

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM FEBRUARY 21, 2018
OPEN SESSION

MINUTES OF FEBRUARY 21, 2018 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN ERIC SKRMETTA, VICE CHAIRMAN MIKE FRANCIS, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER LAMBERT BOISSIERE, COMMISSIONER CRAIG GREENE AND INTERIM EXECUTIVE SECRETARY BRANDON FREY.

Open Session of February 21, 2018, convening at 9:21A.M., and adjourning at 10:15A.M., the Galvez Building, 602 North 5th Street, Baton Rouge, Louisiana, with the above-named members of the Commission and Interim Executive Secretary Brandon Frey.

Ex. 1	Vice Chairman Francis announced that the legendary Reverend Billy Graham passed at the age of 99.
Ex. 2	<p>U-33856 - Southwestern Electric Power Company, ex parte. In re: Prudence review, including project costs, planning, construction cost control and all aspects of effective plant operations and dispatch of SWEPCO's 73% ownership of the John W. Turk, Jr. ("Turk") Plant in Hempstead County, Arkansas, in compliance with Order No. U-29702 consolidated with U-27866 Subdocket B, dated April 29, 2008.</p> <p>In re: Discussion and possible vote on uncontested stipulated agreement.</p> <p>On motion of Commissioner Campbell, seconded by Chairman Skrmetta, and unanimously adopted, the Commission voted to adopt the Stipulated Agreement filed on January 26, 2018 and entered into the record at the stipulation hearing held February 7, 2018, resolving the Turk prudence review and requiring SWEPCO to provide approximately \$28 million in ratepayer benefits.</p>
Ex. 3	<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>(Ex. 14 on the January 31, 2018 B&E Agenda)</p> <p>PASSED</p>
Ex. 4	<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>(Ex. 15 on the January 31, 2018 B&E Agenda)</p> <p>PASSED</p>
Ex. 5	<p>S-34677 - Southwest Louisiana Electric Membership Corporation, ex parte. In re: Request for Letter of Non-Opposition to Borrowing Funds.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to adopt Staff's recommendation as filed into the record on February 2, 2018 recommending non-opposition to the request, subject to conditions.</p>

<p>Ex. 6</p>	<p>S-34692 - CenterPoint Energy Resources Corp., D/B/A CenterPoint Energy Louisiana Gas and CenterPoint Energy Arkla, ex parte. In re: Request for Approval or Non-Opposition regarding CenterPoint Energy Arkla New Asset Management Agreement and Revenue Sharing Mechanism.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>(Ex. 16 on the January 31, 2018 B&E Agenda)</p> <p>On motion of Commissioner Campbell, seconded by Chairman Skrmetta, and unanimously adopted, the Commission voted to adopt Staff’s recommendation as filed into the record on January 3, 2018, including the conditions stated therein, to issue its non-opposition to CenterPoint Arkla for the New AMA with CES. .</p> <p>Commissioner Campbell introduced District V Enforcement Agent Hunter Coleman.</p>
<p>Ex. 7</p>	<p>Undocketed - Louisiana Public Service Commission, ex parte.</p> <p>In re: Discussion and possible vote on special order addressing jurisdictional utility tracking and recordation of the impacts of the federal Tax Cuts and Jobs Act, as of January 1, 2018, as a regulatory liability or deferred liability and for opening a rulemaking docket by the Commission to address same.</p> <p>(Ex. 17 on the January 31, 2018 B&E Agenda)</p> <p>After discussion, the ordering paragraphs of the Staff’s recommended Special Order were read into the record as follows:</p> <ol style="list-style-type: none"> 1. Beginning as of January 1, 2018, each Commission-jurisdictional utility shall record as a regulatory liability (deferred liability) the amount required to reflect the reduction in the federal corporate tax rate from 35 percent to 21 percent and the associated savings in excess accumulated deferred income taxes until such time as its rates are changed by the Commission to reflect these federal tax savings. 2. A new rulemaking docket shall be opened to consider these issues and the appropriate manner in which to flow through these tax benefits to Louisiana ratepayers, including carrying costs on the unrefunded amounts. 3. The Commission Staff is directed to solicit comments from and/or direct discovery to the Commission-jurisdictional utilities and other interested stakeholders and report bck to the Commission as soon as practicable and preferably by the March 21, 2018 Business and Executive Session, with recommendations as to how the federal tax-related benefits will be flowed through to Louisiana ratepayers. 4. This Order is effective immediately. <p>On motion of Chairman Skrmetta, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to accept Staff’s recommendation that the Commission approve and issue the Special Order providing notice to all LPSC jurisdictional utilities of their obligation to track and record the impacts of the tax law changes as a regulatory liability and to open the rulemaking docket to address those issues, and the appropriate manner in which to flow through the tax benefits to ratepayers.</p> <p><u>Chairman Skrmetta directed the Staff conclude the rulemaking no later than June 2018.</u></p>
<p>Ex. 8</p>	<p><u>Chairman Skrmetta made the following directive:</u></p> <p><u>In light of the significant new power plants being added to the Entergy Louisiana generation fleet, it is now appropriate to review economic conditions and to determine which Entergy Louisiana legacy natural gas units should be retired, if any.</u></p> <p><u>I direct the staff to open a docket to study the economic status of Entergy Louisiana’s legacy electric generating power plants in Louisiana, to hire consultants as necessary, and to study the economic status and viability of each Entergy Louisiana legacy facility.</u></p>

