

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM MAY 18, 2016
OPEN SESSION

MINUTES OF MAY 18, 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 AND EXECUTIVE SECRETARY EVE KAHAO GONZALEZ. CHAIRMAN CLYDE HOLLOWAY AND VICE CHAIRMAN SCOTT ANGELLE WERE ABSENT.

Open Session of May 18, 2016, convening at 9:22A.M., and adjourning at 10:32A.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 and Vice Chairman Scott Angelle were absent.

Ex. 1	July's B&E Meeting will be held in Lake Charles, Louisiana on the 27 th . The location and time to be announced at a later date.
Ex. 2	<p>T-33956 - Louisiana Public Service Commission vs. Ygriega Energy Company Inc. dba Y Oilfield Services (Edinburg, Texas). In re: Alleged violation of La. R.S. 45:161 through 180.1, by operating Intrastate without LPSC authority on fifty (50) counts; allegedly occurring on or about October 01, 2015 through November 30, 2015.</p> <p>In re: Discussion and possible vote to accept Affidavit and Stipulation signed by carrier pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell concurring, and Chairman Holloway and Vice Chairman Angelle 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 Boissiere, with Commissioner Campbell concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to accept the Affidavit and Stipulation signed by the carrier.</p>
Ex. 3	<p>S-33952 - A & G Assets Corporation dba A & G Limousine (Sulphur, Louisiana), ex parte. In re: Application to increase tariff rates for Common Carrier Certificate No 7910.</p> <p>In re: Discussion and possible vote to accept Staff recommendation.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to accept the Staff recommendation.</p>
Ex. 4	<p>R-33916 - Louisiana Public Service Commission, ex parte. In re: Amendments and revisions to the General Order dated April 17, 2014 (Schedule of Prescribed Rates and Requirements for Towing and Recovery) and biennial rate review.</p> <p>In re: Discussion and possible vote to accept Staff Recommendation.</p> <p>PASSED</p>

<p>Ex. 5</p>	<p>S-33600 - L&R Utilities, Inc., ex parte. In re: Re-urging of Application for Adjustment in Retail Rates and Letter of Non-Opposition to Borrowing Funds for Improvements.</p> <p>In re: Discussion and possible vote on Amended Staff Recommendation pursuant to Rule 57.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle 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 concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to accept the Amended Staff Recommendation.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to Reconsider Ex. 5.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to accept with the following are amendments to Staff's Recommendation:</p> <ul style="list-style-type: none"> • The residential sewer rate shall be a \$50.00 flat rate. • Residential and commercial water service rate for all additional 1,000 gallons shall be \$5.15 instead of \$4.50. All other rates as recommended by Staff shall remain in place. • The Company shall be ordered to come to the Commission for reconsideration of the rate granted at any time after the implementation of the rate increase if the Company experiences a 10% increase on its customer base. • The Company shall be ordered to apply for refinancing of its bonds on the sewer improvement for a lower debt service costs after the implementation of the system improvement and report its findings to Staff. If the Company is able to refinance at a lower rate the sewer rates shall be reconsidered as a cost benefit to sewer customers. • The Company shall be ordered to send over all updated loan application information submitted to LDHH within 60 days. • The face value of the bond is limited to \$1,167,693 sewer improvement, the existing to Ouachita Independent Bank and the Silvis debt, the \$65,000 TAC agency and any related bond issuance fee only. • The Company shall be ordered to provide letters from Ouachita Independent Bank and the Silvis debt, which shall state that the existing loan balances have been paid off within 30 days from the issuance of the taxable bonds. • The DSCR shall be 1.25 instead of 1.28 • All other recommendations as made by Staff shall remain unchanged.
<p>Ex. 6</p>	<p>S-34025 - Kaplan Telephone Co., Inc., D/B/A Pace Cellular Communications, ex parte. In re: Notice of Relinquishment of Eligible Telecommunications Carrier Designation Pursuant to 47 U.S.C. § 214(e)(4).</p> <p>In re: Discussion and possible vote to accept Staff recommendation.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to accept the Staff recommendation.</p>

