

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS
AND EXECUTIVE OPEN SESSION HELD ON APRIL 19, 2024 IN MANY, LOUISIANA.
PRESENT WERE: CHAIRMAN MIKE FRANCIS, VICE CHAIRMAN DAVANTE
LEWIS, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER ERIC
SKRMETTA, AND COMMISSIONER CRAIG GREENE.**

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3 **IN MANY, LOUISIANA. PRESENT WERE: CHAIRMAN MIKE**
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5 **FOSTER CAMPBELL, COMMISSIONER ERIC SKRMETTA, AND**
6 **COMMISSIONER CRAIG GREENE.**

7 **CHAIRMAN MIKE FRANCIS:** Okay. Looks like we're ready to go. I'm going
8 to call this meeting to order and I would like to ask us all to stand. I've got a special
9 guest here to do our invocation. From the Anacoco First Baptist Church, Anacoco,
10 Louisiana, downtown Anacoco, Dr. Chad King. And Dr. King, step up, please, and
11 you have a short announcement to give us and then I'd ask you to ask God's
12 blessing on our meeting.

13 **DR. CHAD KING:** Yes, sir. Well, good morning. Thank you so much,
14 Commissioner Francis, for allowing me to be here. But I just want to share with
15 you just an event that we have coming up there in Anacoco, Louisiana at First
16 Baptist Church. It's called our faith and family freedom music fest. It's just a
17 family friendly music fest and what we do is we have some bands that's going to
18 be there and just give an opportunity for us to celebrate the freedom that we enjoy
19 as citizens of this great nation. This year's lineup is the Chosen Road, it's a
20 southern gospel group. It's also, we have Jason Lovins band, we have Point of
21 Grace, and we have Mac Powell. And so last year we had about 3,000 people there
22 and this year we're anticipating close to 5,000 or over. And lots of food trucks and
23 just a great time to come out. And then we have the best fireworks show in CenLa

1 and southwest Louisiana, and it's a huge firework show and we just have a
2 wonderful time. Great event, just bring people together and celebrate the freedoms
3 that we have as citizens of this wonderful nation. And so you are all invited, we'd
4 love to have you come, participate, be our guest, and let's celebrate our nation
5 together. So let me ask you to bow your head and close your eyes and let me lead
6 us in a word of prayer.

7 **[DR. CHAD KING LEADS IN PRAYER]**

8 **CHAIRMAN FRANCIS:** Thank you, Dr. King. And now, I want to ask
9 Commissioner Foster Campbell to do the pledge and if y'all will put your attention
10 to the back of my shirt here.

11 **[COMMISSIONER FOSTER CAMPBELL LEADS IN THE PLEDGE]**

12 **CHAIRMAN FRANCIS:** All y'all can be seated, if you can find a seat. I want to
13 thank Warren Founds and the Sabine River Authority for all the goodies outside
14 the door, the donuts and all. That's the Sabine River Authority from Texas and
15 Louisiana. And I want to welcome everybody to the Cypress Bend Resort in Sabine
16 Parish. This is part of our friend and Commissioner Foster Campbell's district.
17 And just a few miles south of here is the border where my -- the northernmost part
18 of my district starts. And if you go down this lake, this beautiful lake, about 20
19 miles you'll come to a dam and about a 80-megawatt electric generator there. And
20 it's a generator that produces no carbon whatsoever, so for a lot of us, we're happy
21 to have that. The water running down that river and down the lake is what keeps
22 the lights on here at this place. And so Commissioner Campbell and I are very

1 proud to represent the Louisiana side of this lake. This lake is 1,200 miles of
2 shoreline. And is Warren Founds here anywhere? Is Warren here?

3 **MS. KATHRYN BOWMAN:** Yeah, he's here.

4 **CHAIRMAN FRANCIS:** You want to come up here and say a word or two or
5 blow your horn? Did I miss anything? I know you have something to say, you're
6 very proud of this, I know. And Warren Founds, he's the guy that keeps things
7 going here for the Sabine River Authority. Thank you, Warren.

