

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM SEPTEMBER 19, 2018**  
**OPEN SESSION**

**MINUTES OF SEPTEMBER 19, 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 EXECUTIVE SECRETARY BRANDON FREY.**

**Open Session of September 19, 2018, convening at 9:40A.M., and adjourning at 2:17P.M., the Galvez Building, 602 North 5<sup>th</sup> Street, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Brandon Frey.**

<p><b>Ex. 1</b></p>	<p>Vice Chairman Francis congratulated Commissioner Greene on his newly adopted son Boomer.</p> <p>Vice Chairman Francis wished Joan Finley well as she decided to pursue another opportunity and introduced his new Executive Assistant, Janice Perkins.</p> <p>Deputy General Counsel Melissa Watson, introduced new Staff Attorney, Jason Placke.</p>
<p><b>Ex. 2</b></p>	<p><b>T-34811</b> - Louisiana Public Service Commission vs. Geaux Movers, LLC (Mandeville, Louisiana). In re: Alleged violation of La. R.S. 45:161 through 180.1, by operating Intrastate without LPSC authority and by engaging in activities related to moving household goods prior to complying with the requirements of La. R.S. 45:164 (E) and General Order dated May 04, 2017 and for failure to comply with the requirements of General Order dated April 3, 2008 as amended.</p> <p><b>In re: Discussion and possible vote pursuant to Rule 57 to consider the Affidavit and Stipulation executed by the Carrier.</b></p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, 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 accept Affidavit and Stipulation executed by the Carrier.</p>
<p><b>Ex. 3</b></p>	<p><b>T-34962</b> - Louisiana Public Service Commission vs. Louisiana Environmental Concepts, LLC (New Iberia, Louisiana). In re: Alleged violation of La. R.S. 45:161 through 180.1, by operating beyond the scope of authority in Common Carrier Certificate Number 7886 on three (3) counts occurring on or about November 14, 2017 through November 15, 2017.</p> <p><b>In re: Discussion and possible vote pursuant to Rule 57 to consider the Affidavit and Stipulation executed by the Carrier.</b></p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, with Commissioner Campbell and Commissioner Greene concurring and Commissioner Boissiere temporarily absent, 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 with Commissioner Campbell and Commissioner Greene concurring and Commissioner Boissiere temporarily absent, the Commission voted to accept Affidavit and Stipulation executed by the Carrier.</p>
<p><b>Ex. 4</b></p>	<p><b>U-33011</b> - Mo-Dad Utilities, LLC ("Mo-Dad"), ex parte. In re: Application for Rate Increase and Request for Letter of Non-Opposition to Borrowing Funds.</p> <p><b>In re: Update and Report from Mo-Dad on Status of Loan and Improvements at the request of Chairman Skrmetta.</b></p> <p>Appearing before the Commission on behalf of Mo-Dad were Janet Boles and Bill Kirtland with Boles Law Firm and Clarence Brown of Garrety &amp; Associates Certified Public Accountants, who provided an update. Chairman Skrmetta requested, pending determination on the loan, that Mo-Dad to provide another update at the October 26, 2018 B&amp;E Meeting.</p>

