

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM DECEMBER 17, 2014**  
**OPEN SESSION**

***MINUTES OF DECEMBER 17, 2014 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN ERIC SKRMETTA, VICE CHAIR CLYDE HOLLOWAY, COMMISSIONERS FOSTER CAMPBELL, LAMBERT BOISSIERE, SCOTT ANGELLE and EXECUTIVE SECRETARY EVE KAHAO GONZALEZ.***

Open Session of December 17, 2014, convening at 9:25 A.M. and adjourning at 12:13 P.M., Natchez Room, 602 N. 5<sup>th</sup> Street, 1<sup>st</sup> Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Eve Kahao Gonzalez.

<b>Ex. 1</b>	<p><b>Announcements</b></p> <p>Commissioner Holloway congratulated Commissioner Skrmetta and Commissioner Campbell on their successful reelections.</p>
<b>Ex. 2</b>	<p>2015 B &amp; E Meeting Schedule</p> <p><b>In re: Discussion and possible vote to accept the proposed 2015 schedule.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to approve the proposed 2015 schedule as listed:</p> <p>January 21  February 25  March 25  April 15  May 27  June 24  July 21  August 26  September 23  October 28  November 18  December 16</p> <p>SEARUC is June 7 – June 10, 2015  NARUC Summer Committee Meeting is July 12 – July 15, 2015  NARUC Annual Meeting November 8- November 11, 2015  Mardi Gras is February 17, 2015</p>
<b>Ex. 3</b>	<p><b>T-33340</b> - Louisiana Public Service Commission vs. AAA Louisiana Limo, X Investments, And Royal Dealerships. Inc d/b/a Louisiana Limousine, Inc. (Marrero, Louisiana). In re: Alleged violation of LPSC General Order dated April 21, 1999 by providing intrastate charter bus service without registering with the LPSC on one count, occurring on or about March 22, 2014. Alleged violation of LPSC General Order dated April 25, 2012 by operating intrastate as common carrier of passengers without LPSC authority on two counts, occurring on or about February 28, 2014 and April 12, 2014.</p> <p><b>In re: Discussion and possible vote to accept ALJ's recommendation.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to approve ALJ's recommendation.</p>
<b>Ex. 4</b>	<p><b>T-32746</b> - Louisiana Public Service Commission vs Bourbon Street Limousine, LLC (New Orleans, Louisiana). In re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating Intrastate without LPSC authority on one count; allegedly occurring on or about November 03, 2012.</p> <p><b>In re: Discussion and possible vote to accept ALJ's recommendation.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to approve ALJ's recommendation.</p>

<p><b>Ex. 5</b></p>	<p><b>U-32682</b> - Entergy Gulf States Louisiana, LLC., ex parte.. In re: Test Year 2012 Rate Stabilization Plan Filing.</p> <p><b>In re: Discussion and Possible Vote on Uncontested Stipulated Settlement regarding Gas Infrastructure Investment Recovery Rider for EGSL-Gas pursuant to Order No. U-32682.</b></p> <p><b>PASSED</b></p>
<p><b>Ex. 6</b></p>	<p><b>U-33203</b> - L&amp;R Utilities, Inc., ex parte. In re: Application for Adjustment in Retail Rates and Letter of Non-Opposition to Borrowing Funds for Improvements for L&amp;R Utilities, Inc.</p> <p><b>In re: Discussion and possible vote on uncontested stipulated settlement.</b></p> <p>On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to approve the uncontested stipulated settlement agreement with the modification that the flat rate for non-metered water will be \$30.00 and well water per 1,000 over the minimum will be \$4.50.</p>
<p><b>Ex. 7</b></p>	<p><b>U-33246</b> - Ascension Wastewater Treatment, Inc., ex parte. In re: Application for Emergency and Permanent Rate Relief and Request for Letter of Non-Opposition for Loan with CoBank, ACB.</p> <p><b>In re: Discussion and possible vote on uncontested stipulated settlement.</b></p> <p><b>(Ex. 19 on the November 6, 2014 B &amp; E Agenda)</b></p> <p>On motion of Commissioner Angelle, seconded by Commissioner Skrmetta, with Commissioner Campbell and Commissioner Holloway concurring and Commissioner Boissiere temporarily absent, the Commission voted to accept the uncontested stipulated settlement agreement filed into the record of this matter with one amendment: Add a new tem No. 5 to provide for the company to perform a consumption analysis and file a monthly report beginning January 31, 2015 and each and every month thereafter. The final report shall be presented to the commission by December 31, 2015. The report shall cover water consumption for 2013 and 2014. Jurisdictional water companies serving the company's customers shall cooperate in providing the data necessary to complete the analysis.</p>
<p><b>Ex. 8</b></p>	<p><b>S-33329</b> - Utilities Inc. of Louisiana and Density Utilities of Louisiana, LLC ex parte. In re: Request for a letter of non-opposition to the proposed asset transfer of system assets of Density Utilities of Louisiana, L.L.C. to Utilities, Inc. of Louisiana or its designee, a wholly-owned subsidiary of Utilities Inc. in Accordance with the Assets Purchase Agreement.</p> <p><b>In re: Discussion and possible vote on uncontested stipulated settlement.</b></p> <p><b>(Ex. 9 on the November 6, 2014 B &amp; E Agenda)</b></p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to approve and adopt the uncontested stipulated settlement and issue a letter of non-opposition.</p>
<p><b>Ex. 9</b></p>	<p><b>S-33009</b> - North DeSoto Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit).</p> <p><b>In re: Discussion and possible vote on Staff's recommendation.</b></p> <p>On motion of Chairman Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to approve Staff's recommendation to approve an increase in rates subject to certain conditions, as set forth in Staff's Audit Memorandum filed November 13, 2014.</p>