8 **MR. WARREN FOUNDS:** Well, thank you, Chairman Francis, and certainly
9 thank you, Commissioner Campbell. We appreciate y'all bringing this show to this
10 part of the woods. We certainly like showing off Toledo Bend. Thank y'all for
11 making the trip. We appreciate it every time you come. We like to show off this
12 project. The Cypress Bend project is actually a public-private venture between the
13 Sabine River Authority, and then we have an actual hotel group that manages this
14 whole thing, and we have a new golf group that's managing the new remodeled
15 golf course. So I'd certainly like to invite all those that are golfers to come try out
16 the new, reimagined Cypress Bend Golf Course. Appreciate you. Mike, you did a
17 good job of describing us. We're a little -- almost 60 years old and one of the -- I
18 think we're one of two hydro plants in the state of Louisiana, so we're just trying
19 to keep it going. But we certainly appreciate y'all, we appreciate the Commission
20 for everything that they've done in supporting this and you, personally, Mike, for
21 sure. You've had our back for ever since you've been in office and we certainly
22 appreciate y'all.

1 **CHAIRMAN FRANCIS:** Well, I forgot to mention it's one of the largest, best
2 bass lakes in the country. Rated number one several times.

3 **MR. FOUNDS:** 2015 and 2016, the number one bass lake in the country.

4 **CHAIRMAN FRANCIS:** And I want to add on a little bit more, Warren, for what
5 y'all do. Over the last 60-something years that this lake's been in place, there have
6 been thousands of people who have moved up here, built camps. There are a lot of
7 million-dollar homes along here.

8 **MR. FOUNDS:** Sure is.

9 **CHAIRMAN FRANCIS:** People have come here from all over the country to
10 retire and they'll bring their bank accounts with them, pay their taxes here, buy their
11 groceries, and this is a real economic engine that a lot of people in Louisiana don't
12 know. We talked to our friends from New Orleans and Baton Rouge, a lot that are
13 just, for the first time, they're amazed at what's going on, and I have to think the
14 government of Louisiana had a part in making sure that this was put in place.

15 **MR. FOUNDS:** That's correct.

16 **CHAIRMAN FRANCIS:** Probably back when Commissioner Campbell was a
17 state senator, that he helped make sure this thing became real.

18 **MR. FOUNDS:** Timber and tourism, Mike, that's what we have.

19 **CHAIRMAN FRANCIS:** Timber and tourism.

20 **MR. FOUNDS:** And they're both an equal part of Sabine Parish.

21 **CHAIRMAN FRANCIS:** Okay.

22 **MR. FOUNDS:** Again, appreciate y'all coming to Sabine Parish and we thank you
23 and look forward to seeing you next year.

1 **CHAIRMAN FRANCIS:** Warren, do you have -- I know you got some stroke
2 here. Can you get us some more chairs?

3 **MR. FOUNDS:** Well, we'll look and see.

4 **CHAIRMAN FRANCIS:** Okay.

5 **MR. FOUNDS:** Thank y'all.

6 **CHAIRMAN FRANCIS:** All right. Another thing here, before we move any
7 further. I would like to recognize linemen. We have these guys who, you know
8 during these storms, when we're all trying to sleep through a rainstorm or
9 complaining about our lights going out, these linemen are out there risking their life
10 to put things together. Yesterday was Lineman Appreciation Day. And are there
11 any lineman in here? If there are, stand up and hold your hands up. Kathryn
12 Bowman, do you have that --

13 **MS. BOWMAN:** Yes, sir.

14 **CHAIRMAN FRANCIS:** I would like for her to -- she reads a lot faster and
15 prettier than me -- to read this little document I gave her.