<p><b>Ex. 5</b></p>	<p><b>U-34344</b> - Dixie Electric Membership Corporation (DEMCO), ex parte. In re: 2016 Formula Rate Plan Annual Report for test year ending September 30, 2016.</p> <p><b>U-34717</b> - Dixie Electric Membership Corporation, ex parte. In re: 2017 Formula Rate Plan Annual Report Filing.</p> <p><b>In re: Discussion and possible vote to amend Commission Orders Nos. U-34344 and U-34717 regarding filing date for rate proceeding.</b></p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted to amend Commission Orders No. U-34344 and U-34717 to change all references to the filing date for DEMCO’s rate proceeding, which will be a full rate review, from September 1, 2018 to May 15, 2019.</p>
<p><b>Ex. 6</b></p>	<p><b>U-34676</b> - Jefferson Davis Electric Cooperative, Inc., ex parte. In re: Application for Approval of Formula Rate Plan and Initial Revenue Adjustment.</p> <p><b>In re: Discussion and possible vote on Stipulated Settlement.</b></p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted to adopt the Uncontested Stipulated Settlement.</p>
<p><b>Ex. 7</b></p>	<p>Undocketed - Jeff Davis Electric Cooperative, Inc., ex parte.</p> <p><b>In re: Discussion and possible vote to approve site-specific contract with Commonwealth Projects, LLC.</b></p> <p>On motion of Commissioner Boissiere, seconded by Chairman Skrmetta, with Commissioner Campbell and Commissioner Francis concurring and Commissioner Greene opposing, the Commission voted to defer a vote on this matter until the October 26, 2018 B&amp;E Meeting.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to bring the item up out of order and have United Professionals Company review the item under the current MISO monitoring contract and return his findings by the October 26, 2018 B&amp;E Meeting.</p>
<p><b>Ex. 8</b></p>	<p><b>U-34690</b> - Water Treatment &amp; Controls Company, d/b/a Peoples Water Service Company of Bastrop, ex parte. In re: Application for Increase in Rates for Water and Water Service in the City of Bastrop and its Environs.</p> <p><b>In re: Discussion and possible vote on Stipulated Settlement.</b></p> <p>DEFERRED</p>
<p><b>Ex. 9</b></p>	<p><b>U-34819</b> - Beauregard Electric Cooperative, Inc., ex parte. In re: Formula Rate Plan Annual Report for test year ending December 31, 2017.</p> <p><b>In re: Discussion and Possible Vote on Joint Report and Draft Order</b></p> <p>DEFERRED</p>
<p><b>Ex. 10</b></p>	<p><b>U-34822</b> - Concordia Electric Cooperative, Inc., ex parte. In re: Formula Rate Plan Annual Report for test year ending December 31, 2017.</p> <p><b>In re: Discussion and possible vote on Joint Report and Draft Order.</b></p> <p>DEFERRED</p>
<p><b>Ex. 11</b></p>	<p><b>U-34837</b> - Pointe Coupee Electric Membership Corporation, ex parte. In re: 2018 Formula Rate Plan Report.</p> <p><b>In re: Discussion and possible vote on Joint Report and Draft.</b></p> <p>On motion of Commissioner Greene, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted to accept the Joint Report and Draft Order filed August 16, 2018.</p>

<p><b>Ex. 12</b></p>	<p><b>U-34865</b> - Greater Ouachita Water Company, ex parte. In re: Application for an Increase in Water and Sewer Rates, Interim Rate Relief, Non-Opposition to Bond Issuance, and Expedited Relief.</p> <p><b>In re: Discussion and possible vote on Interim Rate Increase pursuant to Rule 57.</b></p> <p><b>At the request of Commissioner Campbell.</b></p> <p><b>(Ex. 7 on the August 1, 2018 B&amp;E Agenda)</b></p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, 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 Commissioner Campbell, seconded by Chairman Skrmetta, and unanimously adopted, the Commission voted to approve Greater Ouachita’s request for Interim Rates, allowing a \$1.97 increase in its current Line Item Charge of \$0.84 per water and wastewater customer meter effective October 1, 2018, which would result in a total Line Item Charge of \$2.81. This Line Item Charge will be in effect pending the Commission’s full decision on the merits of Greater Ouachita’s rate application. The approval of the increase is subject to Greater Ouachita posting with the LPSC Secretary and filing into the record of Docket No. U-34865 a letter of credit in the amount of \$383,600 based on the \$1.97 increase for each of its water and wastewater customer meters (27,817 meters) over the next seven months (October 2018 through April 2019), to ensure refund if necessary.</p>
<p><b>Ex. 13</b></p>	<p><b>S-34805</b> - Claiborne Electric Cooperative, Inc., ex parte. In re: Petition for Approval of a Letter of Non-Opposition for Approval of Financing regarding Broadband Project.</p> <p><b>In re: Report from Commissioner Campbell.</b></p> <p>Commissioner Campbell directed Staff to conduct a review of all electric cooperatives Board of Directors and the amount of money, including benefits, paid to each board member. Commissioner Campbell requested this information by the October 26, 2018 B&amp;E Meeting. There was no opposition.</p>
<p><b>Ex. 14</b></p>	<p><b>S-34959</b> - Pecten Midstream, LLC (Houston, Texas), ex parte. In re: Application to i) Increase Rates for Transportation Service of Petroleum on its Delta Pipeline System, ii) Revise LPSC Tariff 2.2.0, iii) Reserve Right for Interim Rate Relief, and iv) Expedited Consideration.</p> <p><b>In re: Discussion and possible vote to hire outside consultant.</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain United Professionals Company to assist Staff for a total not to exceed budget of \$70,000 in fees and \$5,000 in expenses for a total not to exceed budget of \$75,000.</p>
<p><b>Ex. 15</b></p>	<p><b>U-29203</b> - Entergy Gulf States, Inc. and Entergy Louisiana, Inc., Ex Parte. In re: Joint Application of Entergy Gulf States, Inc. and Entergy Louisiana, Inc. for Interim and Permanent Recovery in Rates of Costs Related to Hurricanes Katrina and Rita.</p> <p><b>U-30981</b> - Entergy Gulf States Louisiana, L.L.C. and Entergy Louisiana, LLC, ex parte. In re: Joint Application for Recovery in Rates of Costs Related to Hurricanes Gustav and Ike.</p> <p><b>U-32764</b> - Entergy Louisiana, LLC and Entergy Gulf States Louisiana, LLC., ex parte. In re: Joint Application for Recovery in Rates of Costs Related to Hurricane Isaac, Determination of Appropriate Storm Reserve Escrow Amounts and Related Relief.</p> <p><b>In re: Discussion and possible vote for acceptance and approval of the Annual Report of the Louisiana Utilities Restoration Corporation to the Louisiana Public Service Commission for the fiscal year 2018 dated August 29, 2018, including the annual Operating Budget for fiscal year 2019 and the interim and annual Compiled Financial Statements for fiscal year 2018, as attached thereto.</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept and approve the Annual Report of the Louisiana Utilities Restoration Corporation to the Louisiana Public Service Commission for the fiscal</p>

