

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM AUGUST 31, 2016
OPEN SESSION

MINUTES OF AUGUST 31, 2016 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE COMMISSIONER FOSTER CAMPBELL, COMMISSIONER LAMBERT BOISSIERE, COMMISSIONER ERIC SKRMETTA, VICE CHAIRMAN SCOTT ANGELLE AND EXECUTIVE SECRETARY EVE KAHAO GONZALEZ. CHAIRMAN CLYDE HOLLOWAY WAS ABSENT.

Open Session of August 31, 2016, convening at 9:48A.M., and adjourning at 11:49A.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. Chairman Clyde Holloway was absent.

<p>Ex. 1</p>	<p>Vice Chairman Angelle conducted the meeting in Chairman Holloway's absence.</p> <hr/> <p>Commissioner Skrmetta made the following statement regarding an LPSC investigation of a fatal accident:</p> <p>On August 28, 2016 a bus traveling on I-10 west in La Place crashed in to an existing accident investigation resulting in two deaths and multiple injuries. The LPSC regulates charter buses with a seating capacity of sixteen or more people and requires them to register with the LPSC and maintain proof of insurance. The State of Louisiana and the LPSC are prohibited from enacting any law or regulation relating to the authority to provide interstate or intrastate charter bus transportation. Per federal law, the state can, however, regulate motor vehicle safety and require charter bus carriers to provide proof of insurance. Kristina's Transportation, LLC does not hold a U.S. Department of Transportation number and is not required to hold such authority if it does not engage in interstate commerce.</p> <p>In addition to the Louisiana Public Service Commission investigation, the accident is being investigated by the U.S. Department of Transportation, Federal Motor Carrier Safety Administration - Louisiana Division, as well as the Louisiana State Police and we are maintaining contact with these agencies.</p> <p>The bus was owned by Kristina's Transportation, LLC (Jefferson, LA) a passenger carrier registered with the LPSC. According to reports, the bus was carrying workers from New Orleans to Baton Rouge to work in the flood recovery. The LPSC is working with the various federal and state agencies to investigate this crash and determine what actions against the company are warranted.</p> <p>The public service commission will have this company fully investigated by Staff and will ask for the imposition of any and all fines that are allowed by law.</p> <p>Because this is an ongoing investigation, we ask that no questions be presented to the Commission at this time.</p> <hr/> <p>Commissioner Skrmetta made the following statement regarding the Entergy System Agreement termination:</p> <p>The Entergy System Agreement, which has governed the resource planning and operations of Entergy's Louisiana operating companies since the 1950s, is terminating as of 11:59 p.m. today. This termination occurred as a result of a multi-jurisdictional FERC-approved settlement agreement that permitted the early termination of the System Agreement. Entergy Louisiana is now a member of the Midcontinent Independent System Operator, and, after today, Entergy Louisiana will be better positioned to participate independently within that Regional Transmission Organization. Given today's full agenda and recent catastrophic weather events in our State, we will have a full report from our Staff and from Entergy Louisiana at our September meeting regarding the termination and post- System Agreement planning and operations. Today marks the end of an era in Entergy's governance and regulation, but we are hopeful that this change will allow Entergy Louisiana to deliver maximum benefit to Louisiana customers.</p> <hr/> <p>Commissioner Skrmetta announced that the October 2016 B&E Meeting will be held in the southeastern part of the state. The location will be announced at a later date.</p>
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<p>Ex. 2</p>	<p>T-34104 - Louisiana Public Service Commission vs. Handsome Haulers, LLC dba Handsome Haulers & Movers (Metairie, Louisiana) . In re: Alleged violation of La. R.S. 45:161 through 180.1, by engaging in activities related to moving household goods prior to complying with the requirements of La. R.S. 45:164E(1) and General Order dated May 17, 2004 and for failure to comply with the requirements of General Order dated April 3, 2008.</p> <p>In re: Discussion and possible vote on stipulation pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to accept Staff recommendation and approve the terms of the affidavit and stipulation executed on July 29, 2016.</p>
<p>Ex. 3</p>	<p>In re: Discussion and possible vote to open a docket on telephone service during the mid-August flooding in Baton Rouge and surrounding areas, and request for assistance to customers from the FCC and telephone carriers.</p> <p>At the request of Commissioner Campbell.</p> <p>As part of the Commission’s “Best Practices” rulemaking in Docket No. R-32786, Staff was directed to review telephone service during the mid-August flooding to ensure that customers receive a bill credit for lack of service and to contact Mignon Clyburn, Acting Chairwoman of the Federal Communications Commission (“FCC”) to request assistance. Staff was further directed to provide an initial report two weeks from the August meeting and a full report at the September meeting.</p>
<p>Ex. 4</p>	<p>U-32812 - Entergy Louisiana, LLC, ex parte. In re: Prudence review, including project costs, of the Waterford 3 Steam Generator Replacement Project conducted in compliance with Orders No. U-30670 and U-31944-A.</p> <p>In re: Discussion and possible vote on ALJ recommendation.</p> <p>(Ex. 11 on the July 21, 2016 B&E Agenda)</p> <p>PASSED</p>
<p>Ex. 5</p>	<p>U-33770 - Entergy Louisiana, LLC, Entergy Gulf States Louisiana, L.L.C and Entergy Louisiana Power, LLC. In re: Joint Application for Approval to Construct St. Charles Power Station, and for Cost Recovery.</p> <p>In re: Discussion and possible vote on ALJ recommendation.</p> <p>The item was PASSED after brief comments in support of the project by St. John the Baptist Parish President Natalie Robottom and St. Charles Parish President Larry Cochran.</p>
<p>Ex. 6</p>	<p>U-34032 - S.D.U., LLC, ex parte. In re: Request for an increase in rates for wastewater utility service and fees for the Iberville Trace residents in Iberville Parish.</p> <p>In re: Discussion and possible vote on Stipulated Settlement.</p> <p>(Ex. 24 on the July 21, 2016 B&E Agenda)</p> <p>PASSED</p>
<p>Ex. 7</p>	<p>S-34091 - Boomerang Wireless, LLC, ex parte. In re: Application for Expansion of Service Area as a Wireless ETC (Low Income Only).</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>Commissioner Campbell made a motion to accept Staff’s Recommendation, Commissioner Boissiere concurred, Vice Chairman Angelle opposed, Commissioner Skrmetta was temporarily absent, and Commissioner Holloway was absent. The motion failed for lack of majority vote.</p>