<p><b>Ex. 10</b></p>	<p><b>S-33402</b> - Jefferson Davis Electric Cooperative, Inc., ex parte. In re: Request for a letter of non-opposition to borrow funds from National Rural Utilities Cooperative Finance Corporation.</p> <p><b>In re: Discussion and possible vote on Staff's recommendation.</b></p> <p>On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve a letter of non-opposition based on the following terms and conditions:</p> <ol style="list-style-type: none"> <li>1. JDEC shall file, under Docket No. S-33402, a copy of the finalized loan agreement signed by both JDEC and CFC, referencing the aforementioned terms within thirty (30) days of closing. If the loan has not been signed and filed into the record within 120 days of the date of an Order in this matter, that the Commission reserves the right to rescind its non-opposition;</li> <li>2. The Commission makes no determination regarding the reasonableness of the actual interest rates applied to this borrowing;</li> <li>3. JDEC agrees to maintain its records regarding the financing agreement for a period of not less than 5 years after the loan is repaid “in full”;</li> <li>4. Loan funds will only be used in accordance with 7 CFR 1726, “Electric System Construction Policies and Procedures”, as set forth by RUS; and</li> <li>5. The Commission reserves its right to review the ratemaking treatment of this loan proposal in any future rate proceeding.</li> </ol>
<p><b>Ex. 11</b></p>	<p><b>S-33319</b> - Sandy Lake Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system)</p> <p><b>In re: Discussion and possible vote on Staff's recommendation.</b></p> <p>On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve Staff’s recommendation as follows:</p> <ol style="list-style-type: none"> <li>1. The rates for the first 0-2,000 gallons for residential customers will remain \$12.00.</li> <li>2. The rates for the first 0-2,000 gallons for commercial customers will remain \$17.00.</li> <li>3. Staff recommends that the Company be allowed to increase its residential metered water rates for each additional 1,000 gallons from \$2.25 to \$4.25.</li> <li>4. Staff recommends that the Company be allowed to increase its commercial metered water rates from \$2.25 to \$4.25 for each additional 1,000 gallons.</li> <li>5. Staff recommends that the Company be allowed to increase its Tap-In-Fee from \$250.00 to \$350.00 resulting in an increase of \$100.00.</li> </ol>
<p><b>Ex. 12</b></p>	<p><b>S-33321</b> - Belmont Waterworks, Inc. (Belmont, Louisiana), ex parte. In re: Request for an increase in water rates (non-profit system)</p> <p><b>In re: Discussion and possible vote on Staff recommendation.</b></p> <p><b>PASSED</b></p>