<p>Ex. 7</p>	<p>S-33781 - Total Environmental Solutions, Inc. (TESI). In re: Amended Request for a Letter of Non Opposition Concerning transfer of sewer system in Woodridge Estates, Lafayette Parish to Lafayette Consolidated Government, Lafayette Parish.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>(Ex. 13 on the April 28, 2016 B&E Agenda)</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 8</p>	<p>S-33811 - Colyell Community Water Association, Inc., ex parte. In re: Application for Increase in Water Rates. (non-profit system)</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>(Ex. 5 on the April 28, 2016 B&E Agenda)</p> <p>PULLED</p>
<p>Ex. 9</p>	<p>U-33471 - Washington-St.Tammany Electric Cooperative, Inc., ex parte. In re: Petition for Declaratory Ruling Regarding Proposal by Washington-St. Tammany Electric Cooperative, Inc. to Serve the Tamanend Development in St. Tammany Parish, LA and Request for Expedited Consideration.</p> <p>In re: Discussion and possible vote on Washington-St. Tammany Electric Cooperative, Inc.'s Motion for Reconsideration and for Immediate Review of Interlocutory Ruling under Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>Commissioner Skrmetta then made a motion to reaffirm the ALJ ruling. However, before the motion was seconded the item was PASSED at the request of Commissioner Boissiere.</p>
<p>Ex. 10</p>	<p>U-33984 - Claiborne Electric Cooperative, Inc., ex parte. In re: Application to Extend 2015 Formula Rate Plan.</p> <p>U-34033 - Claiborne Electric Cooperative, Inc., ex parte. In re: 2015 Formula Rate Plan Annual Report filing.</p> <p>In re: Discussion and possible vote to hire technical consultant.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to hire J. Kennedy and Associates to assist Staff throughout completion of the dockets for a proposed budget of \$48,400 in fees, \$800 in expenses, for a total not to exceed budget of \$49,200.</p>
<p>Ex. 11</p>	<p>X-33969 - Louisiana Public Service Commission, ex parte. In re: Audit of Environmental Adjustment Clause Filings for Southwestern Electric Power Company for the period of November 2010 through December 2015.</p> <p>In re: Discussion and possible vote to hire technical consultant.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to hire J. Kennedy and Associates to assist Staff throughout completion of the dockets for a proposed budget of \$28,500 in fees, \$800 in expenses, for a total not to exceed budget of \$29,300.</p>

<p>Ex. 12</p>	<p>X-33970 - Louisiana Public Service Commission, ex parte. In re: Audit of Environmental Adjustment Clause Filings for Cleco Power LLC for the period of November 2010 through December 2015.</p> <p>In re: Discussion and possible vote to hire technical consultant.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to hire J. Kennedy and Associates to assist Staff throughout completion of the dockets for a proposed budget of \$28,500 in fees, \$800 in expenses, for a total not to exceed budget of \$29,300.</p>
<p>Ex. 13</p>	<p>X-33971 - Louisiana Public Service Commission, ex parte. In re: Audit of Environmental Adjustment Clause Filings for Entergy Louisiana, LLC for the period of November 2010 through December 2015.</p> <p>In re: Discussion and possible vote to hire technical consultant.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to hire Henderson Ridge to assist the Commission throughout completion of the docket for a proposed budget of \$39,150 in fees, \$1,500 in expenses, for a total not to exceed budget of \$40,650.</p>
<p>Ex. 14</p>	<p>X-33972 - Louisiana Public Service Commission, ex parte. In re: Audit of Fuel Adjustment Filings for Cleco Power LLC for the period of January 2014 through December 2015.</p> <p>In re: Discussion and possible vote to hire technical consultant.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to hire J. Kennedy and Associates to assist Staff throughout completion of the dockets for a proposed budget of \$23,700 in fees, \$800 in expenses, for a total not to exceed budget of \$24,500.</p>
<p>Ex. 15</p>	<p>R-34026 - Louisiana Public Service Commission, ex parte. In re: Investigation of double leveraging issues for all LPSC-jurisdictional utilities.</p> <p>In re: Discussion and possible vote to hire special counsel.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to hire Stone Pigman to assist Staff throughout the completion of the docket for a proposed budget of \$175,000 in fees, \$13,000 in expenses, for a total not to exceed budget of \$188,000.</p>
<p>Ex. 16</p>	<p>R-34026 - Louisiana Public Service Commission, ex parte. In re: Investigation of double leveraging issues for all LPSC-jurisdictional utilities.</p> <p>In re: Discussion and possible vote to hire technical consultant.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to hire United Professionals Company to assist Staff throughout the completion of the docket for a proposed budget of \$150,000 in fees, \$6,000 in expenses, for a total not to exceed budget of \$165,000.</p>
<p>Ex. 17</p>	<p>R-34029 - Louisiana Public Service Commission, ex parte. In re: Investigation of tax structure issues for all LPSC-jurisdictional utilities.</p> <p>In re: Discussion and possible vote to hire special counsel.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to hire Stone Pigman to assist Staff throughout the completion of the docket for a proposed budget of \$185,000 in fees, \$13,000 in expenses, for a total not to exceed budget of \$198,000.</p>