16 **MS. BOWMAN:** Yes, sir. So yesterday was Lineman Appreciation Day, a day
17 dedicated to honoring the brave individuals who work tirelessly, often in dangerous
18 conditions, to keep our lights on and our communities powered. Today, let us take
19 a moment to express our deepest gratitude to these unsung heroes and their families.
20 Every day, linemen face hazardous conditions to keep the lights on, working
21 tirelessly, and often sacrificing time with their loved ones to restore power during
22 emergencies, regardless of the hour. If there are any linemen in our audience today,
23 we've already recognized you, please stand and recognize your dedication, bravery,

1 and selflessness do not go unnoticed. You are the backbone of our infrastructure,
2 the guardians of our modern way of life, and for that, we are eternally grateful. So
3 today, let us come together to honor and thank you and your families. Let us
4 recognize your hard work, bravery, and commitment to keeping our communities
5 powered and safe. Together, let us show them the gratitude that they truly deserve.

6 **CHAIRMAN FRANCIS:** All right. Thank you, very much. Thanks again,
7 linemen. I've got a brief lineman story, personal. I bet Foster Campbell has one
8 too. But mine goes like this: My dad was an electrician, and he could climb a pole
9 like a squirrel. I've never seen anybody climb up a pole or come down that fast.
10 And back in the old days, there weren't any bucket trucks, and we strung a lot of
11 line, and as a young person, I was so admiring of somebody who could climb a pole
12 like that. As soon as my legs got long enough where I could put those spurs on,
13 and you linemen know about that, I went out in the front yard, they had a pole in
14 our front yard, and I climbed up that pole. I got about three foot off the ground and
15 I realized I was in trouble, you know, so I got back down. But that's my lineman
16 story. Foster Campbell, did you ever climb a pole?

17 **COMMISSIONER FOSTER CAMPBELL:** No.

18 **CHAIRMAN FRANCIS:** Okay. All right. Are there any other lineman stories
19 here? Hearing none, thank goodness that's all we have. I'm going to ask, is there
20 any other announcements? Commissioner Skrmetta, do you have an
21 announcement?

22 **COMMISSIONER ERIC SKRMETTA:** Yeah, I was going to -- I'll just adopt
23 your announcement about the linemen, you know. Any time we have --

1 **MS. BOWMAN:** Commissioner, yeah, could you pull it just a little bit closer.

2 **COMMISSIONER SKRMETTA:** Close enough? Because it was working for

3 you, Kathryn.

4 **MS. BOWMAN:** No. It's still not?

5 **COMMISSIONER SKRMETTA:** How about now; are we all right? Are we

6 okay? Little bit closer. Okay. How about now; is that better? Okay. I was going

7 to say that, you know, any time we have outages in south Louisiana, whether it's

8 associated with hurricanes or in general --

9 **MS. BOWMAN:** I don't think it's on, Commissioner.

10 **COMMISSIONER SKRMETTA:** Is there a switch on it? It's on now. Okay.

11 Great. I said any time we have outages in my district, I always admire the linemen,

12 and nobody understands the risks they take, the hours they work, the drain on them.

13 And what most people don't realize is that they'll work on one pole, they work as

14 a team. But before they do that, they have a safety briefing, they figure out where

15 the nearest hospital is, they figure out the quickest way to get to it, they talk about

16 all the different routes they have to take. They do the work on the pole, they drive

17 to the next pole, they have a safety briefing, they figure out where the nearest

18 hospital is. So they are focused on safety, they're focused on helping the public,

19 but the risk they put themselves at is exceptional and, you know, I join the rest of

20 my Commissioners in expressing extreme thanks for the work they do and the

21 danger they suscept themselves to, so thank you very much.

22 **CHAIRMAN FRANCIS:** Commissioner Greene.

1 **COMMISSIONER CRAIG GREENE:** I just want to echo that. I got to be a part
2 of a pilot program or watch a pilot program in Breaux Bridge where the linemen
3 traded out a pole, an old pole, for a much needed newer one, and it was a very
4 intricate process. They worked as a team. It could have been dangerous, but the
5 people around them may or may not even know that it even happened, but they
6 know their lights will be on. So it's really foundational what y'all do and we're
7 very appreciative.

8 **CHAIRMAN FRANCIS:** Okay. Ms. Bowman, do you have any announcements?

9 **MS. BOWMAN:** The only announcement I have, Commissioner, is that Exhibit 9
10 is deferred.

