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Our File Number

28,300

June 2, 2025

**BY FEDEX AND EMAIL**

Louisiana Public Service Commission  
12th floor  
Office of Executive Counsel  
Kimberly N. O' Brian  
Kathryn H. Bowman  
Executive Counsel  
602 North Fifth Street  
Baton Rouge LA 70802  
*Kim.Obrian@la.gov*  
*Kathryn.Bowman@la.gov*

Re: **RFP 25-04, Docket No. TBD, Entergy Louisiana LLC, ex parte. In Re: Request for Approval to Implement a Portfolio of Demand Response Programs**

Dear Ms. Bowman:

Thank you for your May 5, 2025 Request for Proposals ("RFP") for outside counsel for Docket No. TBD, *Entergy Louisiana, LLC, ex parte*, soliciting a proposal for legal services as outside counsel assisting Staff in connection with an anticipated Entergy Louisiana, LLC ("ELL" or "the Company") filing seeking to implement a demand response portfolio, a tariff providing customer incentive levels, and associated cost recovery treatment by the end of May 2025 ("Application"). Stone Pigman LLC ("Stone Pigman") appreciates the opportunity and would welcome assisting the Staff with this important matter. It has the experience and expertise to handle all aspects of the filing effectively and efficiently in the estimated 8-10 month timeline and ELL's request for Commission approval in the first quarter of 2026.

Stone Pigman proposes to perform all work within the scope of RFP25-04, including, but not limited to, assisting Staff with review of the application (including the direct testimony of the anticipated three witnesses, any supporting documentation, and associated cost models); assist in the drafting of data requests and review responses thereto; potentially participate in informal meetings with Staff and ELL, Staff and Intervenor, or Staff, ELL, and Intervenor; assist in drafting a recommendation(s), including testimony, to the Commission regarding the Company's

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request; review and respond to any rebuttal testimony; assist in preparing any necessary direct and cross answering testimony; assist in trial preparation, including cross-examination of witnesses and drafting pleadings and motions related thereto; and review and analyze potential stipulation terms. Stone Pigman is presenting this RFP response assuming that this matter will result in a contested proceeding. Additionally, Stone Pigman shall be available to participate in, and lead, meetings, conference calls, status conferences, hearings, and other conferences with the Commission and its Staff, as well as attending any needed Business and Executive Session(s). In addition to reviewing the proposed portfolio, Applicant shall also ensure the proposed DR portfolio adheres to the Commission's DR Order. The scope of work provided herein shall continue through the conclusion of the docket, including Commission consideration of the request at a B&E, or B&Es. This proposal does not include representation in any appeals of any Commission decision to the courts or any related litigation or administrative proceedings with other agencies. Stone Pigman is willing to perform any such work needed, and it will submit a budget to the Commission for approval for any such work, if requested.

Stone Pigman is uniquely qualified and prepared to assist in this matter. Stone Pigman assisted the Staff in the development and approval of the Demand Response Rules issued by the Commission in Docket No. R-35136, LPSC, ex parte. *In re: Rulemaking to Determine Need for Rate Schedules and Programs Offering Demand Response Products, Development of such Rate Schedules and Programs, Determination of Customer participation in such programs, Allocation and Recovery of program costs, and whether such programs shall be mandatory or voluntary for utilities as set forth in Section 3 of the rule adopted in General Order dated March 7, 2019 (Docket No. R-34948).* ("DR Order"). It also is actively involved in assisting Staff in the various dockets established for review of the compliance filings required by the DR Order.

Stone Pigman, in addition, has substantial experience for decades representing the Louisiana Public Service Commission in complex cases involving all aspects of utility regulation and rate setting, and involving the jurisdiction and authority of this Commission, bankruptcy issues affecting utilities subject to this Commission's regulation, and the many other regulatory issues including utility deregulation. This experience includes the presentation of complex cases involving accounting, taxation, depreciation, ratemaking adjustments, rate design, rate of return, cost-allocation, financial matters, mergers and acquisitions, and cost recovery on administrative and judicial levels, including the presentation of witnesses on direct examination, cross-examination of adverse witnesses, conducting discovery and the taking of appeals. This Firm also has extensive and significant experience handling complex matters inside and outside of the utility arena. The Firm has practiced before the FERC, SEC, FCC, NRC and other similar agencies. The Firm consists of approximately 54 attorneys and a large support staff, and is capable of, and experienced in, handling matters that may be prolonged, complex and involve multiple forums.