<p>Ex. 18</p>	<p>R-34029 - Louisiana Public Service Commission, ex parte. In re: Investigation of tax structure issues for all LPSC-jurisdictional utilities.</p> <p>In re: Discussion and possible vote to hire technical consultant.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to hire United Professionals Company to assist Staff throughout the completion of the docket for a proposed budget of \$180,000 in fees, \$6,000 in expenses, for a total not to exceed budget of \$186,000.</p>
<p>Ex. 19</p>	<p>Solicitation for under \$50K bids to assist Staff in conducting a financial audit of a cross-section of towing companies as part of the rulemaking in R-33916.</p> <p>In re: Discussion and possible vote to hire technical consultant.</p> <p>PASSED</p>
<p>Ex. 20</p>	<p>Solicitation for under \$50K bids from independent counsel to assist Staff in reviewing cyber security issues of jurisdictional electric utilities.</p> <p>In re: Discussion and possible vote to hire independent counsel.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to hire McQuaig and Associates to assist Staff for a budget of \$28,800 in fees, \$5,750 in expenses, for a not-to-exceed budget of \$34,500.</p>
<p>Ex. 21</p>	<p>U-33595 - Utilities Inc. of Louisiana and Louisiana Water Service, Inc., ex parte. In re: Request for Consolidation, Application for an Increase and Adjustment in Retail Rates, and Request for Interim Rates.</p> <p>In re: Discussion and possible vote on Stipulated Agreement.</p> <p>(Ex. 18 on the April 28, 2016 B&E Agenda)</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to adopt the stipulated settlement entered into by the company and Staff and placed into the record of the January 25, 2016 stipulation hearing with the following modifications as read into the record on behalf of Commissioner Skrmetta as follows:</p> <ol style="list-style-type: none"> 1. The rates included in paragraph 4 of the stipulated term sheet should be modified to allow a 3-year phase in for residential wastewater rates and a three year phase out for commercial wastewater rates as follows: <p>In Year 1,</p> <p>LWS residential wastewater customers will pay a base rate of \$29.70 and for each additional 1,000 gallons of water usage they will pay \$1.83.</p> <p>UIL residential wastewater customers will pay a base rate of \$24.50 and for each additional 1,000 gallons of water usage they will pay \$1.57.</p> <p>Ingram Estates and Hunter Heights residential wastewater customers will pay a flat rate of \$31.00.</p> <p>LLW residential wastewater customers will pay a flat rate of \$33.00.</p> <p>Commercial wastewater customers with 3-8 inch meters will pay a flat rate of \$278.37 and all commercial wastewater customers \$6.20 for each additional 1,000 of water usage.</p> <p>In Year 2,</p>

	<p>LWS residential wastewater customers will pay a base rate of \$29.70 and for each additional 1,000 gallons of water usage they will pay \$1.88.</p> <p>UIL residential wastewater customers will pay a base rate of \$27.50 and for each additional 1,000 gallons of water usage they will pay \$1.85.</p> <p>Ingram Estates and Hunter Heights residential wastewater customers will pay a flat rate of \$35.00.</p> <p>LLW residential wastewater customers will pay a flat rate of \$37.00.</p> <p>Commercial wastewater customers with 3-8 inch meters will pay a flat rate of \$278.37 and all commercial wastewater customers will pay \$5.68 for each additional 1,000 of water usage.</p> <p>In Year 3,</p> <p>LWS and UIL residential wastewater customers will pay a base rate of \$29.70 and for each additional 1,000 gallons of water usage they will pay \$1.93.</p> <p>Ingram Estates, Hunter Heights and LLW residential wastewater customers will pay a flat rate of \$40.00.</p> <p>Commercial wastewater customers with 3-8 inch meters will pay a flat rate of \$278.37 and all commercial wastewater customers will pay \$5.18 for each additional 1,000 of water usage.</p> <p>At the end of Year 3 (or 36 months) rates will remain at the Year 3 rates except that commercial wastewater customers will pay \$4.75 for each additional 1,000 gallons of water usage. The refunds required by paragraph 5 of the stipulated term sheet shall be based on these final rates.</p> <ol style="list-style-type: none"> 2. The Company shall continue to make necessary improvements over the 3 year period, recognizing that some improvements may be slightly behind schedule as a result of the phase-in. 3. In order to ensure that the Company continues to make improvements during the phase-in, the Company will continue to file the quarterly reports required by paragraph 8 of the stipulation during the 3 year phase-in period, regardless of ROE. 4. The Company shall implement levelized billing no later than the first billing cycle of 2017. 5. All other stipulated terms remain the same. 6. I understand that the applicants agree with these modifications to the stipulation.
<p>Ex. 22</p>	<p>U-33739 - Parish Water Company, Inc., ex parte. In re: Request for an increase in water rates.</p> <p>In re: Discussion and possible vote on Uncontested Stipulated Settlement.</p> <p>(Ex. 19 on the April 28, 2016 B&E Agenda)</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to adopt the uncontested stipulated settlement into the record of the March 24, 2016 and entered into the record at the April 5, 2016 hearing of this matter.</p>
<p>Ex. 23</p>	<p>U-33602 - Louisiana Public Service Commission, ex parte. In re: Audit of Purchased Gas Adjustment Filings for CenterPoint Energy Entex for the period of August 2012 through December 2014.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to accept Staff's recommendation.</p>

