

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM NOVEMBER 17, 2017
OPEN SESSION

MINUTES OF NOVEMBER 17, 2017 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE COMMISSIONER FOSTER CAMPBELL, VICE CHAIRMAN LAMBERT BOISSIERE, CHAIRMAN ERIC SKRMETTA, COMMISSIONER MIKE FRANCIS, COMMISSIONER CRAIG GREENE AND EXECUTIVE SECRETARY EVE KAHAO GONZALEZ.

Open Session of November 17, 2017, convening at 9:24A.M., and adjourning at 12:21P.M., Natchez Room, 602 N. 5th Street, 1st Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Eve Kahao Gonzalez.

<p>Ex. 1</p>	<p>Chairman Skrmetta welcomed newly-elected Commissioner Craig Greene.</p> <p>The December B&E will be held at the Natchitoches Events Center, 750 Second Street, Natchitoches, Louisiana 71457 on December 20, 2017 at 10:00am.</p> <p>The Public Utility Section of the Louisiana State Bar Association will be hosting its annual CLE on December 1, 2017 in Baton Rouge, Louisiana at the Hilton Baton Rouge Capitol Center. For additional information contact Jamie Watts or Melissa Watson.</p> <p>Commissioner Greene thanked Susan Benoit for her service and she in turn thanked former Commissioner Scott Angelle, the other Commissioners and the Commission Staff for her time with the Commission. Commissioner Greene introduced his new Executive Assistant, Bo Staples, along with District 2 Technical Assistant Gabrielle Walker.</p> <p>Commissioner Francis introduced Janice Perkins from District 4.</p> <p>Chairman Skrmetta re-introduced Donna Dardar from District 1.</p> <p>Vincent Deliberto appeared before the Commission with concerns about Mo-dad Utilities, LLC. Chairman Skrmetta asked Staff Attorney Lauren Temento to get contact details from Mr. Deliberto and arrange to 1) have our contract engineer, Lambert Engineering perform a site visit to ensure that Mo-Dad is in compliance with the conditions set forth in the 2015 rate increase, and 2) engage in a dialogue with the city of Killian on this issue. Chairman Skrmetta added that franchise fees are governed by the municipality and are not under the jurisdiction of the Commission.</p>
<p>Ex. 2</p>	<p>Undocketed</p> <p>In re: Discussion and possible vote to elect Louisiana Public Service Commission representative to the Regional State Committee of the Southwest Power Pool.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Francis, and unanimously adopted, the Commission voted to elect Commissioner Campbell to represent the Commission to the Regional State Committee of the Southwest Power Pool.</p>
<p>Ex. 3</p>	<p>Undocketed</p> <p>In re: Discussion and possible vote to approve amended and restated site-specific contract between Cleco Power, LLC and Plastipak Packaging and Tabb Realty, LLC.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Francis, and unanimously adopted, the Commission voted to adopt the Staff recommendation for approval of the amended and restated site-specific contract between Cleco and Plastipak because the terms and rates offered will facilitate continued operation for the foreseeable future, thereby retaining the associated employment benefits. A ratepayer impact measurement analysis shows a benefit to Cleco's other retail ratepayers. The base revenue contributions from Plastipak serves to mitigate the base rate increases to other retail customers. Further:</p> <ol style="list-style-type: none"> 1. Cleco shall track on an annual basis revenues and electric consumption and make said information available to the LPSC Staff, and 2. The Commission reserves the right to review any impact the site-specific contracts have on Cleco and Cleco's ratepayers.

