



# Louisiana Public Service Commission

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

Telephone: (225) 342-4427

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## MEDIA RELEASE

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For Additional Information Contact:

Colby Cook, Communications Director

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(225) 505-1554

### **LPSC Takes Action to Resolve Multi-Year SERI Litigation and Rate Filing**

Baton Rouge – Yesterday, the Louisiana Public Service Commission (“LPSC”) unanimously approved a two-part global settlement that resolves Entergy Louisiana's pending retail rate filing and brings to a close years of litigation at the Federal Energy Regulatory Commission (“FERC”) with System Energy Resources, Inc (“SERI”) and Entergy Louisiana over Entergy Corporation’s Grand Gulf nuclear plant. The rate filing sought a substantial rate increase, but the settlement reduces that increase to a fraction of Entergy's request and provides direct customer credits over the next 2-3 years for unresolved accounting and tax issues identified in the current and prior rate filings, and separately for Grand Gulf claims at the FERC.

The retail rate case settlement requires an immediate return of any overearnings in calendar year 2024 to ratepayers, a prohibition on recovery of corporate aircraft travel and incentive compensation tied to financial performance, reduction of late fees, and an elimination of connection and reconnection fees for consumers with smart meters, among other provisions. One such provision is the establishment of a Low-Income Affordability Working Group to investigate and consider affordability and arrearage concerns impacting low-income customers.

The SERI global settlement resolves approximately 20 FERC dockets challenging various accounting and ratemaking practices and substandard operations at Entergy's Grand Gulf nuclear plant in Port Gibson, Mississippi, one of the largest nuclear units in the country. Throughout the years, Grand Gulf has been plagued with high costs and operational difficulties that have been the focus of intense disagreement between Entergy and its regulators related to ratemaking practices. The settlement provides Louisiana ratepayers with substantial recompense for Grand Gulf overcharges, and will start those benefits flowing upon FERC approval estimated to be early 2025, instead of an indeterminate time in the future. The Settlement also divests Entergy Louisiana of its

Grand Gulf shares, subject to regulatory approvals, so neither Entergy Louisiana nor its customers will be required to provide cost support for Grand Gulf in the future.

Entergy Louisiana ratepayers will receive a total of approximately \$265 million in rate credits pursuant to the two-part global settlement, \$75.5 million of which is explicitly tied to a SERI global settlement that has previously been approved by the FERC for Entergy's other retail regulators, including the New Orleans City Council. Entergy Louisiana's ratepayers had already received approximately \$19.5 million for the SERI settlement, making the total credits for Entergy Louisiana's customers for its global retail and SERI settlements about \$285 million. The New Orleans City Council previously approved its share of the SERI Global Settlement, approximately \$116 million, based on its slightly higher percentage share of Grand Gulf, which was reduced to \$98 million to account for amounts already received by the City. The City Council simultaneously approved a retail settlement for \$138 million, related to a tax audit resolution.

"The settlement we approved today will provide substantial benefits to Louisiana consumers – rate savings, reduced late fees and disconnect penalties, and reliability requirements," said LPSC Chairman Mike Francis. "It also brings generating resource jurisdiction back to Louisiana, instead of vesting it in the FERC, where we can provide more effective and economic oversight of utility generating resources and rates."

"I am very pleased with the settlement provisions that help to assist our lower income ratepayers in particular and look forward to continued progress in this area," said Vice Chairman Davante Lewis. "The settlement establishes a low income affordability working group that can contribute valuable insight into how to best assist low income communities with affordable energy," he said.

The LPSC is a constitutionally created independent regulatory agency dedicated to serving the public interest by assuring safe, reliable, and reasonably priced services from public utilities and motor carriers. The LPSC, reaffirmed in Article IV, Section 21 of the 1974 Constitution of the State of Louisiana, consists of five elected Commissioners who serve overlapping terms of six years. The Commission has jurisdiction over certain publicly-owned utilities providing electric, water, wastewater, natural gas, and telecommunication services, as well as all the electric cooperatives in Louisiana. It does not regulate Entergy New Orleans, which is regulated by the New Orleans City Council under its Home Rule Charter.

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