<p><b>Ex. 13</b></p>	<p><b>S-33345</b> - Small Company Committee of the Louisiana Telecommunications Association, ex parte. In re: Request for Waiver of Price Protection Plan Provisions of Small Company Committee Members.</p> <p><b>In re: Discussion and possible vote on Staff's recommendation.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve a letter of non-opposition subject to the following conditions:</p> <ol style="list-style-type: none"> <li>1. The order shall be granted to each Company as a waiver of the 10% price cap on Basic Services Rates included at Section G.5 of each Company's respective Price Plans to the extent necessary to meet the FCC Rate Benchmark on an annual basis; and</li> <li>2. If a rate adjustment is necessary to meet the FCC Rate Benchmark, the Companies shall submit revised tariffs to the Utilities Division of the Commission reflecting the rate change in Basic Service rates.</li> </ol>
<p><b>Ex. 14</b></p>	<p><b>S-33384</b> - False River Water Works Corporation, ex parte. In re: Request for an increase in water rates (non-profit systems).</p> <p><b>In re: Discussion and possible vote on Staff's recommendation.</b></p> <p><b>PASSED</b></p>
<p><b>Ex. 15</b></p>	<p><b>S-33385</b> - Bayou Telephone Company, Inc., ex parte. In re: Petition to be designated as the Carrier of Last Resort pursuant to Section 601 (C) of the LPSC Regulations for Competition in the Local Telecommunications Market, to be designated as an Eligible Telecommunications Carrier pursuant to 47 USC 214 (e), and a statement from the Commission that it does not object to the grant of a Study Area Waiver by the Federal Communications Commission to Bayou Telephone for the Bayou Special Service Area, and the coterminous communities of Stephenville and Bayou L'Ourse.</p> <p><b>In re: Discussion and possible vote on Staff's recommendation.</b></p> <p><b>PASSED</b></p>
<p><b>Ex. 16</b></p>	<p>Monitoring and participation on behalf of the LPSC in MISO, OMS and ERSC-related matters.</p> <p><b>In re: Discussion and possible vote to hire technical consultant.</b></p> <p>On motion of Commissioner Holloway, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to retain United Professionals Company to assist Staff in RTO/ISO related matters using a team of 6 consultants, with hourly rates for consultants ranging from \$150-\$200 per hour, depending upon consultant.</p>
<p><b>Ex. 17</b></p>	<p>Monitoring and participation on behalf of the LPSC in MISO, OMS and ERSC-related matters.</p> <p><b>In re: Discussion and possible vote to hire counsel.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain Stone Pigman to assist Staff in this proceeding by employing a team of four attorneys with hourly rates of \$260 to \$395 an hour, with additional associates as needed for rates of \$195- \$224 an hour.</p>

<p><b>Ex. 18</b></p>	<p><b>X-33434</b> - Cleco Power LLC, ex parte. In re: Potential Merger Transaction between Cleco Corporation, Macquarie Infrastructure Real Assets, and British Columbia Investment Management Corporation, together with John Hancock Financial and other infrastructure investors.</p> <p><b>In re: Discussion and possible vote to hire consultant.</b></p> <p>Commissioner Campbell moved to retain Exeter Associates and Commissioner Angelle seconded.</p> <p>On substitute motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere concurring and Commissioner Campbell and Commissioner Angelle opposing, the Commission voted to retain United Professionals Company to assist Staff through both phases of the docket for a proposed budget of \$335,000 in fees for LPSC proceedings, \$200,000 in fees for FERC proceedings, with expenses of \$30,000 for both phases of the anticipated dockets, for a total not to exceed budget of \$565,000. Hourly rates range from \$150 to \$285.</p>
<p><b>Ex. 19</b></p>	<p><b>X-33434</b> - Cleco Power LLC, ex parte. In re: Potential Merger Transaction between Cleco Corporation, Macquarie Infrastructure Real Assets, and British Columbia Investment Management Corporation, together with John Hancock Financial and other infrastructure investors.</p> <p><b>In re: Discussion and possible vote to hire counsel.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell and unanimously adopted, the Commission voted to retain Stone Pigman to assist Staff in both LPSC and FERC proceedings, with a proposed budget of \$379,000 in fees for the LPSC matters and \$109,000 for FERC matters, for a total not to exceed budget of \$488,000 in fees and \$35,300 in expenses covering both phases, <u>including appeals</u>, for a total not to exceed budget of \$523,300. Hourly rates are \$225- \$445 an hour.</p> <p>Commissioner Holloway stated he wanted all costs of outside counsel and consultants associated with the merger to be borne by the shareholders and not the ratepayers.</p> <p>Commissioner Angelle requested that staff draft a directive for vote in January addressing this issue and the possibility of applying this to other merger cases.</p> <p>Commissioner Skrmetta directed counsel and consultants to meet with all Commissioners before the January meeting.</p>
<p><b>Ex. 20</b></p>	<p><b>R-33409</b> - Louisiana Public Service Commission, ex parte. In re: Possible modifications to the Regulations for Competition in the Local Telecommunications Market and General Order dated July 26, 2013 (Retail Service Quality Measures)</p> <p><b>In re: Discussion and possible vote to hire contract regulatory consultants.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to retain Henderson Ridge Consulting to assist the Staff through completion of the docket for a budget of \$108,120 in fees and \$3,600 in expenses, for a total not to exceed budget of \$111,170. Hourly rates are \$135 and \$150 an hour.</p>
<p><b>Ex. 21</b></p>	<p><b>1) Reports</b></p> <p>Presentation on Energy Efficiency -<b>PULLED</b></p> <p><b>2) Resolutions</b></p> <p>On motion of Commissioner Skrmetta, with a unanimous second, and unanimously adopted, the Commission passed a resolution to congratulate Colette Honorable on her confirmation by the United States Senate for a seat on the Federal Energy Regulatory Commission.</p> <p>On motion of Commissioner Skrmetta, with a unanimous second, and unanimously adopted, the Commission passed a resolution to oppose any efforts by the Division of Administration to confiscate Commission owned vehicles and directs Staff to take whatever actions are necessary</p>