<p>Ex. 4</p>	<p>T-34241 - Dynamic Environmental Services, LLC vs. Steve Kent Trucking, Inc. and Kent & Smith Holdings, LLC. In re: Complaint against Steve Kent Trucking, Inc. and Kent & Smith Holdings, LLC and petition to rescind LPSC Order No. T-33737, and cancel Common Carrier Certificate Nos. 5662-G and 5662-H.</p> <p>In re: Discussion and possible vote on Motion for Review of Interlocutory Ruling.</p> <p>The Commission heard oral argument from all represented parties, whereupon, on motion of Commissioner Campbell, seconded by Chairman Skrmetta, and unanimously adopted, the Commission voted to affirm the ALJ ruling, which denied Kent & Smith Holdings, LLC's Motion for Partial Summary Judgment.</p>
<p>Ex. 5</p>	<p>U-32159 - AccessCom, Inc. v. BellSouth Telecommunications, LLC d/b/a BellSouth Telecommunications a/k/a AT&T Louisiana ("AT&T Louisiana). In re: Petition for Arbitration Pursuant to Section 252 of the Telecommunications Act of 1996.</p> <p>In re: Discussion and possible vote on ALJ recommendation.</p> <p>(Ex. 4 on the October 19, 2017 B&E Agenda)</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Francis, and unanimously adopted, the Commission voted to accept the ALJ recommendation, resolving all disputed issues in the companies' interconnection agreement.</p>
<p>Ex. 6</p>	<p>U-34658 - (RFP 17-14) Concordia Electric Cooperative, Inc. In re: Application for Approval of an Updated Advanced Metering System Program.</p> <p>In re: Discussion and possible vote to hire consultant.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Francis, and unanimously adopted, the Commission voted to retain Exeter Associates, Inc to assist Staff for a budget not to exceed \$15,800 in fees and \$1,200 in expenses for a total not to exceed budget of \$17,000.</p>
<p>Ex. 7</p>	<p>R-34661 - (RFP 17-15) Louisiana Public Service Commission, ex parte. 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.</p> <p>In re: Discussion and possible vote to hire consultant.</p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Boissiere, and unanimously adopted, the Commission voted to retain J. Kennedy & Associates, Inc. to assist Staff for a not to exceed budget of \$38,200 in fees and \$1,700 in expenses for a total not to exceed budget of \$39,900.</p>
<p>Ex. 8</p>	<p>S-34607 - Community Utilities of Louisiana, Inc., ex parte. (CULI-WTSO). In re: Request for a Letter of Non Opposition to Establish a Regulatory Asset, Subsequent Ratification by the Commission of Regulatory Asset, and for Approval of a Regulatory Asset Rate Rider Related to the Great Flood of 2016 pursuant to Special Order 09-2017.</p> <p>In re: Discussion and possible vote on Staff's recommendation.</p> <p>PASSED</p>
<p>Ex. 9</p>	<p>S-34608 - Community Utilities of Louisiana, Inc., ex parte. (CULI-DENSITY). In re: Request for a Letter of Non Opposition to Establish a Regulatory Asset, Subsequent Ratification by the Commission of Regulatory Asset, and for Approval of a Regulatory Asset Rate Rider Related to the Great Flood of 2016 pursuant to Special Order 09-2017.</p> <p>In re: Discussion and possible vote on Staff's recommendation.</p> <p>PASSED</p>

<p>Ex. 10</p>	<p>S-34624 - Cleco Power LLC, ex parte. In re: Application for Commission Authorization of New Mortgage Indenture.</p> <p>In re: Discussion and possible vote on Staff's recommendation.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Francis, and unanimously adopted, the Commission voted to accept Staff's recommendation to authorize Cleco Power LLC to replace its current mortgage indenture with a new mortgage indenture, subject to conditions.</p>
<p>Ex. 11</p>	<p>S-34646 - Northeast Louisiana Power Cooperative Inc., ex parte. In re: Petition for Approval of a Letter of Non Opposition to Refinance.</p> <p>In re: Discussion and possible vote on Staff's recommendation.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept Staff's recommendation that the Commission express its non-opposition to allow Northeast to borrow \$3.5 million from CoBank in order to refinance Northeast's current short term line of credit with certain conditions.</p>
<p>Ex. 12</p>	<p>Docket TBD</p> <p>In re: Claiborne Electric Cooperative, Inc.'s Fiber-to-the-Home project.</p> <p>In re: Discussion and possible vote to hire outside consultant.</p> <p>On motion of Commissioner Campbell, seconded by Chairman Skrmetta, and unanimously adopted, the Commission voted to retain Power System Engineering, Inc. to assist Staff for a not to exceed budget of \$35,000 in fees and \$2,000 in expenses for a total not to exceed budget of \$37,000.</p>
<p>Ex. 13</p>	<p>1) Reports</p> <p>Report from Staff regarding FERC Docket No. RM18-1-000 Grid Reliability and Resiliency Pricing.</p> <p>Report was given by Paul Zimmering and Noel Darce from Stone Pigman and Lane Sisung, United Professionals Company, after which Chairman Skrmetta directed Staff to take whatever legal action is necessary to preserve the Commission's rights in anticipation of its review of any such action during an Executive Session at the December B&E in Natchitoches.</p> <p>Status Report by Commission Staff on Docket No. U-34631, Entergy Louisiana, LLC, ex parte; In re: Application for extension and modification of Formula Rate Plan, pursuant to the directive of Chairman Skrmetta at the September 20, 2017 B&E.</p> <p>Report was given by Paul Zimmering and Noel Darce from Stone Pigman and Lane Sisung, United Professionals Company.</p> <p>2) Resolutions 3) Discussions 4) ERSC/MISO Business</p> <p>In re: Discussion and possible vote to ratify the vote taken by Vice Chairman Boissiere acting as the Commission's Representative on the Board of Directors of the Organization of MISO States.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Francis, with Commissioner Campbell and Commissioner Greene concurring and Vice Chairman Boissiere abstaining, the Commission voted to ratify Vice Chairman Boissiere's vote taken October 20, 2017.</p>

