

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM FEBRUARY 1, 2016**  
**OPEN SESSION**

***MINUTES OF FEBRUARY 1, 2016 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN CLYDE HOLLOWAY, VICE CHAIRMAN SCOTT ANGELLE, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER LAMBERT BOISSIERE, COMMISSIONER ERIC SKRMETTA AND EXECUTIVE SECRETARY EVE KAHAO GONZALEZ.***

Open Session of February 1, 2016, convening at 10:50 A.M., and adjourning at 2:26 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>Chairman Holloway requested that the June 2016 B&amp;E be held in Lake Charles, Louisiana if the budget permits.</p> <p>Commissioner Skrmetta requested that the sweep suit be placed on the agenda for Executive Session for an update.</p>
<b>Ex. 2</b>	<p><b>Election of 2016-2017 Chair and Vice Chair.</b></p> <p>Commissioner Skrmetta moved to nominate Chairman Holloway as Chair and Vice Chairman Angelle as Vice Chair. The motion was seconded by Chairman Holloway.</p> <p>Commissioner Campbell then made a substitute motion to nominate Commissioner Boissiere for Chairman, seconded by Commissioner Boissiere, with Chairman Holloway, Vice Chairman Angelle, and Commissioner Skrmetta opposing. The motion failed 2:3.</p> <p>The Commission then considered Commissioner Skrmetta's original motion which was unanimously adopted.</p>
<b>Ex. 3</b>	<p><b>Election of Staff OMS/ERSC Representative for 2016-2017.</b></p> <p>On motion of Chairman Holloway, seconded by Vice Chairman Angelle, and unanimously adopted, the Commission voted to elect Commissioner Skrmetta as the 2016 OMS/ERSC Representative.</p>
<b>Ex. 4</b>	<p><b>S-33451 - My Vac, LLC (Jennings, Louisiana), ex parte. In re: Application to increase tariff rates for Common Carrier Certificate Nos. 7013 &amp; 7013-C.</b></p> <p><b>In re: Discussion and possible vote to accept Staff recommendation.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Holloway, and unanimously adopted, the Commission voted to accept the Staff recommendation.</p>
<b>Ex. 5</b>	<p><b>T-33590 - Defiance Energy Services, LLC (Minden, Louisiana), ex parte. In re: Application for approval of change of control in Common Carrier Certificate 7430.</b></p> <p><b>In re: Discussion and possible vote to accept Staff recommendation pursuant to Rule 57.</b></p> <p><b>At the request of Commissioner Campbell.</b></p> <p>On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, and unanimously adopted, 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 Chairman Holloway, and unanimously adopted, the Commission voted to accept the Staff recommendation to approve Defiance's application. Staff is directed to open a rulemaking to consider changes to the February 5, 2013 General Order including, but not limited to, changes that ensure that the requirements of the General Order further the LPSC's goal of ensuring that dormant certificates are not transferred.</p>

