

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM JANUARY 18, 2023
OPEN SESSION

MINUTES OF JANUARY 18, 2023 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN FOSTER CAMPBELL, VICE CHAIRMAN MIKE FRANCIS, COMMISSIONER ERIC SKRMETTA, COMMISSIONER CRAIG GREENE, COMMISSIONER DAVANTE LEWIS AND EXECUTIVE SECRETARY BRANDON FREY.

Open Session of January 18, 2023, convening at 9:17 a.m., and adjourning at 12:48 p.m., the Galvez Building, 602 North 5th Street, Baton Rouge, Louisiana, with the above-name members of the Commission and Executive Secretary Brandon Frey present.

<p>Ex. 1</p>	<p>The Commissioners welcomed and congratulated Commissioner Lewis on his victory in the District 3 election. Commissioner Lewis thanked the Commissioners and his constituency of District 3 for their welcoming hospitality and support on his victory.</p> <p>Vice Chairman Francis welcomed Eric Duplechain, a new employee in the Crowley office for District 4.</p> <p>Commissioner Greene welcomed a new Staff member, Shayla Johnson, in the District 2 office.</p> <p>Audit Director, Robin Pendergrass, welcomed Dylan McGee, a new auditor in the Auditing Division and Transportation Administrator, Tammy Burl, welcomed Chad Dominigue, a new enforcement agent in the Transportation Division.</p> <p>Executive Secretary Frey announced new proposed B&E dates for the months of April and June. The new proposed dates are April 26th and June 14th.</p>
<p>Ex. 2</p>	<p>Undocketed – Election of 2023 Chair and Vice Chair.</p> <p>On motion of Commissioner Greene, seconded by Commissioner Campbell, a nomination was made for Commissioner Campbell as the 2023 Chairman and to re-elect Vice Chairman Francis as the 2023 Vice Chairman.</p> <p>Commissioner Skrmetta made a substitute motion to nominate Vice Chairman Francis as the 2023 Chairman and Commissioner Greene as the 2023 Vice Chairman, which was seconded by Vice Chairman Francis, with Commissioner Campbell, Commissioner Greene, and Commissioner Lewis opposing. The motion failed with a 2:3 vote.</p> <p>After discussion, the Commission reconsidered Commissioner Greene’s original motion, which was seconded by Commissioner Campbell, with Commissioner Lewis concurring, and Commissioner Skrmetta and Vice Chairman Francis opposing. The motion passed with a 3:2 vote.</p>

<p>Ex. 3</p>	<p>Undocketed – Election of ERSC Representative for 2023.</p> <p>On motion of Commissioner Lewis, seconded by Chairman Campbell, with Commissioner Greene concurring, and Commissioner Skrmetta and Vice Chairman Francis opposing, the Commission voted to elect Commissioner Greene as the 2023 ERSC Representative for the Commission.</p>
<p>Ex. 4</p>	<p>Undocketed – Election of OMS Representative for 2023.</p> <p>Vice Chairman Francis made a motion to nominate Commissioner Skrmetta as the 2023 OMS Representative of the Commission, seconded by Commissioner Skrmetta, with Chairman Campbell, Commissioner Greene, and Commissioner Lewis opposing. The motion failed with a 2:3 vote.</p> <p>On motion of Commissioner Lewis, seconded by Chairman Campbell, with Commissioner Greene concurring, and Commissioner Skrmetta and Vice Chairman Francis opposing, the Commission voted to elect Commissioner Greene as the 2023 OMS Representative for the Commission.</p>
<p>Ex. 5</p>	<p>Undocketed – Election of SPP Representative for 2023.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to elect Vice Chairman Francis as the 2023 SPP Representative for the Commission.</p>
<p>Ex. 6</p>	<p>T-36558 - Louisiana Public Service Commission vs. Elite Limo & Travel, LLC. In re: Alleged violation of Louisiana Revised Statutes Title 45:1177 and 1179 for failure to pay to the state proper fees for the years 2019 and 2020 for the inspection, control, and supervision of its business service and rates authorized in Common Carrier Certificate Number 8076 pursuant to General Order dated November 22, 2011.</p> <p>In re: Discussion and possible vote pursuant to Rule 57 on Affidavit and Stipulation executed by the Carrier.</p> <p>On motion of Chairman Campbell, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take matter up pursuant to Rule 57.</p> <p>On motion of Vice Chairman Francis, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to accept the Affidavit and Stipulation executed on December 5, 2022.</p>