	<p>year 2018 dated August 29, 2018, including the annual Operating Budget for fiscal year 2019 and the interim and annual Compiled Financial Statements for fiscal year 2018, as attached thereto.</p>
<b>Ex. 16</b>	<p><b>R-34407 - Louisiana Public Service Commission, ex parte.</b> In re: Rulemaking docket to consider whether or not the Commission should exercise its authority over future utility generation deactivation and retirement decisions and the rules and procedures that could apply to any such exercise of authority.</p> <p><b>In re: Discussion and possible vote on Staff Recommendation on Final Proposed Rule.</b></p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted to adopt Staff's Amended Recommendation on Final Proposed Rule filed into the record on September 14, 2018.</p>
<b>Ex. 17</b>	<p><b>1) Reports</b></p> <p><b>A. Report/Update from DEMCO on Status of Audit</b> Report was given by Jim Ellis, counsel for DEMCO and Randy Pierce, President of DEMCO; the Commission asked that they return for the October 26, 2018 B&amp;E Meeting.</p> <p><b>B. Status Report regarding potential National Guard Solar Project</b> Report was given by Glenn Curtis.</p> <p>2) Resolutions</p> <p><b>3) Discussions</b></p> <p><b>Update and presentation from AT&amp;T and CenturyLink regarding the status of Connect America Fund "CAF" broadband deployment in Louisiana.</b></p> <p><b>(Ex. 18 on the August 1, 2018 B&amp;E Agenda) – DEFERRED</b></p> <p><b>Commissioner Boissiere discussed with Entergy Louisiana, LLC recent issues regarding service to a mobile home park in north Baton Rouge and the meter conversions taking place at the site to ensure residents are receiving service directly from Entergy Louisiana, LLC.</b></p> <p><b>4) ERSC/OMS/SPP</b></p> <p><b>Discussion and possible vote to ratify the vote taken by Commissioner Boissiere acting as the Commission's representative on the Board of Directors of the Organization of MISO States.</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, with Vice Chairman Francis and Commissioner Greene concurring, and Commissioner Boissiere abstaining, the Commission voted to ratify Commissioner Boissiere's vote taken on August 28, 2018 as the LPSC Representative to the OMS Board of Directors.</p> <p><b>Discussion and possible vote to ratify the vote taken by Commissioner Campbell acting as the Commission's representative on the Regional State Committee of the Southwest Power Pool.</b></p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, with Commissioner Boissiere concurring, Commissioner Campbell abstaining, and Commissioner Greene temporarily absent, the Commission voted to ratify Commissioner Campbell's vote taken on July 30, 2018 as the LPSC representative to the RSC of the Southwest Power Pool.</p> <p><b>5) Directives</b></p> <p>Commissioner Greene directed Staff to conduct an audit of electric cooperatives to determine best practices in the areas of operation and finances. Commissioner Greene also directed Staff to issue an RFP to hire a consultant to assist with this audit. There was no opposition.</p>