<p><b>Ex. 6</b></p>	<p><b>T-33791</b> - Louisiana Public Service Commission vs. Executive Livery, LLC (La Place, Louisiana). In re: Alleged violation of Louisiana Revised Statutes Title 45:1177 for failure to pay to the state a fee for the years 2013 and 2014 for the inspection, control, and supervision of its business service and rates authorized in Common Carrier Certificate Number 7141.</p> <p><b>In re: Discussion and possible vote on ALJ recommendation.</b></p> <p>On motion of Chairman Holloway, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to adopt ALJ recommendation.</p>
<p><b>Ex. 7</b></p>	<p><b>T-33794</b> - Louisiana Public Service Commission vs. Willie Roddy dba Christian Movers of Baton Rouge (Baton Rouge, 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><b>In re: Discussion and possible vote to accept guilty plea pursuant to Rule 57.</b></p> <p>On motion of Chairman Holloway, seconded by Commissioner Skrmetta, and unanimously adopted, 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 Chairman Holloway, and unanimously adopted, the Commission voted to approve the terms of the guilty plea which was entered in to the record at the December 10, 2015 hearing.</p>
<p><b>Ex. 8</b></p>	<p><b>T-33804</b> - Louisiana Public Service Commission vs. David White dba D. White &amp; Sons Moving (New Orleans, 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><b>In re: Discussion and possible vote to accept guilty plea pursuant to Rule 57.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Holloway, and unanimously adopted, 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, and unanimously adopted, the Commission voted to approve the terms of the guilty plea which was entered in to the record at the December 10, 2015 hearing.</p>
<p><b>Ex. 9</b></p>	<p><b>U-33908</b> - Beauregard Electric Cooperative, Inc., ex parte. In re: Request for Extension of Formula Rate Plan and Modification Thereto.</p> <p><b>In re: Discussion and possible vote to hire outside technical consultant.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain Henderson Ridge to assist the Commission in reviewing the application and each of the three test year filings, for a budget of \$39,150 in fees, \$1,500 in expenses, for a total not-to-exceed budget of \$40,650.</p>
<p><b>Ex. 10</b></p>	<p><b>S-33812</b> - Dixie Electric Membership Corporation, ex parte. In re: Request for a Letter of Non Opposition for Establishment of Line of Credit with Red River Bank.</p> <p><b>In re: Discussion and possible vote on request for Letter of Non Opposition.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Holloway, and unanimously adopted, the Commission voted to express its non-opposition to DEMCO's request to establish a 24 month revolving line of credit with Red River Bank in the amount of \$5 million payable at a 2.65% interest rate, to be used only for daily operational activities, based on the following terms and conditions:</p> <ol style="list-style-type: none"> <li>1. DEMCO will file into the record of this proceeding, referencing Docket No. S-33812, a copy of the revolving Line of Credit agreement signed by both DEMCO and the Red</li> </ol>

	<p>River Bank representative within 30 days of the completion date.</p> <p>2. If the agreement has not been signed and filed into the record within 120 days of the date of an Order in this matter, the Commission reserves the right to rescind its non-opposition if circumstances have substantially changed since the Commission's non-opposition; and</p> <p>3. All costs related to this loan proposal are subject to review by the Commission in any future rate proceeding.</p>
<b>Ex. 11</b>	<p><b>S-33825</b> - Louisiana Public Service Commission, ex parte. In re: Directive to Establish a Service Quality Program (SQP) for Cleco Power, LLC.</p> <p><b>In re: Discussion and possible vote on Staff's recommendation and proposed order.</b></p> <p>Commissioner Skrmetta made a motion to expand the Service Quality Program to all regulated monopolies. The motion failed for lack of a second.</p> <p>On motion of Chairman Holloway, seconded by Commissioner Campbell, with Commissioner Boissiere concurring and Vice Chairman Angelle and Commissioner Skrmetta opposing, the Commission voted to adopt Staff's recommendation and proposed order.</p>
<b>Ex. 12</b>	<p><b>S-33646</b> - Cecilia Water Corporation, Inc., ex parte. In re: Supplemental and Amending Petition for Approval of Rate Increase and Capital Financing.</p> <p><b>In re: Discussion and possible vote on Staff recommendation.</b></p> <p><b>(Ex. 4 on the December 16, 2015 B&amp;E Agenda)</b></p> <p><b>PASSED</b></p>
<b>Ex. 13</b>	<p><b>S-33738</b> - Greater Ouachita Water Company, R.W.E. Enterprises, Inc. and Swartz Industries, Inc., ex parte. In re: Request for a Letter of Non Opposition for to the Transfer of the Willington Estates Sewer System from Swartz Industries, Inc. and R.W.E. Enterprises, Inc. to Greater Ouachita Water Company.</p> <p><b>In re: Discussion and possible vote on Staff's recommendation.</b></p> <p>On motion of Commissioner Campbell, seconded by Chairman Holloway, and unanimously adopted, the Commission voted to adopt the Staff's recommendation as modified by counsel for GOWC, Ms. Katherine King, as follows:</p> <p>After the transfer, GOWC be allowed to charge the System's customers \$22.00 until the conclusion of GOWC's next rate case, whereby the System's customers will be charged consistently with GOWC's other customers.</p>
<b>Ex. 14</b>	<p><b>U-33779</b> - Concordia Electric Cooperative, Inc., ex parte. In re: Application for Approval of Formula Rate Plan.</p> <p><b>In re: Discussion and possible vote to hire technical consultant.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Angelle, and unanimously adopted, the Commission voted to retain Henderson Ridge to assist the Commission in reviewing the application and each of the three test year filings, for a budget of \$52,200 in fees, \$2,000 in expenses, for a total not-to-exceed budget of \$54,200.</p>
<b>Ex. 15</b>	<p><b>S-33846</b> - Jefferson Davis Electric Cooperative, Inc., ex parte. In re: Request for a Letter of Non Opposition to Enter into Restated Mortgage and Security Agreement.</p> <p><b>In re: Discussion and possible vote to accept Staff recommendation.</b></p> <p>On motion of Chairman Holloway, seconded by Commissioner Campbell, with Vice Chairman Angelle and Commissioner Boissiere concurring and Commissioner Skrmetta temporarily absent, the Commission voted to accept Staff recommendation.</p>