	<p>5) Directives</p> <p><u>Directive to Staff to open a rulemaking to consider possible modifications to the Commission’s “Electric Transmission Facility Certification and Siting Rules” adopted in the Commission’s General Order dated October 10, 2013 and to solicit a proposal from Stone Pigman to assist the Staff since they worked on the prior rulemaking docket.</u></p> <p>At the request of Commissioner Campbell.</p> <p>PASSED</p> <p><u>Directive to Staff to institute Phase I audits of the Energy Efficiency Quick Start Program, and to ensure that all program costs are considered in the audit.</u></p> <p>At the request of Chairman Skrmetta.</p> <p>There was no opposition.</p> <p><u>Directive to Staff to review the possibility of creating a Louisiana-RTO.</u></p> <p>At the request of Chairman Skrmetta.</p> <p>There was no opposition.</p>
<p>Ex. 14</p>	<p>X-34674 - Louisiana Public Service Commission, ex parte. In re: Dispute between Washington-St. Tammany Electric Cooperative, Inc. ("WST") and Cleco Power LLC regarding WST's expired franchise agreement with the City of Slidell.</p> <p>In re: Discussion and possible vote to hire outside counsel.</p> <p>At the request of Chairman Skrmetta.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Francis, and unanimously adopted, the Commission voted to retain McQuaig and Associates, LLC to assist Staff for a not to exceed budget of \$36,800 in fees and \$2,900 in expenses for a total not to exceed budget of \$39,700.</p>
<p>Ex. 15</p>	<p>Docket No. X _____ - Louisiana Public Service Commission, ex parte. In re: Review and/or facilitation of relocation of certain electric service lines located at the Slidell Municipal Airport in order to facilitate airport expansion.</p> <p>In re: Discussion and possible vote to hire outside counsel.</p> <p>At the request of Chairman Skrmetta.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain Patrick Miller, LLC to assist Staff for a not to exceed budget of \$46,500 in fees and \$1,500 in expenses for a total not to exceed budget of \$48,000.</p>
<p>Ex. 16</p>	<p>U-34206 - Community Utilities of Louisiana, Inc., ex parte. In re: Application for an Increase and Adjustment in Retail Rates and Reservation of Rights to Request Interim Rates.</p> <p>U-34287 - Community Utilities of Louisiana, Inc., In re: Application for an Increase and Adjustment in Retail Rates and Reservation of Rights to Request Interim Rates.</p> <p>In re: Discussion and possible vote on Global Settlement Agreement pursuant to Rule 57.</p> <p>At the request of Commissioner Francis.</p> <p>On motion of Commissioner Francis, seconded by Commissioner Campbell, with Vice Chairman Boissiere and Commissioner Greene concurring and Chairman Skrmetta opposing, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.</p> <p>Commissioner Francis made a motion to approve the Global Settlement. The motion was</p>