<p><b>Ex. 18</b></p>	<p><b>S-34981</b> - Driftwood LNG LLC, ex parte. In re: Request for Determination, on an Expedited Basis, that Petitioner has Customer Choice Regarding Electric Service Provider.</p> <p><b>In re: Discussion and possible directive to Staff regarding Driftwood LNG's request for Commission Determination.</b></p> <p><b>At the request of Vice Chairman Francis/</b></p> <p>Vice Chairman Francis made the following directive:</p> <p>Driftwood LNG, LLC has filed a petition with the Commission seeking to confirm that it has customer choice in the right to choose Entergy Louisiana as its electric service provider under the Commission's 300 Foot Rule. The Driftwood project is an LNG facility to be located in Calcasieu Parish, Louisiana, with a total planned investment of about 15 billion, or 30 billion if the related pipeline and Haynesville Shale assets and development are included. The LNG facility alone has the potential to provide more than 6,000 jobs during construction with approximately 400 permanent jobs upon completion, and up to 1000 jobs in the New Orleans area related to the manufacture of components for the project. It is very important that the Commission reach a decision on Driftwood's petition by no later than December 2018, so that the determination of the source of power supply does not interfere with the project investment and development. Driftwood must complete its power supply arrangements by December 2018, so that it can secure timely financing for the project with a projected financial close in the spring of 2019. In lieu of the Administrative Hearing Division process, I direct Staff to utilize best efforts to facilitate an expedited proceeding and present the record and evidence to the Commission for a decision at its November 16, 2018 Business and Executive meeting if possible, or at least no later than the December 19<sup>th</sup> Business and Executive meeting, regarding whether Driftwood has customer choice and the right to select Entergy as its electric service provider under the 300 Foot Rule.</p> <p>No opposition.</p>
<p><b>Ex. 19</b></p>	<p><b><u>Directive to Staff regarding non-regulated merchant power companies and their contract with Louisiana rural electric cooperatives.</u></b></p> <p><b>At the request of Chairman Skrmetta.</b></p> <p>Chairman Skrmetta made the following directive:</p> <p>I direct Staff to identify any third-party non-regulated merchant power companies that are utilizing contractual arrangements with any Louisiana rural electric cooperatives to function on an agency basis, to resell or act as conduits to complete sales of electricity in Louisiana to retail customers to avoid the regulatory oversight of the Commission. This is limited to sales beyond the amount of electricity consumed by the geographic members of the co-op. When identified, Staff is further directed to notify identified merchant power companies that the LPSC requires those companies to immediately submit to the regulatory oversight and jurisdiction of the LPSC.</p> <p>No opposition.</p>
<p><b>Ex. 20</b></p>	<p><b>R-34948</b> - Louisiana Public Service Commission, ex parte. In re: Rulemaking to study the implications of participation of Aggregators of Retail Customers to determine whether, and under what conditions, such activity should be allowed in the Louisiana Public Service Commission's jurisdiction.</p> <p><b>In re: Discussion and possible vote on a directive regarding current status of Aggregators of Retail Customers.</b></p> <p><b>At the request of Chairman Skrmetta.</b></p> <p>Commissioner Campbell and Commissioner Greene were absent.</p> <p>Chairman Skrmetta made the following directive:</p> <p>At the June 20, 2018 B&amp;E meeting, a Commission directive was adopted opening a rulemaking to determine whether and under what conditions third-party aggregators of retail customers or ARCs can participate in Louisiana in utility service areas subject to the Commission's jurisdiction. Commission Docket R-34948 was noticed pursuant to the</p>

<p>directive. Subsequent to this directive and the rulemaking being opened, I understand that one or more utilities have received requests from MISO regarding requests by ARCs to register LPSC jurisdictional retail electric service customers to participate in MISO. While I think the prior directive was clear, in the event that there was any confusion regarding the current status of ARCs, this directive is to clarify that the registration of LPSC-jurisdictional retail electric service customers by third-party ARCs and/or the bidding of such retail customers' loads by third-party ARCs in RTO or ISO markets is not authorized unless and until it is approved as part of the pending rulemaking. The pending rulemaking will determine whether this activity will be permitted in Louisiana in the future and, if so, under what circumstances.</p> <p>No opposition.</p> <p>Chairman Skrmetta directed Staff to work with all participating generators in Louisiana to sign a disclosure authorization for the Commission with MISO to ensure MISO can release information to the Commission.</p>
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On motion of Vice Chairman Francis, seconded by Commissioner Boissiere, with Chairmen Skrmetta concurring and Commissioner Campbell and Commissioner Greene absent, the Commission voted to adjourn.

**MEETING ADJOURNED**

The next Business and Executive Session will be held on Friday, October 26, 2018 at 10:00am in Many, Louisiana.