<p>Ex. 24</p>	<p>U-33603 - Louisiana Public Service Commission, ex parte. In re: Audit of Purchased Gas Adjustment Filings for CenterPoint Energy Arkla for the period of January 2013 through December 2014.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to accept Staff's recommendation.</p>
<p>Ex. 25</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. 22 on the April 28, 2016 B&E Agenda)</p> <p>PASSED</p>
<p>Ex. 26</p>	<ol style="list-style-type: none"> 1) Reports 2) Resolutions 3) Discussions 4) ERSC/OMS Business 5) Directives
<p>Ex. 27</p>	<p>T-33823 - Cameron Rental & Tank, Inc. (Cameron, Louisiana) and OEG Offshore (Holdings), Inc., ex parte. In re: Joint application for approval of change of control of all rights, title, and interests in Common Carrier Certificate Nos. 6938-A (Corrected) and 7323, the sale of assets, and a request for name change to OEG Offshore, Inc.</p> <p>In re: Discussion and possible vote on Joint Application pursuant to Rule 57.</p> <p>At the request of Chairman Holloway.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell concurring, and Chairman Holloway and Vice Chairman Angelle 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 Boissiere, with Commissioner Campbell concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to approve the joint application.</p>
<p>Ex. 28</p>	<p>U-33892 - Entergy Louisiana, LLC, ex parte. In re: Notification Pursuant to Section 5.02 of the LPSC's Net Metering General Order R-31417, dated July 26, 2013.</p> <p>In re: Discussion and possible vote on Commission Staff's Unopposed Motion for Commission Adoption of Staff's Recommendation Pursuant to Rule 57.</p> <p>At the request of Commissioner Skrmetta.</p> <p>PASSED</p>
<p>Ex. 29</p>	<p>Reports by electrical investor owned utilities regarding long-term natural gas hedging.</p> <p>At the request of Chairman Holloway.</p> <p>Entergy Report presented by Jonathan Bourg and Michael Goin.</p>

<p>Ex. 30</p>	<p>LPSC, ex parte, In re: Investigation of the retail load assignment between Entergy Gulf States Louisiana, LLC, Vinton Public Power Authority and Sam Rayburn Municipal Power Agency and certain interstate contracted electric power supply agreements and the potential negative impact they may have on retail loads in Louisiana</p> <p>In re: Possible Executive Session pursuant to the revised statutes to discuss litigation strategy.</p> <p>At the Request of Chairman Holloway.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to enter executive session.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to exit executive session.</p>
<p>Ex. 31</p>	<p>Steven J. Leon et al v. RAB & LPSC; No. 597,139, 19th JDC, Div. "D"</p> <p>In re: Possible executive session pursuant to the revised statutes to discuss litigation negotiations and strategy.</p> <p>In re: Possible vote to approve settlement.</p> <p>At the request of Commissioner Skrmetta.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere concurring, and Chairman Holloway and Vice Chairman Angelle absent, the Commission voted to approve settlement.</p>

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

MEETING ADJOURNED

The next Business and Executive Session will be held on Wednesday, July 27, 2016 in Lake Charles, Louisiana. Time and location TBA.