Stone Pigman is qualified and prepared to assist in drafting expert testimony with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding and be qualified and prepared to assist in rendering expert testimony regarding: (1) a detailed understanding of the major functional areas of a regulated investor owned electric utility; appropriate accounting standards and practices for electric public utilities, public utility

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accounting, and generally accepted auditing standards; the basic components and requirements of ELL's Formula Rate Plan, including cost of capital, capital structure, cost of debt, cost of equity, and rates of return, the Commission's DR Order, current DR programs offered by ELL and other electric utilities; and appropriate mechanisms, allocation among customer classes and rate design. Stone Pigman has extensive experience related to reviewing riders as a cost recovery mechanism. It has experience with fuel adjustment clauses, riders associated with RTO costs and benefits, FRP riders, storm cost recovery riders and storm offset riders, rough production cost riders, and customer funded facilities.

The attorneys who will be primarily engaged in the representation of the Commission have been actively engaged in the practice of law for at least five (5) years. These individuals are admitted to practice in the federal courts system and are admitted to practice before the Supreme Court of Louisiana and are qualified to practice before the Supreme Court of the United States and any inferior federal court. Stone Pigman has represented this Commission for over forty-five years and has meticulously avoided any representation that could result in a conflict of interest with Commission representation under the Rules of Professional Conduct of the State of Louisiana. Thus, it has no conflict with the proposed representation. Stone Pigman has professional liability insurance in the amount of \$30,000,000 per claim. Stone Pigman agrees to comply with all LPSC billing guidelines as required by RFP 25-04. An additional firm resume is attached to this letter.

### **PLAN OF ACTION**

**Strategy and Planning and Analysis.** Review of Application and pre-filed testimony. Planning the examination and developing an appropriate strategy for obtaining additional information, identifying issues and applying policies previously applied by the Commission. (30-60 days)

**General Discovery.** Planning and managing the issuance of data requests and the compilation of information. Conducting depositions and interviews as necessary. Overseeing and participating in the preparation and review of data requests and responses and compiling and organizing responses. (45-60 days)

**Oral Presentations.** Participation in oral presentations to the Commissioners, their Executive Assistants, the Executive Secretary and the Commission. (As needed or requested)

**Consultation.** Meeting with the Commission, individual Commissioners, the Executive Secretary and the in-house Staff on the status of the proceeding and developing issues. Providing any other information requested by the Commission, individual Commissioners or Staff. (Throughout the process)

**Conferences and Status Conferences.** Participate in all status conferences and any conferences with Applicant, its legal counsel and/or consultants and Intervenor and their representatives and the presiding Administrative Law Judge. (As needed)

**Evidentiary Preparation.** Assisting in testimony and cross-answering testimony preparation and preparing other evidence needed for the hearing process. (As needed)

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**Hearings.** Representation of the Commission in hearings. Presentation of Staff testimony. Defending Staff witnesses. Cross-examination of Applicant and Intervenor witnesses. (As needed)

**Briefing.** Preparation of objection letters, briefs, memoranda, proposed findings of fact and conclusions of law and other submittals as required. (As needed)

**Miscellaneous.** Formulating positions and arguing motions that arise prior to and in hearings. Taking other actions necessary to fully represent the Commission. (As needed)

**Oral Argument.** Participation, if required, in oral argument before the Commission and/or the ALJ. (As needed)

**Settlement Negotiations.** Participate in any needed settlement negotiations and stipulation hearing processes. (As needed)

**Recommendation to the Commission.** Making an ultimate recommendation to the Commission on ELL's Annual Evaluation Reports.

**All Other Tasks.** Performance of necessary tasks not included in 1-12 above as required by RFP.<sup>1</sup>

### **PROPOSAL**

Stone Pigman proposes to perform legal services assisting the Staff in all three of the multi-faceted matters encompassed in Entergy's anticipated filing over the required time frame, as described in the May 5, 2025 solicitation, for professional fees not to exceed \$214,000 and expenses not to exceed \$6000. The primary attorneys who may be working on this matter are listed below, along with the discounted rates that will be charged:

<b>ATTORNEY</b>	<b>STONE PIGMAN STANDARD RATE</b>	<b>STONE PIGMAN DISCOUNTED RATE</b>
Noel J. Darce	\$800	\$395
Dana M. Shelton	\$625	\$395
Justin A. Swaim	\$525	\$325

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<sup>1</sup> The bid amount does not cover legal services that may be required to address any major modifications or amendments to ELL's filing, once it is made. Any legal services requested for such modifications or amendments would be performed at the stated hourly rates, subject to a budget if one is requested.

