on Equity for the Louisiana Division for the Twelve Months Ending June 30, 2020.*

1 EPCOE, for another three years, through the test year ended June 30, 2025.<sup>2</sup> Staff has  
2 recommended approval of those requests.<sup>3</sup>

3 Moreover, in March 2021, Atmos Energy Corporation (“Atmos”) was granted an  
4 extension of its RSP, with an approved benchmark return on rate base of 7.3%.<sup>4</sup> By way of  
5 comparison, ELL’s benchmark return on rate base in its most recent RSP Evaluation Report  
6 was 6.76%. An equivalent EPCOE that would result in a 7.3% return on rate base for ELL  
7 would be 10.9% -- which is greater than the Company’s proposed EPCOE of 9.80%. It is  
8 also worth noting that Atmos’s RSP does not provide for an earnings deadband like both  
9 ELL’s RSP and CenterPoint’s RSP, meaning that rates are reset to the benchmark level  
10 each year.

11 In February 2022, South Coast Gas Company filed an Application for Extension of  
12 its Rate Stabilization Plan, including a request to maintain its currently approved EPCOE  
13 of 10.00%.<sup>5</sup> That docket remains pending.

14 It is clear that the LPSC regards the appropriate EPCOE for a gas LDC subject to  
15 an RSP in Louisiana as being between 9.80% to 10.00% or above. From an analytical  
16 perspective, this very narrow range of EPCOE findings suggests that the LPSC views each  
17 of these gas LDCs as having similar equity risk. Given the risk comparability of ELL gas

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<sup>2</sup> See LPSC Docket No. U-36124, *CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex, ex parte., In re: Application for Renewal of Rate Stabilization Plan Rider.*; see also LPSC Docket No. U-36126, *CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkla, ex parte., In re: Application for Renewal of Rate Stabilization Plan Rider.*

<sup>3</sup> *Id.*

<sup>4</sup> See LPSC Order No. U-35535, *Atmos Energy Corporation, ex parte., In re: Application for Review of the Rate Stabilization Clause Tariff of the Consolidated Division of Atmos Energy Corporation.*

<sup>5</sup> See LPSC Docket No. U-36276, *South Coast Gas Company, Inc., ex parte., In re: Application for Extension of Rate Stabilization Plan.*

1 to other Louisiana gas LDCs, as well as in consideration of recent Commission findings,  
2 ELL's request for maintaining a 9.80% EPCOE for its RSP renewal is consistent with other  
3 LDCs, is reasonable, and is in the public interest.  
4

5 Q18. ARE THERE OTHER REASONS WHY THE CURRENTLY AUTHORIZED EPCOE  
6 SHOULD BE MAINTAINED?

7 A. Yes. Based on the existing RSP mechanism, the authorized EPCOE is established for the  
8 term of the RSP and is not re-evaluated based on changes in market conditions, or the risk  
9 profile of the Company. As such, the RSP provides customers with protection from  
10 increases in the cost of equity capital during the term of the RSP, which is an especially  
11 important consideration given recent macroeconomic trends, and specifically, the recent  
12 and significant rise in interest rates, and the Federal Reserve's stated policy to steadily  
13 increase rates. The COVID-19 pandemic has also demonstrated that unique and unexpected  
14 risks can arise at any time. To be sure, there is a benefit to both customers and the Company  
15 to extending the RSP at this time in order to mitigate the risks associated with uncertainty  
16 around the future cost of capital. Extending the RSP for three years at the currently  
17 authorized EPCOE provides a reasonable balance between these risks to both customers  
18 and the Company.  
19

20 **IV. REQUEST FOR IIRR-G RIDER EXTENSION**

21 Q19. IS THE COMPANY PROPOSING ANY CHANGES TO THE IIRR-G RIDER?

22 A. The only change that ELL is proposing is to extend the IIRR-G Rider for a period of fifteen  
23 (15) years so that the Company may continue to replace certain high-risk pipe and

1 equipment identified through its IM program, consistent with the original intent of the  
2 IIRR-G Rider. As described by Mr. Dillard, ELL continues to perform replacement work  
3 and to maintain an IM program, and continually evaluates its system for risks to pipeline  
4 integrity and safety. Through the IM Program, the Company has identified approximately  
5 187 miles of vintage steel pipe and associated mechanical fittings that the Company  
6 believes should be replaced. The targeted equipment has been in service for approximately  
7 80 to 100 years and has been found to be prone to leaks or failure and other potential safety  
8 issues. An extension of the IIRR-G Rider would allow ELL to continue to perform  
9 necessary work under its replacement program, in particular replacing vintage steel pipe,  
10 and to recover the costs associated with the program. Other than to authorize an extension  
11 of the IIRR-G Rider, ELL is not proposing any changes to the mechanism.

12  
13 Q20. WHY IS THE COMPANY PROPOSING TO EXTEND THE IIRR-G RIDER FOR 15  
14 YEARS?