11 **CHAIRMAN FRANCIS:** Nine?

12 **MS. BOWMAN:** Yes, sir.

13 **CHAIRMAN FRANCIS:** Exhibit 9 is deferred.

14 **MS. BOWMAN:** Yes, sir.

15 **CHAIRMAN FRANCIS:** Okay. All right. Well, hearing that, let's move on to
16 Exhibit Number 2.

17 **MS. BOWMAN:** Exhibit Number 2 is Docket Number S-37089. This is IM
18 Telecom doing business as Infiniti Mobile. It's a petition for designation as an
19 Eligible Telecommunications Carrier within the state of Louisiana for the limited
20 purpose of offering wireless Lifeline services. It's a discussion and possible vote
21 on Staff's report and recommendation, and this was Exhibit 4 last month. On
22 December 29, 2023, Infiniti filed its petition with the Commission seeking to be
23 designated as an ETC. Notice was published in the Commission's Official Bulletin,

1 with no interventions or protests. The company plans to offer all of the unsupported
2 services required by the act through resale of another carrier's services. Infiniti has
3 certified that it has and will continue to comply with the 911 requirements at a state
4 and federal level. The company has also provided Staff with a copy of FCC's
5 approval of a compliance plan and the company certifies that it has met the
6 requirements for conditional forbearance from the facility's requirement as
7 evidenced by the FCC approved compliance plan. Infiniti is a provider of
8 commercial mobile radio service and provides pre-paid wireless
9 telecommunication services to consumers using the underlined wireless networks
10 of AT&T, Verizon, and T-Mobile. Infiniti has been designated as a Lifeline only
11 wireless ETC in 11 other states, and is authorized by the FCC and the USAC to
12 participate in the Affordable Connectivity Program through the United States,
13 including within Louisiana. Pursuant to the act, state commissions are given the
14 authority to designate as ETCs those common carriers that meet certain federal
15 service requirements and designation be consistent with the public interest,
16 convenience, and necessity. And consistent with that authority, the Commission
17 issued its ETC General Order, creating a list of public interest criteria to be applied
18 on a case-specific basis to all requests for ETC designation in areas served by rural
19 telephone carriers. On March 6, 2024, Staff filed its report and recommendation
20 on the company's application, where it found that the company demonstrated that
21 it could meet requirements of the act, applicable FCC regulations, and the ETC
22 General Order, and that it will make available to customers the universal service
23 offerings and provide all the services supported by the Federal Universal Service

1 Fund. Staff also found that the designation of the company as an ETC was in the
2 public interest. Staff recommends that the Commission accept the Staff report and
3 recommendation filed into the record on March 6, 2024.

4 **CHAIRMAN FRANCIS:** The Chair recommends we accept Staff's
5 recommendation.

6 **COMMISSIONER SKRMETTA:** Second.

7 **CHAIRMAN FRANCIS:** Seconded by Commissioner Skrmetta. Any discussion
8 or opposition? [NONE HEARD] Hearing none, it's passed. Number 3.

9 **MS. BOWMAN:** Exhibit Number 3 is Docket Number S-37095. This is Cleco
10 Power's request for approval of a renewable power producers auxiliary service
11 rider, pursuant to Commission's General Order dated July 1, 2019. It's a discussion
12 and possible vote on Staff report and recommendation. On January 4, 2024, Cleco
13 filed an application for the approval of a new rider, the Renewable Power Producers
14 Auxiliary Rider, with a proposed effective date of February 1st. The matter was
15 published in the Commission's Official Bulletin, and Cabot Corporation timely
16 intervened. However, the company subsequently filed a notice of withdrawal of
17 intervention, indicating that after review of the proposed tariff, Cabot did not intend
18 to assert any substantive positions in the docket. Cleco Power proposes to
19 implement the RPPA as an additional service offered to renewable power producers
20 that only require auxiliary power from the company in order to run control rooms
21 and ancillary equipment. Pursuant to the proposed schedule, a perspective
22 customer would receive service under the company's large power service rate
23 schedule in conjunction with the RPPA. And where necessary, the RPPA provides

1 alternative provisions for the renewable power producer than offered under the
2 Cleco's LPS tariff. After review of the application and responses to discovery,
3 Staff issued its report and recommendation on April 2, 2024 recommending the
4 Commission approve the RPPA rider, with a condition that Cleco Power submit a
5 report to the Commission after the RPPA has been offered for a year regarding the
6 rider's success. Staff recommends the Commission accept the Staff report and
7 recommendation filed into the record on April 2, 2024.