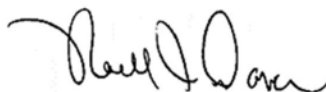
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For any other attorneys and Staff not listed above, Stone Pigman will charge discounted attorney rates in the range of \$225 to \$395 per hour and discounted para-professional rates not to exceed \$150 per hour.

This is a not-to-exceed proposal and the Commission will be billed only for the actual time and expense incurred devoted to rendering services on behalf of the Commission. Stone Pigman will only bill for expenses as allowed by Commission rules. Any other services required that are not included in the scope of this solicitation and proposal, including representation of the Commission in any appeals from any Commission orders issued, any related litigation in state or federal courts or administrative agencies or any hearing or other proceeding related to these issues will be performed by Stone Pigman at the hourly rates provided herein, as directed by the Staff or Commission, and the Commission will only be billed for the actual time and expense incurred. Although this is a not-to-exceed proposal, the full scope of the work that may be required in any hearing procedures cannot be known at this time. Variables beyond the control of this firm and the Commission, such as the number of issues raised by the preliminary analyses, and the extent of cooperation from ELL and intervenors can cause such a proceeding to be extremely complicated and much longer and costlier than anticipated. Thus, the actual costs of performing the required work may be higher than the amounts bid. Stone Pigman reserves the opportunity to keep the Staff and Commission informed and seek direction as the case progresses.

Thank you again for the opportunity to submit this proposal for the Commission's consideration. Please let me know of any questions or concerns.

Sincerely,



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Noel J. Darce

NJD/ibl

cc: Kim O'Brian: *kim.obrian@la.gov*

## **STONE PIGMAN RESUME**

Stone Pigman has represented the Commission in most of the major electric utility rate cases brought before the Commission since 1976. In one of the cases in which it did not participate before the Commission, the Firm was retained to represent the Commission on appeal and successfully defended the Commission's decision. Stone Pigman also has represented the Commission in rate proceedings involving telephone, water, gas local distribution, interstate and intrastate pipeline companies. The Firm has represented the Commission in numerous proceedings involving mergers and acquisitions including the Entergy/GSU merger, the CSW/AEP merger, the acquisition of Cajun's assets by Louisiana Generating, the CLECO/TECHE acquisition, the SWEPCO/BREMCO acquisition and the SWEPCO/VEMCO merger. The Firm also has represented the Commission before the FERC, the Securities and Exchange Commission and the Federal Communications Commission in proceedings involving ELI, EGSI and other Entergy companies (electric), Louisiana Gas Service Company (a division of Citizens Utility Company), TransLouisiana Gas Company (a wholly-owned subsidiary of Atmos Energy Corporation), Arkla (a division of NorAm Gas Transmission Company) (natural gas) and Bell South Telecommunications (formerly South Central Bell Telephone Company) (telecommunications).

Stone Pigman has represented the Commission in proceedings before the Supreme Court of the United States, the United States Court of Appeals for the District of Columbia Circuit, the United States Court of Appeals for the Fifth Circuit, the United States District Court for the Middle District of Louisiana, the United States Bankruptcy Court, Middle District of Louisiana, the Supreme Court of Louisiana, and the Nineteenth Judicial District Court for the Parish of East Baton Rouge. In addition, Stone Pigman has represented the Commission in negotiations with regulatory agencies in other jurisdictions, including the Public Utilities Commission of Texas, the Arkansas Public Service Commission, the Mississippi Public Service Commission, and the New Orleans City Council. Stone Pigman has acted on behalf of the Commission in mediating litigation between two public utilities, Gulf States Utilities Co. and Cajun Electric Power Co., in the United States District Court for the Middle District of Louisiana.

In representing the Commission, Stone Pigman attorneys have developed a thorough understanding of the issues involved in prudence inquiries, abandoned or cancelled plant, mergers and acquisitions, issues involving the ratemaking process, the relationship of accounting to ratemaking, cost allocations, utility taxation, utility depreciation, and similar matters. Additionally, and perhaps more importantly, Stone Pigman has historic knowledge of the rulings of the Commission, the Louisiana Supreme Court and the Nineteenth Judicial District Court in matters affecting Louisiana ratemaking and electric utilities. This knowledge will permit Stone Pigman to deal with complex issues in an expeditious, efficient and sophisticated manner.