<p>Ex. 8</p>	<p>U-34200 - Southwestern Electric Power Company (SWEPCO), ex parte. In re: Review of Possible Modifications to SWEPCO's Formula Rate Plan as Extended in Docket No. U-32220.</p> <p>In re: Discussion and possible vote to hire outside consultant.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, with Commissioner Boissiere and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to hire Exeter Associates to assist Staff throughout completion of the docket for a proposed budget of \$33,500 in fees, \$2,500 in expenses, for a total not to exceed budget of \$36,000.</p>
<p>Ex. 9</p>	<p>Entergy Services, Inc.'s Upcoming Requests for Certification arising out of the 2015 RFP</p> <p>In re: Discussion and possible vote to hire outside counsel.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to hire Stone Pigman to assist Staff throughout the completion of the docket for \$384,000 in fees, \$12,000 in expenses, for a total not-to-exceed budget of \$396,000.</p>
<p>Ex. 10</p>	<p>U-32245 - Louisiana Public Service Commission, ex parte.. In re: Audit of Entergy Gulf States Louisiana, L.L.C.'s charges flowed through its Fuel Adjustment Charge, pursuant to Commission General Order U-21497 dated November 6, 1997, from the period beginning January 1, 2005 through December 31, 2009.</p> <p>In re: Discussion and possible vote to hire outside counsel.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, with Commissioner Boissiere and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to hire Patrick Miller, LLC to assist the Commission for \$40,000 in fees, \$6,000 in expenses for a total not-to-exceed budget of \$46,000.</p>
<p>Ex. 11</p>	<p>U-34199 - Southwestern Electric Power Company (SWEPCO), ex parte. In re: 2014 Annual Formula Rate Plan Report.</p> <p>In re: Discussion and possible vote to hire outside counsel.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to hire McQuaig and Associates to assist the Commission in each of the annual reviews for \$76,500 in fees, \$4,500 in expenses, for a total not-to exceed budget of \$81,000.</p>
<p>Ex. 12</p>	<p>U-34199 - Southwestern Electric Power Company (SWEPCO), ex parte. In re: 2014 Annual Formula Rate Plan Report.</p> <p>In re: Discussion and possible vote to hire outside consultant.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to hire ReSolved Energy Consulting to assist the Commission throughout completion of the dockets for a proposed budget of \$52,500 in fees, \$2,700 in expenses, for a total not to exceed budget of \$55,200.</p>
<p>Ex. 13</p>	<p>R-31106 - LPSC, ex parte. In re: Rulemaking to study the possible development of financial incentives for the promotion of energy efficiency by jurisdictional electric and gas utilities.</p> <p>In re: Discussion and possible vote to maintain Phase 1 pending consideration of Phase 2 and for additional scope of work and budget for J. Kennedy and Associates for Phase 2.</p> <p>PASSED</p>
<p>Ex. 14</p>	<p>R-32786 - Louisiana Public Service Commission, ex parte. In re: Rulemaking to establish "Best Practices" protocols for disaster planning and response by all LPSC-jurisdictional utilities.</p> <p>In re: Discussion and possible vote on proposed rule.</p> <p>(Ex. 30 on the July 21, 2016 B&E Agenda)</p> <p>PASSED</p>

