**Context and Background:**

Joshua B. Thomas, Vice President of Regulatory Services for Entergy Services, LLC, offers testimony supporting Entergy Louisiana's (ELL) application related to generation and transmission resources intended to serve a significant new industrial customer project in Richland Parish, Louisiana.

**Key Topics Discussed:**

**1. Purpose of Testimony:**

* The testimony addresses regulatory issues pertinent to ELL’s application for providing electric service to the large industrial customer project, including how related generation and transmission costs will be accounted for and recovered.

**2. System Resources Finding:**

* Thomas emphasizes that ELL’s proposed Planned Generators are system resources, thus their fuel costs should be included in ELL’s Fuel Adjustment Clause (FAC).
* These generators, although constructed specifically for one customer, will operate within the broader MISO market, benefiting all customers through improved reliability and market efficiencies.

**3. Public Interest Analysis:**

* Thomas extensively discusses the public interest standard, arguing that serving the large industrial customer aligns with the public interest.
* Benefits cited include significant economic development in Northeast Louisiana, employment opportunities, reduced environmental impacts through renewable energy integration (CSR), and strengthening of regional transmission infrastructure.

**4. Compliance with Regulatory Orders:**

* Thomas discusses compliance with the 1983 General Order and Industrial Load Rule, highlighting that the application satisfies the requirements for cost recovery mechanisms.
* The testimony emphasizes ELL’s compliance with regulatory standards and rules necessary for such significant additions to generation and transmission infrastructure.

**5. Exemption from Market-Based Mechanism (MBM) Order:**

* Thomas requests an exemption from the Commission’s MBM Order, which generally requires competitive solicitations (RFP) for new capacity resources.
* He argues the exemption is justified due to the unique, accelerated timing requirements set by the customer, which could not be met through a competitive RFP.
* Additional rationale for exemption includes the project's substantial size, the economic benefits to Louisiana, and logistical constraints.

**6. Long-Term Service Agreements (LTSA):**

* Thomas outlines the ratemaking treatment for major maintenance expenses related to long-term service agreements for the planned generators.
* ELL seeks to recover these expenses through established regulatory mechanisms, including the FAC, asserting consistency with prior Commission authorizations.

**7. Cost and Ratepayer Impacts:**

* Thomas states that the costs associated with the service provided to the customer do not unduly burden existing customers.
* He highlights that most project costs are directly funded by the customer, and remaining costs borne by ratepayers are offset by broader system benefits, including lower system-wide rates through increased operational efficiency.

**Conclusion:**

* Thomas concludes that ELL’s proposed resources and associated agreements satisfy regulatory standards, provide clear public interest benefits, and should be approved by the Commission. The testimony reinforces the strategic importance of the project to Northeast Louisiana, emphasizing the beneficial economic and environmental outcomes for all stakeholders involved.