Major accomplishments of the Commission when represented by Stone Pigman include the following:

**2001 System Agreement FERC Proceeding \$159 Million in Annual Benefits**

In FERC Docket EL01-88-000, this Firm represented the Commission by filing a Complaint alleging that the production costs of the Entergy System Agreement were no longer in rough equalization and that they should be equalized. A FERC ALJ ruled in favor of the Commission's position in February 2004 and ordered adjustments to the allocation of production costs that could provide to ELI and EGSI-La ratepayers tens of millions in benefits in future years. The FERC affirmed many of the findings of the ALJ and ordered a remedy that will particularly remedy the undue discrimination. The matter is on appeal to the D.C. Circuit seeking additional remedies. Entergy estimates Louisiana ratepayers of ELL would benefit by approximately \$59 million for the 2006 test year, as EGSI-La customers would benefit by approximately \$100 million. These are annual amounts that will fluctuate every year depending on natural gas prices.

**Cajun Electric Power Cooperative: \$204.9 Million in Benefits**

Stone Pigman acted as Special Counsel in the Commission's investigation of Cajun's investment in the River Bend Nuclear Power Plant and the Commission's analysis of Cajun's rates. The Commission disallowed Cajun's investment in the River Bend plant, and ordered that Cajun reduce its rates by \$30,230,000 (approximately a 10% decrease). This lowered Cajun's rates to its members from approximately 54 mills to 48.6 mills. In December, 1994 Cajun filed for Chapter 11 relief under the United States Bankruptcy Code. Subsequently, rates were reduced to approximately 40 mills. Stone Pigman has acted as Special Counsel to the Commission in the Cajun bankruptcy proceedings, all associated adversary proceedings and the Commission's investigation related to the competing bankruptcy plans of reorganization. These efforts resulted in approximately \$195 million in refunds and hundreds of millions of dollars of ratepayer savings in lower rates.

**Entergy/GSU Merger.**

Acting for the Commission, and with the help of consultants, Stone Pigman developed and implemented the strategy for protecting and benefiting the public in the Entergy/Gulf States merger proceedings. Stone Pigman supervised the development of the rate benchmark sharing plan that was adopted by the Commission. A similar plan ultimately was adopted in Texas. Stone Pigman represented the Commission in securing the adoption of the merger conditions advocated by the Louisiana Commission at the FERC and defeating the regulatory proposals of regulatory agencies in Arkansas, Mississippi and New Orleans.

**CSW/AEP Merger.**

Stone Pigman represented this Commission in proceedings before this Commission, the FERC and SEC related to the merger of AEP and CSW. That merger was approved with a comprehensive mitigation hold-harmless provision in place to protect Louisiana

ratepayers from merger impacts and the adoption of a service quality improvement program for the Louisiana operations of SWEPCO.

**Grand Gulf Allocation: Over \$3.0 Billion Benefit to LPSC Jurisdictional Ratepayers.**

The Middle South Utilities System (now the Entergy System) proposed to allocate nearly 70 percent of Grand Gulf Nuclear Station, located in Mississippi, to Louisiana Power & Light Co. and New Orleans Public Service, Inc. (now ELI and EGSI respectively). The allocation would have cost Louisiana ratepayers an additional \$700 million per year. The Commission, through Stone Pigman, with the help of an expert consultant, submitted a plan that ultimately was adopted by the FERC, which assigned 14 percent of the unit to LP&L and 17 percent to NOPSI. The allocations to Arkansas Power & Light Co. and Mississippi Power & Light Co. were increased. The FERC decision was upheld by the United States Court of Appeals for the District of Columbia Circuit and review was denied by the Supreme Court of the United States.

As a result of this decision, Louisiana ratepayers thus far have saved more than \$3 billion. In addition to the savings to ELI ratepayers, the savings to ENOI ratepayers far exceed \$1 billion alone.

**Post-Merger EGSI Rate and Fuel Review Proceedings -- \$482 Million in Refunds and Rate Reductions.**

Stone Pigman has acted as Special Counsel to the Commission in two fuel reviews and several rate reviews of Gulf States Utilities Company (now EGSI). These reviews were all undertaken after the Entergy/GSU merger. Since 1994 these reviews have resulted in Commission Orders requiring Gulf States to reduce rates or refund amounts in excess of \$482 million.

**Post-Merger ELI Rate Proceedings -- \$747 Million in Rate Reductions.**

Stone Pigman has acted as Special Counsel to the Commission in one General Rate case and subsequent annual rate reviews of Louisiana Power & Light Company (now ELI). To date these earning reviews have resulted in more than \$747 million in rate reductions.

**South Central Bell Depreciation: \$248 Million in Refunds.**

In 1983, the Federal Communications Commission issued an order purportedly preempting state depreciation rates and requiring the use of FCC-mandated rates. The Commission fought this ruling in federal court, using Stone Pigman as special counsel. Ultimately, in *Louisiana Public Service Commission v. Federal Communications Commission*, the United States Supreme Court ruled that the FCC could not preempt state-prescribed depreciation rates. The decision produced refunds to customers of \$248 million. The average customer received about \$140.