<p>Ex. 15</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 on Staff's Phase I Recommendation.</p> <p>(Ex. 31 on the July 21, 2016 B&E Agenda)</p> <p>PASSED</p>
<p>Ex. 16</p>	<p>Midcontinent Independent System Operator, Inc. FERC Docket No. ER14-1736-000.</p> <p>In re: Possible executive session pursuant to La. R.S. 42:17 to discuss litigation strategy.</p> <p>In re: Discussion and possible vote on stipulation and settlement.</p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Angelle, with Commissioner Campbell and Commissioner Boissiere concurring, and Chairman Holloway absent, the Commission voted to enter executive session.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to exit executive session.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission authorized Staff to support the proposed stipulation, which provides a fair and reasonable resolution to the FERC proceedings and is in the best interests of LPSC-jurisdictional ratepayers.</p>
<p>Ex. 17</p>	<p>1) Reports 2) Resolutions 3) Discussions 4) ERSC/OMS Business</p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Campbell, with Vice Chairman Angelle concurring, Commissioner Skrmetta abstaining and Chairman Holloway absent, the Commission voted to ratify Commissioner Skrmetta's vote taken on August 18, 2016, as the Louisiana Public Service Commission representative to the OMS Board.</p> <p>5) Directives</p> <p><u>Directive from Commissioner Angelle regarding 2-1-1 service provider selection.</u></p> <p>Currently, the 2-1-1 informational service is provided by 4 different providers in 5 geographic regions of the state. Authority to assign the dialing code to a provider lies with the LPSC. While the LPSC maintains this authority, the only criteria for making such a designation is that the applicant for the designation be qualified to provide those services.</p> <p>To ensure that the needs of each geographic region are properly addressed, I direct Staff to use, as additional criteria when analyzing a new designation, to employ the following criteria:</p> <ol style="list-style-type: none"> 1. Assuming an applicant is qualified to provide 2-1-1 services, preference shall be given to a potential provider physically located within the geographic region in which the services will be provided. <p>After brief discussion and testimony from Denise Durel, President and CEO of United Way of SWLA, the directive was adopted without opposition.</p>

<p>Ex. 18</p>	<p>Report from all utilities that had customers and/or their facilities affected by the 2016 Flood.</p> <p>At the request of Vice Chairman Angelle.</p> <p>Vice Chairman Angelle requested that Staff work with Chairman Holloway to schedule a technical conference in the next several days for the purpose of having jurisdictional utilities provide Commission Staff with a special briefing.</p> <p>AT&T Louisiana Director of External Affairs Rick Demint and Senior Legal Counsel Timothy Pickering provided a report on the equipment failures that occurred during the mid-August flooding.</p>
<p>Ex. 19</p>	<p>Presentations on storm preparation and response from jurisdictional utilities.</p> <p>At the request of Vice Chairman Angelle.</p> <p>Vice Chairman Angelle requested that Staff work with Chairman Holloway to schedule a technical conference in the next several days for the purpose of having jurisdictional utilities provide Commission Staff with a special briefing.</p>
<p>Ex. 20</p>	<p>LPSC, ex parte</p> <p>In re: Discussion and possible vote to ratify Executive Orders dated August 17, 2016 and August 19, 2016.</p> <p>At the request of Chairman Holloway.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to ratify the August 17, 2016 and August 19, 2016 Orders, subject to any modification that may be required.</p>
<p>Ex. 21</p>	<p>LPSC, ex parte: Undocketed- Motion from Commissioner Skrmetta to publish proposed changes to “Do Not Call” General Order.</p> <p>At the request of Commissioner Skrmetta.</p> <p>Commissioner Skrmetta made the following motion:</p> <p>At the Commission's April 28, 2016 Business and Executive Session, I asked Staff to verify that our current Do Not Call rules specifically relating to certain exemptions are consistent and in compliance with federal law.</p> <p>Consistent with this request, Staff has reviewed the federal do not call program, and compared both prohibited and allowed activity with our own do not call program. Specifically, it was determined that certain calls that are allowed under the federal program as protected political speech are prohibited under our own regulations. The result of this inconsistency is that out-of-state pollsters are making calls to Louisiana residents that are allowable under federal law to Louisiana constituents, while Louisiana pollsters are refraining from making those same calls.</p> <p>Given the potential that our regulation is infringing upon protected speech, and is acting as a detriment to Louisiana businesses, I direct Staff to publish proposed changes to the Commission's do not call Order that address these inconsistencies, and place it in line with the federal program.</p> <p>Commissioner Skrmetta’s motion was seconded by Vice Chairman Angelle, with Commissioner Campbell and Commissioner Boissiere concurring, and Chairman Holloway absent, the Commission voted to open a rulemaking and publish proposed changes consistent with the above directive for comments.</p>

