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June 8, 2018

Via Fax (225-348-0877) & UPS

Ms. Terri Lemoine Bordelon
Records and Recording Division
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 North 5th Street
Baton Rouge, LA 70802

Re: *In Re:* Rulemaking Docket to Determine the Appropriate Formula for Charges to Developers of Residential Subdivisions for Underground Electric Service Pursuant to Existing Applicable Louisiana Public Service Commission General Orders – LPSC Docket No. R-34661

Dear Ms. Bordelon,

I have enclosed the original and three copies of Entergy Louisiana, LLC's Comments in the above referenced matter. Please file this document in the record in accordance with the Commission's fax filing procedures and return a date-stamped copy to me in the enclosed, self-addressed envelope. I have enclosed a check in the amount of \$25.00 to cover the fax filing fee.

If you have any questions, please do not hesitate to call me. Thank you for your courtesy and assistance with this matter.

Respectfully submitted,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke.

Michael J. Plaisance

MJP/bkd
Enclosures

cc: Official Service List (by Email)

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: RULEMAKING DOCKET TO)	
DETERMINE THE APPROPRIATE)	
FORMULA FOR CHARGES TO)	
DEVELOPERS OF RESIDENTIAL)	
SUBDIVISIONS FOR UNDERGROUND)	DOCKET NO. R-34661
ELECTRIC SERVICE PURSUANT TO)	
EXISTING APPLICABLE LOUISIANA)	
PUBLIC SERVICE COMMISSION)	
GENERAL ORDERS)	

COMMENTS OF ENTERGY LOUISIANA, LLC

NOW BEFORE THIS COMMISSION, through undersigned counsel, comes Entergy Louisiana, LLC (“ELL” or the “Company”), which submits these comments in response to Louisiana Public Service Commission (“LPSC” or “Commission”) Staff’s Initial Request for Information and Comments dated April 25, 2018 in the above-captioned docket. In general, the Company supports the clarity sought by Staff regarding the appropriate formula for charges to developers of residential subdivisions for underground electric service pursuant to existing applicable LPSC General Orders. To Staff’s questions, the Company responds as follows:

Questions 1 and 2 seek information about whether the Company presently calculates, and subsequently charges developers, the cost to extend overhead electric service to lots in a new residential subdivision or to any other residential service location. The Company calculates such costs if overhead electric service would be provided or if the requested extension of underground facilities does not meet the requirements of LPSC General Order (Corrected) dated June 28, 2001. Accordingly, all costs to extend overhead facilities to serve lots in a new subdivision or an individual residential service are calculated using a standard cost estimating system (Distribution Information System (“DIS”)) that is coupled with a General Electric Graphical Design Tool

("GDT") or DIS/GDT. The system incorporates materials cost along with applicable labor and overheads for a specific work order as input by a designer. As for charging developers, in the case of a residential subdivision where 14 or more lots will be served and said lots are less than 200 feet wide, then the anticipated revenue associated with extending overhead electric service to the subdivision is expected to justify the extension and the calculated cost is not passed onto the developer/customer. For singular residential services and for subdivisions less than 14 lots, the overhead cost is calculated and compared to the anticipated revenue to be recovered over a four year period. If the cost to install overhead facilities exceeds the revenue expected over the four year period, then that additional cost is passed onto the customer. This practice is based on the Company's current line extension policy as reviewed by the Commission in LPSC Docket No. U-33244.

Questions 3 and 4 seek information about whether the Company presently calculates, and subsequently charges developers, the cost to extend underground electric service to lots in a new residential subdivision or to any other residential service location. The Company calculates such costs if underground service is requested by the developer/customer. As with overhead electric service, all costs to extend underground facilities to serve lots in a new subdivision or an individual residential service are calculated using the DIS/GDT system. In particular, the Company calculates such costs of providing underground electric service to residential subdivisions of 14 or more lots based on the requirements of LPSC General Order (Corrected) dated June 28, 2001 in conjunction with the Company's use of the DIS/GDT system to calculate the true estimated cost of extending such underground service. For residential subdivisions of less than 14 lots (as shown on final subdivision plat) and for single residences, underground infrastructure is calculated as the cost difference between overhead facilities needed to serve the customer most efficiently and the cost to serve the customer via the most efficient

underground design. In instances where the cost to supply overhead facilities does not meet the revenue justification requirements of the Company's line extension policy, then the customer is responsible for the component of overhead work that is not revenue justified plus any cost difference associated with the underground work.