<p>Ex. 7</p>	<p>T-36574 - Louisiana Public Service Commission vs. Bolds' Towing, LLC. In re: Alleged violation of Louisiana Revised Statutes Title 45:1177 and 1179 for failure to pay to the state proper fees for the years 2019 and 2020 for the inspection, control, and supervision of its business service and rates authorized in Common Carrier Certificate Number 7284 pursuant to General Order dated November 22, 2011.</p> <p>In re: Discussion and possible vote pursuant to Rule 57 on Affidavit and Stipulation executed by the Carrier.</p> <p>On motion of Vice Chairman Francis, seconded by Chairman Campbell, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take matter up pursuant to Rule 57.</p> <p>On motion of Vice Chairman Francis, seconded by Chairman Campbell, and unanimously adopted, the Commission voted to accept the Affidavit and Stipulation executed on December 21, 2022.</p>
<p>Ex. 8</p>	<p>R-31106 - Louisiana Public Service Commission, 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 retain an engineer for District IV.</p> <p>After discussion, on motion of Commissioner Skrmetta, seconded by Commissioner Greene, and unanimously adopted, the Commission approved Vice Chairman Francis' nomination of D. Hicks Consulting to assist District IV with the political subdivision energy efficiency 2023 program for a total budget not to exceed of \$27,243.</p>
<p>Ex. 9</p>	<p>U-36350 - Entergy Louisiana, LLC, ex parte. In re: Application for recovery in rates of costs related to Hurricane Ida and related relief.</p> <p>In re: Discussion and possible vote on Uncontested Stipulated Settlement.</p> <p>(Exhibit 16 on December 15, 2022 Business and Executive Session Agenda).</p> <p>Commissioner Greene made the following motion: I move to approve the uncontested stipulated settlement subject to two modifications. These modifications do not alter ELL's ability to fully recover its prudently incurred storm costs. These two specific modifications enhance the current settlement by reducing the securitized amount by \$180 million by accelerating the recognition of certain tax-related benefits (i.e. securitizing net of storm-related Accumulated Deferred Income Taxes ("ADIT")). This modification also reduces the initial year's monthly storm charge paid by an Entergy Louisiana customer by approximately 10%.</p> <p>The first modification is to replace the first sentence of paragraph 6 of the uncontested stipulated settlement with the following: "the Commission enter a Financing Order in the amount of \$1,491,483,000 with terms substantially similar to that contained on Attachment 1, including issuance costs that reflect a debt service reserve subaccount of 1.5%."</p>

	<p>The second modification is to delete paragraph 8, Attachment 4 and other references to ADIT in the uncontested stipulated settlement in recognition that the present value of the future tax benefits have been applied to reduce the amount to be securitized, which is to securitize the prudently incurred storm costs net of the present value of storm-related ADIT. This method locks in the value of the ADIT for customers and requires ELL to manage the risk regarding future changes that could affect the value of the ADIT.</p> <p>Further, Staff will draft quantification, financing, and ancillary orders consistent with the uncontested stipulated settlement as modified by this motion. I understand from Staff that ELL and all intervenors are amendable to the two modifications to the uncontested stipulated settlement.</p> <p>After discussion, on motion of Commissioner Greene, seconded by Commissioner Skrmetta, with Vice Chairman Francis concurring, and Chairman Campbell and Commissioner Lewis opposing, the Commission voted to approve the issuance of a Quantification Order, a Financing Order, and an Ancillary Order consistent with the terms of the Uncontested Stipulated Settlement filed into the record of December 12, 2022 subject to Commissioner Greene’s modifications.</p> <p>Present for Questions/Comments: Mark Kleehammer, Vice President, Regulatory and Public Affairs for Entergy Phillip May, President and CEO for Entergy Louisiana Bill Barta, Staff Consultant Mark Gooding, Staff Consultant Pat Patrick, Staff Counsel Delores Brooks, General Public</p>
<p>Ex. 10</p>	<p>Undocketed - Cleco Power LLC, ex parte. In re: Notice of State tax rate change and regulatory asset treatment.</p> <p>In re: Discussion and possible vote on authorization of Regulatory Asset.</p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Campbell, with Vice Chairman Francis and Commissioner Lewis concurring, and Commissioner Greene temporarily absent, the Commission voted to authorize Cleco Power’s request to establish a regulatory asset, for accounting purposes only, to record the effective tax rate change until such time that the Commission rules on Cleco Power’s next rate request, including the increased amounts recorded in this regulatory asset. Until the Commission approves a rate request, Cleco Power shall not change its rates reflecting this effective tax rate change.</p>
<p>Ex. 11</p>	<p>1) Reports</p> <p>-Report from Staff on Docket No. R-36227.</p> <p>Staff Consultant David Lessinger of CSRS gave his report to the Commission regarding R-36227.</p> <p>At the request of Commissioner Greene.</p>

2) Resolutions

3) **Discussions**

- Update from JDEC on transmission line.

At the request of Vice Chairman Francis.