	<p><u>The analysis should also include a determination, fully taking into consideration the pending Entergy Louisiana’s Washington Parish Generation Unit certification, and to identify any legacy unit in the Entergy Louisiana fleet that the Entergy Louisiana’s Washington Parish Generation Unit shall replace in the fleet. Upon a completed finding by the Commission, Entergy Louisiana shall retire any legacy unit that the Commission determines no longer economically viable.</u></p> <p><u>The analysis shall include a study of the economic viability of all legacy power plants, and further, determining any need for future Commission-ordered plant retirements.</u></p> <p><u>The report of Entergy Louisiana to the Commission, and final reports of the Staff, shall be completed no later than six months following the commencement of generation at the new Entergy Louisiana power plant in Lake Charles. Upon receipt of the report from Entergy Louisiana, Staff will make a recommendation to the Commission as to what actions, regarding legacy unit retirements, is warranted.</u></p> <p>At the request of Chairman Skrmetta.</p> <p>(Ex. 23 on the January 31, 2018 B&E Agenda)</p> <p>There was no opposition.</p>
<p>Ex. 9</p>	<p>I-34715 - Southwestern Electric Power Company, ex parte. In re: Request to Initiate the Integrated Resource Plan process pursuant to the General Order dated April 20, 2012.</p> <p>In re: Discussion and possible vote to hire outside consultant.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to hire United Professionals Company (UPC) to assist Staff for a not to exceed budget of \$42,000 in fees and \$3,000 in expenses for a total not to exceed budget of \$45,000.</p>
<p>Ex. 10</p>	<p>1) Reports</p> <p>Reports from Utility Companies regarding the impacts of the federal Tax Cuts and Jobs Act.</p> <p>Docket No. X-34747 was opened to track the reports submitted by Utility Companies. For ease of finding the reports, Chairman Skrmetta requested that a hyperlink to the Docket be included on the LPSC website. Deputy General Counsel Melissa Watson announced that Staff would do that. Commission Skrmetta directed that Staff provide the Commission with an update on the status of this Docket at the March B&E. Any company who has not submitted a report into Docket No. X-34747 will be given an opportunity to update the Commission on its status.</p> <p>2) Resolutions 3) Discussions</p> <p>4) ERSC/OMS Business</p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, with Commissioner Campbell and Commissioner Greene concurring and Commissioner Boissiere abstaining, the Commission voted to ratify Commissioner Boissiere's vote taken February 13, 2018 as the Louisiana Public Service Commission representative to the OMS Board of Directors, supporting the OMS Notice of Intervention and Comments in FERC Docket No. ER18-783.</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>(Ex. 19 on the January 31, 2018 B&E Agenda)</p> <p>At the request of Commissioner Campbell. – PASSED</p>

<p>Ex. 11</p>	<p>R-34738 - Louisiana Public Service Commission, ex parte. In re: Proceeding to establish rules regarding electric utility tariff filings and related review, including site specific rate filings.</p> <p>In re: Discussion and possible vote to hire outside consultant.</p> <p>At the request of Chairman Skrmetta.</p> <p>On motion of Vice Chairman Francis, seconded by Chairman Skrmetta, and unanimously adopted, the Commission voted to hire United Professionals Company (UPC) to assist Staff for a not to exceed budget of \$55,000 in fees and \$2,500 in expenses for a total not to exceed budget of \$57,500.</p>
<p>Ex. 12</p>	<p>U-34688 - Entergy Louisiana, LLC, ex parte. In re: Complaint and Petition for Declaratory Ruling on Proper Formula for the Pole Attachment Rental Rate under LPSC Order dated September 4, 2014.</p> <p>In re: Discussion and possible vote to hire outside consultant.</p> <p>At the request of Chairman Skrmetta.</p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted to hire J. Kennedy and Associates, Inc. for a not to exceed budget of \$25,900 in fees and \$1,500 in expenses for a total not to exceed budget of \$27,400.</p>
<p>Ex. 13</p>	<p>T-34713 - Louisiana Public Service Commission vs. Big Lee's Towing, LLC (Kenner, Louisiana). In re: Alleged violation of La. R.S. 45:161 through 180.1, and General Order dated August 05, 2016 while operating under LPSC authority 7590, for exceeding state prescribed rates, allegedly having occurred on or about August 30, 2017.</p> <p>In re: Discussion and possible vote pursuant to Rule 57 to accept Affidavit and Stipulation executed by the Carrier.</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 assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.</p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted to approve the Affidavit and Stipulation executed on February 16, 2018 for fines and fees totaling \$525.00.</p>
<p>Ex. 14</p>	<p>R-33929 - Louisiana Public Service Commission, ex parte. In re: Review of policies related to customer-owned solar generation and possible modification of the Commission's current net metering rules.</p> <p>In re: Discussion and possible vote to hire outside counsel.</p> <p>At the request of Commissioner Greene.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to hire Stone Pigman to assist Staff for a not exceed budget of \$46,500 in fees and \$2500 in expenses for a total not to exceed budget of \$49,000.</p> <p>Jeff Cantin, Gulf States Renewable Energy Industries Association and Jessica Hendricks, Alliance for Affordable Energy, spoke in support of the motion.</p>
<p>Ex. 15</p>	<p>LPSC, et al v. Louisiana State Legislature, Docket Number 592,231, 19th JDC (Sweep litigation)</p> <p>In re: Report regarding recent decision and possible executive session to discuss litigation strategy pursuant to La. R.S. 42:16 et. seq.</p> <p>At the request of Chairman Skrmetta.</p> <p>No executive session was held; however, Interim Executive Secretary Brandon Frey gave a brief update on the declaratory judgment ruling in the Commission's favor and informed the Commission that it is anticipated the State Legislature will appeal the ruling.</p>

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

MEETING ADJOURNED

The next Business and Executive Session will be held on Wednesday, March 21, 2018 at 9:00am in Baton Rouge, Louisiana.