<p><b>Ex. 16</b></p>	<p><b>S-33851</b> - South Louisiana Electric Cooperative Association, ex parte. In re: Petition for Letter of Non Opposition to Borrow Funds from CoBank, ACB, to refinance and pay off existing indebtedness to the RUS.</p> <p><b>In re: Discussion and possible vote on Staff recommendation.</b></p> <p>On motion of Vice Chairman Angelle, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to adopt Staff’s recommendation as follows:</p> <ol style="list-style-type: none"> <li>1. As the proposed refinancing would cause SLECA’s DSCR levels to fall below the minimum 1.25 DSCR required by its lender RUS; thus, triggering default provisions in existing and continuing RUS loans, Staff recommends that the Commission deny the Company’s request for letter of non-opposition.</li> <li>2. SLECA must file a copy of any communication to CoBank regarding the proposed loan at issue in this proceeding into the record. The communication must reference this docket number, Docket No. S-33851, and be distributed to the service list in this proceeding.</li> <li>3. Should SLECA receive any communication from CoBank regarding the proposed loan, including paragraphs 7 and 8 of the Forward Fix Agreement, SLECA must notify this Commission in writing within 10 business days. The notification must reference this docket number, Docket No. S-33851, and be distributed to the service list in this proceeding. The Commission or its Staff will then taken any action it deems necessary and appropriate.</li> </ol>
<p><b>Ex. 17</b></p>	<p><b>U-33856</b> - 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><b>In re: Discussion and possible vote to hire outside technical consultant.</b></p> <p><b>(Ex. 9 on the December 16, 2015 B&amp;E Agenda)</b></p> <p><b>PASSED</b></p>
<p><b>Ex. 18</b></p>	<p><b>U-33856</b> - 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><b>In re: Discussion and possible vote to hire outside engineering consultant.</b></p> <p><b>(Ex. 10 on the December 16, 2015 B&amp;E Agenda)</b></p> <p><b>PULLED</b></p>
<p><b>Ex. 19</b></p>	<p><b>I-33013</b> - Southwestern Electric Power Company (SWEPCO), ex parte. In re: 2013 Integrated Resource Planning (“IRP”) process for Southwestern Electric Power Company (SWEPCO) pursuant to General Order dated April 20, 2012.</p> <p><b>In re: Discussion and possible vote on Staff recommendation.</b></p> <p>On motion of Commissioner Campbell, seconded by Chairman Holloway, and unanimously adopted, the Commission voted to adopt Staff’s recommendation filed January 4, 2016, acknowledging SWEPCO’s Final IRP Report without the necessity of a litigated proceeding; and directing Staff to open a rulemaking to review the MBM Order for modifications necessary to properly account for the intermittency of renewable resources.</p>