8 **COMMISSIONER SKRMETTA:** Move to accept Staff recommendation.

9 **COMMISSIONER GREENE:** Second.

10 **CHAIRMAN FRANCIS:** Move by Commissioner Skrmetta, seconded by
11 Commissioner Greene. Is there any discussion? [NONE HEARD] Then Exhibit
12 Number 3 is accepted. Exhibit 4.

13 **MS. BOWMAN:** Exhibit Number 4 is Docket Number S-37100. This is
14 Washington-St. Tammany's request --

15 **COMMISSIONER SKRMETTA:** Kathryn.

16 **MS. BOWMAN:** Yes, sir.

17 **COMMISSIONER SKRMETTA:** Quick question. Are 4, 5, and 6 independent
18 or can they be done as one?

19 **MS. BOWMAN:** They can be done as one. Could I read the docket numbers and
20 the in re for each?

21 **COMMISSIONER SKRMETTA:** Sure, I just wanted to see if we could do
22 [INAUDIBLE] --

23 **MS. BOWMAN:** Yes, sir, they're very similar.

1 **SECRETARY BRANDON FREY:** Because they are very similar. Very similar
2 requests, yes.

3 **COMMISSIONER SKRMETTA:** -- a common theme. Okay. Go ahead.

4 **MS. BOWMAN:** Yes, sir. So let me read all of the dockets and the in res and then
5 I'll do the background. So Exhibit 4 is Docket Number S-37100. It's Washington-
6 St. Tammany Electric Cooperative's request for a letter of non-opposition to
7 establish a regulatory asset for increased fuel charges. It's a discussion and possible
8 vote on a Staff report and recommendation. Exhibit 5 is Docket Number S-37108.
9 This is South Louisiana Electric Cooperative Association's request for a letter of
10 non-opposition to establish a regulatory asset for increased fuel charges. Also, a
11 discussion and possible vote on Staff's report and recommendation. And Exhibit
12 Number 6 is Docket Number S-37110. This is Claiborne Electric Cooperative's
13 request for a letter of non-opposition to establish a regulatory asset for increased
14 fuel charges. Also, a discussion and possible vote on Staff's report and
15 recommendation. All three of the cooperatives filed its request for a letter of non-
16 opposition. It was published in the Commission's Official Bulletin and no
17 interventions were filed. All three of the cooperatives are under all requirements
18 contracts with the wholesale provider of Cleco Cajun for purchased power, which
19 is included in each of the cooperatives' members' bills that reflects the fluctuation
20 of costs of power from Cleco Cajun. All three cooperatives have been experiencing
21 increased fuel costs from Cleco Cajun for the increase in transportation costs due
22 to supplied coal to Cajun, and implementing the use of a regulatory asset will allow
23 all three cooperatives to recover these increased costs over a 12-month period,

1 instead of having ratepayers pay it in full with one bill, thereby avoiding over-
2 burdening the cooperatives' members. All three wish to include the interest
3 expense associated with the line of credit used to pay these increased fuel charges
4 in the interim while awaiting the regulatory asset to be recovered. On April 5, 2024,
5 Staff filed its report and recommendations in to the records of all three dockets,
6 expressing its non-opposition for the cooperatives to establish the regulatory asset
7 and to record an authorized fuel charges over the 12-month period, subject to
8 conditions. And Staff recommends that the Commission accept all three Staff
9 reports and recommendations filed into their respective records.

10 **COMMISSIONER SKRMETTA:** Move to accept Staff's recommendation on
11 Exhibits 4, 5, and 6.