As for charging developers, in the case of a residential subdivision where 14 or more lots will be served and said lots are less than 200 feet wide, the Company will charge the developer \$5 per front foot (corner lots are calculated using the width that is most consistent with other lots in the subdivision) for underground facilities. For singular residential services and for subdivisions less than 14 lots (as shown on final subdivision plat), the customer/developer is charged the difference in cost between the calculated overhead cost to serve and the calculated underground cost to serve plus any component of the overhead cost estimate that does not satisfy a four-year payback. It should be noted that Entergy will also charge the developer for circumstances that it sees as not addressed by LPSC General Order (Corrected) dated June 28, 2001 such as an overhead/underground cost difference to extend underground facilities down a subdivision road up to the point of the first subdivided lot, charging for additional underground bores to clear obstructions not normally encountered (i.e. trees in the utility servitude), and charging for additional facilities needed to serve subdivision infrastructure such as lift stations or sewer treatment facilities that would not easily be served by the infrastructure installed to serve lots.

Question 5 calls for a legal conclusion in that it asks the Company to state whether it has been authorized by the Commission to charge developers to extend overhead electric service to lots in a new residential subdivision or to any other residential service location. Further responding to Question 5 and Question 6, the Company notes that its line extension policy is publicly available and was reviewed by the Commission in LPSC Docket No. U-

33244. Moreover, without affirming that the Company has not petitioned the Commission for the approval described in Question 7, the Company notes that it is not aware of having done so in conjunction with a particular request for such service.

The Company does not believe that the present \$5 per front foot provides sufficient compensation for the cost differential at issue in this rulemaking, as requested by Question 8. In response to Question 9, as to whether there is a difference in operation and maintenance (“O&M”) expense between underground service and overhead service to lots in a residential subdivision, the Company notes that as a percentage of the overall cost of the job, O&M expenses on the initial installation of overhead or underground facilities will generally be the same when serving new subdivisions or residential lots. However, the Company has not performed the requested analyses as it pertains to ongoing maintenance of the facilities once installed. Accordingly, a more detailed analysis would need to be performed.

Question 10 asks whether the Company believes that there is value in setting a uniform dollar amount per front foot for all utilities instead of using a utility specific calculation of the actual cost differential to extend underground service in lieu of overhead service to lots in a new residential subdivision or to any other residential service location. The Company believes that there is value in setting a uniform dollar amount. Considerable time and effort is extended to the design of underground infrastructure. With limited design resources, the task of creating two cost estimates for every request to supply underground facilities would be overwhelming for the utility from a resource standpoint. Also, by creating a uniform dollar amount per foot cost for underground facilities you will remove the ambiguity that could result from a more formulaic methodology when comparing competing utilities design estimates for both overhead and underground work. Defining key

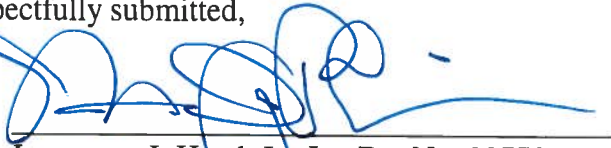
terms associated with the Commission's current policy could help with standardizing "gray" areas of the policy where open interpretation has commonly been used. Some terms that could be defined include:

- Underground Service/Facilities - Electric distribution or transmission infrastructure (lines/cables etc.) placed underground instead of overhead service/facilities to provide electrical power to a customer's home, building, or other premises.
- Overhead Service/Facilities – Electrical distribution or transmission infrastructure (lines/facilities) placed overhead to provide electrical power to customers home, building, or other premises. These are electrical lines/cables running from a utility pole, to a customer's home, building, or other premises.
- Construction Costs – The utility's costs associated with building and constructing the necessary infrastructure to provide electrical service to a customer.
- Developer – Individuals or companies which have purchased land and/or real estate to coordinate, construct, finance, plan, permit, sell etc. all activities for the sale of land and/or real estate property.
- Front Foot – The front measurement in feet for all residential lots/parcels in a subdivision or development, this is not a center-line measurement.

Accordingly, the Company's response to Question 11 is that, for the reasons noted above, it would prefer to use a uniform dollar amount per front foot with additional clarification around key terms. However, the Company has not yet conducted the requisite analysis sought in Question 12.

Respectfully submitted,

By:



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**ATTORNEYS FOR
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CERTIFICATE OF SERVICE

LPSC Docket No. R-34661

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:

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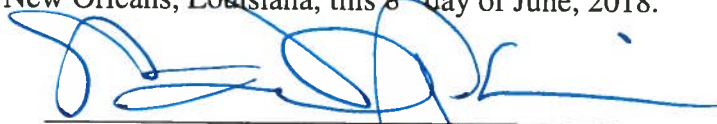
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New Orleans, Louisiana, this 8th day of June, 2018.



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