15 A. As discussed by Mr. Dillard, replacement work remains to be done. The amount of vintage  
16 steel pipe recently identified for replacement by the IM program is significant and will take  
17 considerable time. ELL is proposing to perform the replacement of vintage steel pipe over  
18 a period of 15 years in consideration of both the cost and the amount of pipe needing  
19 replacement. Performing these replacements over 15 years will provide for more gradual  
20 rate increases in line with those that have been experienced through the IIRR-G Rider to  
21 date, and it will ensure that ELL's workforce and contractors are replacing the pipe in an  
22 orderly, methodical process that is within the annual budgets for the accelerated pipe  
23 replacement program.

Shown below are the proposed annual budgets for the current proposal. Table 1 shows the estimated miles of pipe replacement, and Table 2 shows the estimated annual cost of pipe replacement (in thousands of dollars).

**Table 1**

Estimated Miles Replaced Per Year								
	2025	2026	2027	2028	2029	2030	2031	2032
Total for Year	12	12	12	12	13	13	13	13
Cumulative Total	12	24	36	48	61	74	87	100
	2033	2034	2035	2036	2037	2038	2039	
Total for Year	13	13	13	12	12	12	12	
Cumulative Total	113	126	139	151	163	175	187	

**Table 2**

Estimated Spend Per Year								
	2025	2026	2027	2028	2029	2030	2031	2032
Total for Year	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,500	\$ 6,825	\$ 6,825	\$ 6,825
Cumulative Total	\$ 6,000	\$ 12,000	\$ 18,000	\$ 24,000	\$ 30,500	\$ 37,325	\$ 44,150	\$ 50,975
	2033	2034	2035	2036	2037	2038	2039	
Total for Year	\$ 6,825	\$ 6,825	\$ 7,150	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,600	
Cumulative Total	\$ 57,800	\$ 64,625	\$ 71,775	\$ 78,375	\$ 84,975	\$ 91,575	\$ 98,175	

\* Dollars are in thousands. Adjusted for inflation at 5yr marks.

## V. CONCLUSION

Q21. PLEASE SUMMARIZE THE COMPANY'S REQUESTED RELIEF IN THIS DOCKET.

A. ELL is requesting approval of its proposal to extend its currently authorized Gas RSP for an additional three (3) year term, without material modifications, and to extend its IIRR-G Rider for fifteen (15) years so that the Company may continue to replace pipe on an accelerated basis to reduce safety and reliability risks on its system.



1 Q22. DO YOU BELIEVE EXTENSION OF THE CURRENT RSP AND THE IIRR-G RIDER  
2 IS IN THE PUBLIC INTEREST?

3 A. Yes, I do. The Commission has been very supportive of RSPs for many years, and ELL's  
4 RSP has served to benefit both the Company and its customers. It has been an efficient  
5 rate-setting mechanism that has kept ELL's earnings in check and has allowed the  
6 Company to pass along benefits to customers in a timely manner. Moreover, the IIRR-G  
7 Rider has helped ELL improve the safety and integrity of its system by enabling accelerated  
8 pipe replacements while also providing additional ratepayer protections by placing a  
9 ceiling on the Company's earnings. Extending both the Gas RSP and the IIRR-G Rider  
10 will ensure that customer protections inherent in both mechanisms are maintained, will  
11 continue to support the orderly replacement of aging infrastructure, and will continue to  
12 provide rate certainty for the terms of the extensions. Following severe weather events in  
13 2020 and 2021, the Commission and regulated utilities have had a renewed focus on  
14 resiliency and reliability of utility infrastructure. While the focus has been on electric  
15 infrastructure, resiliency and reliability of gas distribution infrastructure is also important  
16 enough to warrant collaboration between the Commission and regulated gas utilities to  
17 achieve those ends. I respectfully submit that extension of the Gas RSP and IIRR-G Rider  
18 serves the public interest and promotes resiliency and reliability of gas distribution  
19 infrastructure.

20  
21 Q23. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

22 A. Yes, at this time.

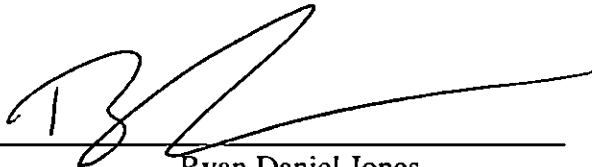
**AFFIDAVIT**

STATE OF LOUISIANA

PARISH OF JEFFERSON

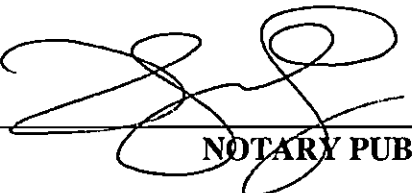
**NOW BEFORE ME**, the undersigned authority, personally came and appeared, **Ryan Daniel Jones**, who after being duly sworn by me, did depose and say:

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

  
\_\_\_\_\_  
Ryan Daniel Jones

**SWORN TO AND SUBSCRIBED BEFORE ME**

THIS 12 DAY OF April, 2022

  
\_\_\_\_\_  
**NOTARY PUBLIC**

My commission expires: at death

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