12 **COMMISSIONER GREENE:** Second.

13 **CHAIRMAN FRANCIS:** We have a motion by Commissioner Skrmetta to accept
14 Exhibit 4, 5, and 6, seconded by Commissioner Greene. Is there any discussion?
15 [NONE HEARD] And hearing none, Exhibit 4, 5, and 6 are [INAUDIBLE]
16 approved. Number 7, Exhibit 7.

17 **MS. BOWMAN:** Exhibit Number 7 is Docket Number U-35753. This is Cleco
18 Power and Southwestern Electric Power Company's joint application for
19 authorization to close the Oxbow Mine and authorization to include and defer
20 certain accelerated mine closing costs in fuel and related ratemaking treatments.
21 It's a discussion and possible vote on an uncontested proposed settlement pursuant
22 to Rule 57, so this will need two votes. In this proceeding, Cleco Power and
23 SWEPCO initially sought Commission approval for the closure of the Oxbow

1 Mine, including a prudence determination and certain ratemaking treatments. The
2 Commission thereafter expanded the proceeding to include whether applicants'
3 decision to retire Dolet Hills Power Station was prudent, also including
4 modifications and/or adjustments to ratemaking regarding the recovery of Dolet
5 Hills costs. Subsequently, the applicants filed a second application in the
6 proceeding seeking Commission determination whether it was prudent and in the
7 public interest to retire Dolet Hills permanently. Several parties intervened in the
8 docket. After discovery, a contested hearing was held before ALJ Guillot and a
9 final recommendation was issued on February 2, 2024. Subsequent to the issuance
10 of that final recommendation, the parties conducted settlement negotiations, and as
11 a result of the negotiations, the parties executed an uncontested proposed stipulated
12 settlement, filing that into the record on April 15, 2024. Staff recommends that the
13 Commission: 1) Exercise its original and primary jurisdiction pursuant to Rule 57
14 to consider the matter; and, 2) Accept the uncontested proposed settlement filed
15 into the record on April 15, 2024.

16 **COMMISSIONER SKRMETTA:** Move to bring the matter up under Rule 57.

17 **COMMISSIONER GREENE:** Second.

18 **CHAIRMAN FRANCIS:** Move to bring up Exhibit 7 under Rule 57 by
19 Commissioner Skrmetta, seconded by Commissioner Greene. And Chair will
20 recognize Commissioner Foster Campbell.

21 **COMMISSIONER CAMPBELL:** Could we get somebody representing
22 SWEPCO and somebody representing Cleco?

23 **COMMISSIONER SKRMETTA:** I want to put a motion on the floor.

1 **CHAIRMAN FRANCIS:** Okay.

2 **COMMISSIONER SKRMETTA:** I also move to accept the uncontested
3 proposed settlement filed into the record.

4 **COMMISSIONER GREENE:** Second.

5 **CHAIRMAN FRANCIS:** Okay. We have another motion to, after Rule 57, to
6 accept it. Okay. Same by Commissioner Skrmetta, seconded by Commissioner
7 Greene. Now is it in order for discussion?

8 **MS. BOWMAN:** Yes, sir.

9 **CHAIRMAN FRANCIS:** Okay. We'll call on Commissioner Foster Campbell.
10 And here we are, it looks like we got Cleco and SWEPCO. Two fine gentlemen to
11 represent their companies. Why don't you tell us your names, please?

12 **MR. MARK KLEEHAMMER:** Good morning. Mark Kleehammer on behalf of
13 Cleco.

14 **MR. BOBBY GILLIAM:** And Bobby Gilliam on behalf of SWEPCO.

15 **MR. TOM BRICE:** Tom Brice on behalf of SWEPCO.

16 **COMMISSIONER CAMPBELL:** Can you guys just sort of summarize this?
17 This has been a long-drawn deal that everybody seems to be okay with now. Why
18 don't you just tell the public exactly what happened and what y'all have done here
19 and what we're looking forward to.