(Exhibit 15 on the December 15, 2022 Business and Executive Session Agenda).

Representatives of JDEC gave a progress report on their plan to construct a transmission line.

Present for Questions/Comments:

Kara Kantrow, Counsel for JDEC

Mike Heinen, General Manager of JDEC

Michael Dorris, Del Sol, Consultant for JDEC

Vice Chairman Francis requested monthly updates on the project.

- Discussion and presentation by Dr. Terrence Chambers, Director of Energy Efficiency and Sustainable Energy Center at ULL, on utility scale solar technology and resources.

Dr. Chambers gave his presentation and took questions from the Commission.

4) **ERSC/OMS/SPP**

- Discussion and possible vote to ratify interventions of Louisiana Public Service Commission in RTO or ERSC Related Federal Energy Regulatory Proceedings.

On motion of Chairman Campbell, seconded by Commissioner Lewis, and unanimously adopted, the Commission voted to ratify the interventions.

- Discussion and possible vote to ratify vote taken by Commissioner Greene acting as the Commission's representative on the Board of Directors of the Organization of MISO States.

On motion of Chairman Campbell, seconded by Vice Chairman Francis, with Commissioner Lewis and Commissioner Skrmetta concurring, and Commissioner Greene abstaining, the Commission voted to ratify the vote taken by Commissioner Greene on December 21, 2022.

5) Directives

<p>Ex. 12</p>	<p>R-31106 - Louisiana Public Service Commission, 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 retain an engineer for District I.</p> <p>At the request of Commissioner Skrmetta.</p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Campbell, with Vice Chairman Francis and Commissioner Lewis concurring, and Commissioner Greene temporarily absent, the Commission voted to approve Commissioner Skrmetta’s nomination of Linfield, Hunter & Junius to assist District I with the political subdivision energy efficiency 2023 program for a total budget not to exceed of \$27,277.32.</p>
<p>Ex. 13</p>	<p>R-31106 - Louisiana Public Service Commission, 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 retain an engineer for District II.</p> <p>At the request of Commissioner Greene.</p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Campbell, and unanimously adopted, the Commission voted to approve Commissioner Greene’s nomination of D. Hicks Consulting to assist District II with the political subdivision energy efficiency 2023 program for a total budget not to exceed of \$15,453.95.</p>
<p>Ex. 14</p>	<p>U-35441 - Southwestern Electric Power Company, ex parte. In re: Application for Approval of a Change in Rates, Extension of Formula Rate Plan and Other Related Relief.</p> <p>In re: Discussion and possible vote pursuant to Rule 57 on Uncontested Partial Stipulated Settlement.</p> <p>On motion of Commissioner Greene, seconded by Chairman Campbell, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.</p> <p>After discussion, on motion of Chairman Campbell, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the Uncontested Partial Stipulated Settlement filed on January 13, 2023.</p> <p>Present for Questions/Comments: Bobby Gilliam, Counsel for SWEPCO Tom Brice, Vice President of Regulatory & Finance for SWEPCO</p>
<p>Ex. 15</p>	<p>U-36368 - Dixie Electric Membership Corporation, ex parte. In re: Formula Rate Plan Annual Report for 2021 Test Year.</p>

	<p>In re: Discussion and possible vote on Staff Report.</p> <p>At the request of Commissioner Greene.</p> <p>On motion of Commissioner Greene, seconded by Chairman Campbell, with Vice Chairman Francis and Commissioner Lewis concurring, and Commissioner Skrmetta temporarily absent, the Commission voted to accept Staff's Report filed into the record on January 6, 2023.</p>
<p>Ex. 16</p>	<p>FERC Opinion No. 581, 181 F.E.R.C. P61,243, Louisiana Public Service Commission v. System Energy Resources, Inc., and 181 F.E.R.C., P61,244, System Energy Resources, Inc., Order on Initial Decision and Establishing a Show Cause Proceeding.</p> <p>In re: Report by Special Counsel, Stone Pigman, regarding decisions of the FERC issued December 23, 2022.</p> <p>In re: Possible Executive Session to discuss litigation strategy pursuant to La. R.S. 42:16, et seq.</p> <p>At the request of Commissioner Francis.</p> <p>Mike Fontham gave an update on the recent FERC decisions.</p> <p>Present for Questions/Comments: Mike Fontham, Stone Pigman, LPSC Counsel Dana Shelton, Stone Pigman, LPSC Counsel Justin Swaim, Stone Pigman, LPSC Counsel Lane Sisung, United Professionals Company, LPSC Consultant</p>

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

MEETING ADJOURNED

The next Business and Executive Session will be held on Thursday, February 16, 2023 at 9:00 a.m. at the Galvez Building in Baton Rouge, Louisiana.