<p><b>Ex. 20</b></p>	<p><b>R-32777</b> - Louisiana Public Service Commission, ex parte. In re: Rulemaking to establish rules and regulations specific to the regulation of prison telephone communications systems.</p> <p><b>In re: Discussion and possible vote on Staff recommendation.</b></p> <p><b>PASSED</b></p>
<p><b>Ex. 21</b></p>	<p><b>U-32507</b> - Cleco Power LLC., ex parte. In re: Application of Cleco Power LLC for: (i) Authorization to Install Emissions Control Equipment at certain of its Generating Facilities in order to comply with the Federal National Emissions Standards for Hazardous Air Pollutants from Coal and Oil-Fired Electric Utility Steam Generating Units Rule; and (ii) Authorization to Recover the Costs Associated with the Emissions Control Equipment in LPSC Jurisdictional Rates.</p> <p><b>In re: Discussion and possible vote on ALJ recommendation.</b></p> <p><b>(Ex. 3 on the December 16, 2015 B&amp;E Agenda)</b></p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Holloway, with Vice Chairman Angelle and Commissioner Boissiere concurring and Commissioner Campbell absent, the Commission voted to adopt the ALJ recommendation and order the following:</p> <ol style="list-style-type: none"> <li>1. That the Commission's September 20, 1983 General Order and October 29, 2008 General Order does not require a certificate of public convenience and necessity for the installation of emissions control equipment, such as is at issue in Docket No. U-32507.</li> <li>2. That Cleco was prudent in its decision to install the MATS emissions control equipment at Dolet Hills Power Station, Rodemacher Power Station Unit No.2, and Madison Unit No. 3.</li> <li>3. That a determination of the prudence of the actual costs expended in the installation of the emissions control equipment at Dolet Hills Power Station, Rodemacher Power Station Unit No.2, and Madison Unit No. 3 is premature. Determination of the prudence and recovery of Cleco's actual costs take place in Cleco's Formula Rate Plan dockets and annual reviews.</li> <li>4. That the expenses of reagents should be eligible for recovery in Cleco's Environmental Adjustment Clause, subject to audit, and that incremental fuel/energy expenses should be eligible for recovery in Cleco's Fuel Adjustment Clause, subject to audit.</li> <li>5. That Cleco submit to the Commission, Commission Staff and all Intervenors a detailed report on final capital costs incurred, including an explanation of any cost variances as compared to the originally budgeted costs. Cleco will also update the revenue requirement and rate impacts resulting from this proceeding. The capital cost report and updated revenue requirement and rate impacts is to be submitted and filed no later than 60 days after the issuance of an order in this proceeding.</li> </ol>
<p><b>Ex. 22</b></p>	<ol style="list-style-type: none"> <li>1) Reports</li> <li>2) Resolutions</li> <li>3) Discussions</li> <li><b>4) ERSC/OMS Business</b></li> </ol> <p>On motion of Chairman Holloway, seconded by Vice Chairman Angelle, with Commissioner Boissiere concurring and Commissioner Campbell absent, the Commission voted to ratify Commissioner Skrmetta's votes taken on January 21 and 26, 2016.</p> <ol style="list-style-type: none"> <li>5) Directives</li> </ol>