<p>Ex. 22</p>	<p>S-33988 - Central Crude, Inc. (Lake Charles, Louisiana), ex parte. In re: Application to increase rates in LPSC Local Tariff for Crude Petroleum.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>At the request of Chairman Holloway.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Vice Chairman Angelle concurring, Commissioner Campbell objecting, and Chairman Holloway absent, the Commission voted to accept Staff's recommendation.</p>
<p>Ex. 23</p>	<p>S-34196 - The Dow Chemical Company, ex parte. In re: Notice Filing Submitted Pursuant to Ordering Paragraph 5 of Order No. S-33436 Regarding Modification of Leasehold Interest.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>At the request of Vice Chairman Angelle.</p> <p>On motion of Vice Chairman Angelle, seconded by Commissioner Skrmetta, with Commissioner Campbell and Commissioner Boissiere concurring, and Chairman Holloway absent, the Commission voted to accept Staff's recommendation to find that the changes referenced in the notice filing do not impact the Commission's prior determinations, and thus recommends the Commission re-affirm its findings in Order S-33436, subject to the terms and conditions contained in that Order. Additionally, Dow's filing in the current docket is evidence of its compliance with the terms of Order S-33456, by specifically providing the Commission notice of a potential material change, and providing the opportunity for intervention and review. Staff further recommends that in reviewing this notice-filing, the Commission affirms that no changes are being made to Ordering clauses 1-14 of Order S-33456, other than to reflect the changes referenced in the notice-filing; all obligations and conditions listed therein shall remain in effect; and the Commission's Order issued in this docket shall be effective immediately.</p>
<p>Ex. 24</p>	<p><u>Directive from Commissioner Skrmetta regarding the Market Based Mechanisms Order.</u></p> <p>At the request of Commissioner Skrmetta.</p> <p>Commissioner Skrmetta directs the Staff to open a rulemaking docket to consider changes to the Market Based Mechanisms Order that could require that: 1) Any complaints or concerns of any party regarding a draft Request for Proposals ("RFP") concerning the acquisition or construction of additional generation must be raised at one time, or be forever waived, prior to the issuance of the final RFP; 2) Any such complaints or concerns will be reviewed solely by the full Commission during an open meeting on an expedited basis (e.g. 45-60 days – to be determined); 3) Failure of any party or Intervener to raise complaints or concerns, 90 days or more, prior to the issuance of a final RFP shall constitute a complete and total waiver for those issues not properly raised; and 4) All issues regarding the RFP must be raised prior to the issuance of a final RFP and no issues regarding the structure and/or content of the RFP may be raised during the certification phase of the proceeding.</p> <p>The Staff should solicit comments from all interested parties and utilize its best efforts to submit a draft rule to the Commission no later than the January 2017 Business and Executive Session.</p>
<p>Ex. 25</p>	<p><u>Directive from Commissioner Skrmetta regarding the Commission's review of certain utility contracts.</u></p> <p>At the request of Commissioner Skrmetta.</p> <p>Commissioner Skrmetta issued the following directive:</p> <p>I have become increasingly concerned that our regulated utilities are entering into agreements with significant cost consequences for ratepayers without adequate contractual mechanisms to limit those costs, and the current procedures allowing for "after the fact" review of costs may no longer be adequate to provide adequate protections to rate payers. As a result:</p> <p>I direct Staff to open a rulemaking docket to consider the appropriateness and potential scope of the Commission's review and pre-approval of utility contracts regarding the construction and/or acquisition of significant generation and transmission related assets. In this rulemaking,</p>

	Staff will review current procedures, determine which contracts should be reviewed, and consider adopting new procedures that would allow the Commission to hire outside consultants and counsel to review defined contracts prior to execution. I also direct Staff to have a technical conference(s) associated with this rulemaking to allow for utility and intervener participation in the process.
Ex. 26	<p><u>Directive from Vice Chairman Angelle regarding rules related to combined heat and power (“CHP”).</u></p> <p>At the request of Vice Chairman Angelle.</p> <p>PASSED</p>

On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to adjourn.

MEETING ADJOURNED

The next Business and Executive Session will be held on Wednesday, September 21, 2016 at 9:00 a.m. in Baton Rouge, Louisiana.