**LP&L-Texaco Settlement: \$1.3 Billion in Refunds and Benefits.**

The Commission, through Stone Pigman, engaged in settlement negotiations with LP&L and Texaco, Inc. relating to Texaco's breach of a long term contract to provide natural gas for boiler fuel to LP&L. The total value of the settlement was \$1.3 billion. The participation of the Commission produced cash guarantees backing up a pledge by Texaco of fuel savings that would be provided to LP&L of approximately \$300 million. An amount in excess of \$300 million ultimately was realized in fuel savings by LP&L ratepayers.

The settlement produced more than \$1 billion in refunds to ratepayers, more than \$300 million in fuel savings, and lower rates through a ten-year rate base reduction plan by utilizing a portion of the Texaco proceeds.

**River Bend Disallowance: \$650 Million to Louisiana Customers.**

Gulf States Utilities Co. constructed the River Bend nuclear plant at a cost of approximately \$4.4 billion. Gulf States owns 70 percent of the unit, with an investment of \$3 billion. After an extensive review, the Commission disallowed \$1.4 billion of Gulf States' investment in River Bend. This case was appealed by Gulf States to the Nineteenth Judicial District Court and Stone Pigman was retained to defend the Commission. The court affirmed the ruling. The Louisiana Supreme Court also affirmed the disallowance.

The decision affirming the disallowance avoids the requirement that Louisiana ratepayers pay the Louisiana share of \$1.4 billion -- approximately \$650 million. If this amount were included in the rate base, Gulf States' rates would be approximately 17 percent higher, or about \$125 million per year.

**United Gas Litigation: \$306 Million in Refunds and Benefits.**

United Gas Pipeline Co. breached contracts with Gulf States Utilities Co. and Louisiana Power & Light Co. to provide natural gas for boiler fuel to generate electricity. The Commission intervened in the proceedings. The claims of Gulf States were settled for \$113 million and a judgment was rendered in favor of LP&L for \$193 million. The recoveries produced refunds to customers of Gulf States and lower rates to customers of LP&L.

**TransLa/LIG Gas Cost Investigation -- \$12 Million.**

Stone Pigman served as Special Counsel to the Commission in a comprehensive investigation of the gas costs paid by the customers of TransLa. As a result of the investigation TransLa customers received credits of approximately \$12 million.

**Other Matters.**

Stone Pigman has represented the Commission in numerous other matters. Some of the achievements include:

**Nuclear plants.** Restricting the size of rate increases necessary to bring into the rate base the Waterford 3 nuclear plant, owned by ELI, and the Grand Gulf nuclear plant, owned by Gulf States.

**Telephone rates.** Representing the Commission in the rate investigation which led to successive orders reducing the rates of South Central Bell Telephone Co. The rate cases were eventually settled and refunds made to customers.

**FERC tariffs.** Achieving rate reductions and refunds to ELI customers under tariffs charged ELI for the Grand Gulf nuclear plant and for interchange transactions involving the Entergy System Agreement. The rate of return allowed Entergy has been reduced in successive cases from 16 percent to 11 percent, saving millions of dollars to ELI customers. \$4 million in refunds was provided ELI customers as a result of a rate of return reduction.

**Grand Gulf 2 write-off.** Participating in negotiating the write-off by Entergy Corp. of Grand Gulf 2, an abandoned nuclear project, in the amount of approximately \$1 billion. Further negotiating the so-called "Olive Branch" settlement, in which \$21.5 million in refunds and credits were given ELI customers.

**Jurisdiction over cooperatives.** Establishing the jurisdiction of the Commission over Louisiana electric cooperatives, including Cajun Electric Power Corp., in a decision rendered by the Louisiana Supreme Court. (Stone Pigman was not paid for the representation.) Establishing the Commission's jurisdiction over class action suits for rate rebates in both the Louisiana Supreme Court (the *Trans-La* case) and federal court (the *Durwood Wilson* case).

Stone Pigman often handles miscellaneous matters for the Commission without compensation. Stone Pigman was not compensated in at least two jurisdictional disputes in which it represented the Commission. Stone Pigman has foregone fees far in excess of \$500,000 in matters in which it represented the Commission.

Stone Pigman has turned down a number of major representations because of potential conflicts with its representation of the Commission or because the representations would be inconsistent with Stone Pigman's ongoing advocacy of the Commission's positions. The representations foregone by Stone Pigman include representing utilities on a variety of issues, representing parties whose claims might come before the Commission, and taking issues that might substantially, although indirectly, raise utility rates.