	<p>seconded by Commissioner Campbell. After lengthy discussion and a substitute motion by Chairman Skrmetta, which was withdrawn, Commissioner Francis re-urged his original motion, which was seconded by Commissioner Campbell, with Vice Chairman Boissiere and Commissioner Greene concurring and Chairman Skrmetta opposing, the Commission voted to approve the global settlement, which resolves both dockets and allows CULI to begin charging an interim rate, subject to refund and the applicable bonding requirements, until a final Order is issued in the statewide consolidation docket of CULI and UIL systems.</p> <p>For residential water customers, an interim rate of \$45.00; for residential wastewater customers, an interim rate of \$57.68; for residential (apartment) wastewater customers, an interim rate of \$1,411.34; and for commercial wastewater customers, an interim rate range of \$57.68 to \$749.79.</p> <p>Further, the Commission agrees that CULI be allowed to charge these interim rates subject to the conditions below:</p> <ol style="list-style-type: none"> 1. CULI be required to file proof of the applicable bond requirements with the Commission; 2. CULI be required to file an updated tariff indicating the interim rate, and its terms, with the Utilities Division within 30 days of the order approving such; and 3. CULI cannot begin charging the interim rate until 1 and 2 are complete and approved by Staff.
<p>Ex. 17</p>	<p><u>Directive to Staff related to the Texas Hartburg-Sabine MEP Transmission Project currently under review as part of the MISO MTEP17 process.</u></p> <p>At the request of Chairman Skrmetta.</p> <p>MISO has identified and will seek approval from its Board December 7, 2017 to direct construction of a 500 kV transmission line from Hartburg to Sabine located entirely in Texas. This is the first Market Efficiency Project or MEP to be built in MISO South since Entergy Louisiana and CLECO became MISO members in 2013.</p> <p>The project is estimated to cost about \$129 million, and Entergy Texas is expected to enjoy about 72% of the economic benefits from the project; yet, under MISO's current FERC-approved cost allocation rules, will only be assigned approximately 18% of the costs. ELL is expected to receive 1.8% of the benefits and be assigned over 59% of the costs. Louisiana, including CLECO, Entergy New Orleans, and the City of Lafayette collectively will be assigned approximately 70% of the costs.</p> <p>The Staff has been working with the Texas Commission, MISO, ELL, and the other Entergy regulators to develop a consensual solution that would yield more equitable results.</p> <p>The proposed solution under consideration would create a separate MISO Local Resource Zone for Texas and Louisiana for cost allocation purposes. If such separate zones are created, ELL's share of the costs would be reduced to approximately 24%, Entergy Texas' share would increase to approximately 62.5%, and the allocations to Entergy New Orleans, Lafayette, and CLECO would be reduced.</p> <p>The Texas Commission is considering the proposal this morning (November 17, 2017), and FERC would need to approve the allocation request, after a MISO filing, which would need to be filed before the December 7, 2017 MISO Board meeting.</p> <p>This directive seeks to give authority to the Staff to take all necessary steps to request that MISO make a FERC filing containing the consensual resolution that, if approved, would result in the change in cost allocation as described. It would also authorize the Commission Executive Secretary, the Chairman, or the Commission Executive Counsel to execute any documents needed to accomplish this resolution and filing.</p> <p>If, however, the consensual resolution doesn't move forward for any reason, in the alternative, this directive would authorize the Staff, after consultation with the Executive Secretary and Executive Counsel, to take any reasonably available legal steps to create a separate Louisiana LRZ, challenge the approval of the Hartburg- Sabine project as an MEP project and/or to challenge the current cost allocation methodology for that project.</p>

	<p>There was no opposition.</p> <p>In addition, Chairman Skrmetta acknowledged PUCT Chairman Ken Anderson's retirement from the PUCT and wished him well. Chairman Skrmetta further thanked the PUCT and its Staff for recognizing the value of a settlement in this matter.</p>
<p>Ex. 18</p>	<p><u>Directive regarding Cleco.</u></p> <p>At the request of Chairman Skrmetta.</p> <p>Directive to Staff to work with the Staff consultants and attorneys previously hired to work on Docket No. U-33434 regarding Cleco's Change of Ownership, and the compliance requirements adopted in that proceeding, and to further direct them to work with Cleco Power, LLC and investigate and report back to the Commission any and all requirements that may apply with regards to any of Cleco Power LLC's unregulated owners entering into agreements, or acquiring, any wholesale activities which will be separate and distinct from the activities of the regulated entity, Cleco Power, LLC.</p> <p>There was no opposition.</p>

On motion of Chairman Skrmetta, seconded by Commissioner Francis, and unanimously adopted, the Commission voted to adjourn.

MEETING ADJOURNED

The next Business and Executive Session will be held on Wednesday, December 20, 2017 at 10:00am in Natchitoches, Louisiana.