	<p>to support this resolution.</p> <p>3) Discussions</p> <p><b>4) ERSC/OMS Business</b></p> <p>On motion of Commissioner Holloway, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to ratify Chairman Skrmetta's votes taken on November 13, December 4, and December 12, 2014, at the request of the OMS Board of Directors.</p> <p>5) Directives</p>
<p><b>Ex. 22</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: Discussion and possible vote to adopt remainder of Proposed Partial Uncontested Stipulated Settlement Agreement.</b></p> <p><b>At the request of Commissioner Skrmetta.</b></p> <p>On motion of Commissioner Angelle, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the Staff recommendation and adopt the remainder of the July 22, 2014 Proposed Uncontested Partial Stipulated Settlement Agreement executed by and between Staff and Mo-Dad, and authorize Mo-Dad to increase its monthly rates for all residential wastewater customers by \$7.56 for a total of \$35.56 per month, and to hire two (2) additional full-time operators with salaries of \$35,000 each, totaling \$70,000, subject to the following additional requirements:</p> <ul style="list-style-type: none"> <li>• Ninety percent (90%) of the revenues generated by the increase to residential wastewater service rates in the amount of \$7.56 per month shall be deposited into a separate lockbox account, with separate accounting;</li> <li>• For a three (3) year period of time, Mo-Dad shall generate a report of that separate accounting detailing: (a) the total amount of money collected as a result of this rate increase, and (b) the amount spent for the specific purposes of environmental compliance; and</li> <li>• Mo-Dad shall forward a copy of each such report to the Louisiana Public Service Commission and to the respective governments of the six (6) parishes in which Mo-Dad operates.</li> </ul>
<p><b>Ex. 23</b></p>	<p><b>U-32220</b> - Southwestern Electric Power Company, ex parte. In re: Application for extension of Formula Rate Plan.</p> <p><b>In re: Discussion and possible vote pursuant to Rule 57 to approve and adopt Uncontested Proposed Stipulated Settlement Agreement for 2011 Test Year Pursuant to FRP, and to approve and adopt Uncontested Proposed Stipulated Partial Settlement Agreement for the 2013 Test Year.</b></p> <p><b>At the request of Commissioner Campbell.</b></p> <p>On motion of Commissioner Campbell, seconded by Commissioner Holloway, with Commissioners Boissiere and Holloway concurring and Commissioner Angelle temporarily 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 Campbell, seconded by Commissioner Holloway, with Commissioners Boissiere and Holloway concurring and Commissioner Angelle temporarily absent, the Commission voted to approve and adopt the Uncontested Proposed Stipulated Settlement Agreement for 2011 Test Year executed by and between Staff and Southwestern Electric Power Company on December 8, 2014; and to approve and adopt the Uncontested Proposed Stipulated Partial Settlement Agreement for the 2013 Test Year executed by and between Staff and SWEPCO on December 12, 2014.</p>

<p><b>Ex. 24</b></p>	<p><b>S-33449</b> - T-Mobile Central, LLC, ex parte. In re: Notice of Relinquishment of its Eligible Telecommunications Carrier Designation pursuant to 47 U.S.C. §214.(c)(4).</p> <p><b>In re: Discussion and Possible Vote on Staff Recommendation.</b></p> <p><b>At request of Commissioner Skrmetta.</b></p> <p>On motion of Chairman Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to adopt the petition filed into record on November 3, 2014 seeking to relinquish the previously granted ETC designation effective December 31, 2014.</p>
<p><b>Ex. 25</b></p>	<p>Louisiana Public Service Commission v. Federal Energy Regulatory Commission, Case Nos. 13-60140/13-60141 and 13-60874, United States Court of Appeals for the Fifth Circuit.</p> <p><b>In re: Possible Executive Session pursuant to La. R.S. 42:17 to discuss litigation strategy.</b></p> <p><b>At the request of Commissioner Skrmetta.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to enter Executive Session. Ex. 25 and 26 were discussed in Executive Session. On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to exit Executive Session.</p>
<p><b>Ex. 26</b></p>	<p>Faulk vs. Union Pacific Supreme Court No. 2014-CQ1598</p> <p><b>In re: Possible Executive Session to discuss litigation strategy.</b></p> <p><b>At the request Commissioner Campbell.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to enter Executive Session. Ex. 25 and 26 were discussed in Executive Session. On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to exit Executive Session.</p>

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

**MEETING ADJOURNED**

The next Business and Executive Session will be held January 21, 2015 at 9:00 a.m. in Baton Rouge, Louisiana.