<p><b>Ex. 23</b></p>	<p><b>U-33434</b> - Cleco Power LLC, ex parte. In re: Joint Application of Cleco Power LLC and Cleco Partners L.P. for: (1) Authorization for the Change of Ownership and Control of Cleco Power LLC and (ii) Expedited Treatment.</p> <p><b>In re: Discussion and possible vote on Applicant’s Rule 57 Review of the ALJ’s Interlocutory Ruling on Commission Staff’s Request for Public Disclosure of Certain Information Produced in Discovery.</b></p> <p><b>At the request of Chairman Holloway.</b></p> <p><b>PULLED</b></p>
<p><b>Ex. 24</b></p>	<p><b>U-33950</b> - Entergy Louisiana, LLC, ex parte. In re: Compliance Submission Regarding Deactivation of Little Gypsy 1, Ninemile 3, and Willow Glen 2 and 4, as required by Order No. U-33510.</p> <p><b>In re: Discussion and possible vote to expand scope of work for Stone Pigman and United Professionals to assist Staff with this proceeding.</b></p> <p><b>At the request of Commissioner Skrmetta.</b></p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Skrmetta, with Chairman Holloway and Vice Chairman Angelle concurring and Commissioner Campbell absent, the Commission voted to expand the scope of work for Stone Pigman and United Professionals to assist Staff with this proceeding. Work performed related to the deactivation proceeding will billed at the existing hourly rates for MISO/OMS/ERSC monitoring.</p> <p>Commissioner Skrmetta directed Staff to present a written performance review of counsel to show the progress made to the Commission.</p>
<p><b>Ex. 25</b></p>	<p><b>S-33917</b> - Pointe Coupee Electric Membership Corporation, ex parte. In re: Application for Approval of a Formula Rate Plan.</p> <p><b>In re: Discussion and possible vote to hire outside consultant.</b></p> <p><b>At the request of Chairman Holloway.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Angelle, and unanimously adopted, the Commission voted to retain Henderson Ridge to assist the Commission in reviewing the application and each of the three test year filings, for a budget of \$39,150 in fees, \$1,500 in expenses, for a total not-to-exceed budget of \$40,650.</p>
<p><b>Ex. 26</b></p>	<p><b>U-33848</b> - Cleco Power LLC, ex parte. In re: Formula Rate Plan - June 2015 Monitoring Report</p> <p><b>In re: Discussion and possible vote to hire outside consultant.</b></p> <p><b>At the request of Chairman Holloway.</b></p> <p>Commissioner Skrmetta made a motion, seconded by Vice Chairman Angelle, to retain Exeter to assist the Commission throughout the completion of the docket, for a budget of \$17,000 in fees, \$1,700 in expenses, for a total not-to-exceed budget of \$18,700.</p> <p>Chairman Holloway made a substitute motion, seconded by Commissioner Boissiere, without objection from Vice Chairman Angelle and Commissioner Skrmetta, and Commissioner Campbell absent, to retain United Professionals to assist the Commission in reviewing the filing, throughout completion of the docket, for a budget of \$37,000 in fees, \$3,000 in expenses, for a total not to exceed budget of \$40,000.</p>
<p><b>Ex. 27</b></p>	<p><b>U-33510</b> - Entergy Gulf States Louisiana, LLC, ex parte. In re: Application for Approval to Purchase Power Blocks Three and Four of the Union Power Station and Request for Timely Treatment and Cost Recovery.</p> <p><b>In re: Discussion and possible vote on proposed consultant budget increase.</b></p> <p><b>At the request of Commissioner Boissiere.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Holloway, with Vice Chairman</p>

	Angelle and Commissioner Boissiere concurring and Commissioner Campbell absent, the Commission voted to approve the requested budget increase of up to \$95,000 in professional fees.
<b>Ex. 28</b>	<p><b>U-33434</b> - Cleco Power LLC, ex parte. In re: Joint Application of Cleco Power LLC and Cleco Partners L.P. for: (1) Authorization for the Change of Ownership and Control of Cleco Power LLC and (ii) Expedited Treatment.</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 Chairman Holloway.</b></p> <p><b>PASSED</b></p>

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

**MEETING ADJOURNED**

The next Business and Executive Session will be held on Wednesday, February 24, 2016 at 9:00 a.m. in Baton Rouge, Louisiana.