20 **MR. KLEEHAMMER:** Yeah, I'll be happy to go ahead and start. So the
21 fundamental issue at hand is the closure of Dolet Hills' plants and associated mine.
22 Both SWEPCO and Cleco saw diminishing returns coming out of the mine over
23 various years. We asked to be relieved of our obligation to have the mine produce

1 through 2026. All of the parties in the docket have agreed that that was a prudent
2 decision, it was the right thing to close the mine, unfortunately, due to the
3 economics of it. Subsequently, the balance of the docket, and it's been a long one,
4 has been about what should happen to the costs associated with the mine and the
5 plants. And some of those costs were accelerated and run through to customers,
6 some of them were deferred for future recovery, which would be through
7 securitization. What the uncontested settlement does is it has a deduct and refunds
8 on the Cleco side, and I'll speak to that, that will benefit customers to resolve all of
9 the issues in the case.

10 **COMMISSIONER CAMPBELL:** Am I wrong if I just summarize it like this,
11 that you had some lignite, or whatever, --

12 **MR. KLEEHAMMER:** Lignite.

13 **COMMISSIONER CAMPBELL:** -- the subject matter, left over and y'all burned
14 it and there was a chance that you could have bought power on the outside that
15 would have been more beneficial to the ratepayers than what you did, basically.
16 And so pointing the finger at you, basically you're refunding \$100 million, Cleco,
17 back to the people. Everybody --

18 **MR. KLEEHAMMER:** So I think that's a -- I don't disagree with the summary.
19 In some ways, it really is -- the only minor point I'll make, it really is the
20 acceleration of the end of life costs of the plant. It has much less to do with a piece
21 of lignite or a pound of lignite or a ton of lignite, it really has a lot to do with the
22 end of life cost. But to your point, on the Cleco side, you are correct. We are
23 providing \$100 million worth of benefit to customers, 60 million of which will be

1 refunds over the summer months this summer, next summer, and in '26. So in July,
2 August, and September, when bills are highest, our Cleco customers will probably
3 see about \$11 reduction on their bill based on this settlement. In addition, some of
4 the costs that were deferred will be recovered. They'll be recovered via
5 securitization. Those costs have been reduced by \$40 million. In fact, we think
6 that we found ways to reduce them another 15, so they'll reduce pretty significantly.
7 So the ultimate cost of this is going to be borne in the most cost efficient manner
8 for customers and customers will see a benefit on their summer bills the next three
9 years for Cleco.

10 **COMMISSIONER CAMPBELL:** Mr. Gilliam.

11 **MR. GILLIAM:** Yes, thank you. I just briefly will recite a little history, but this
12 plant came online in 1986, so we're all looking at it in these later years, but it was
13 a very successful plant for a long time and it served the people of DeSoto Parish,
14 and Red River Parish benefited, too, with employment and taxes. And so it did
15 what it was supposed to do and it served people well and with reasonable rates, too,
16 reasonable price. But as of the 2019 and all, we started doing studies and saw some
17 rising costs and issues, and as Mark just explained, we all did studies and financial
18 studies and said, okay, we've got to start looking at closing, and so we did come to
19 the Commission to do so. There was an order saying we've got to continue running
20 until 2026, so we needed permission from the Commission to close it, so we went
21 through that process. And then you have to address the closing process that does
22 have issues of accelerated costs. What do you do with these costs? So everybody
23 was trying to get this done in the most efficient and proper way. It's not an easy

1 way to close a solid fuel plant. I've never seen one be easy anywhere, but we did
2 it and worked through it with Staff and SWEPCO has agreed to a compromise. We
3 have issues we could argue, and the Commission had issues they could argue, but
4 we all decided it was best to try to bring this to a conclusion. And ours is a \$25
5 million disallowance and our rate reduction that'll take place immediately, and we
6 have agreed to that compromise settlement. And SWEPCO had a few different
7 issues because they were selling into SPP and there were some benefits provided to
8 ratepayers through that process. So there's differences in the base numbers from
9 each, quite a bit, just from the overall calculation, and we are prepared to move
10 forward with this settlement.

11 **COMMISSIONER CAMPBELL:** You know, I don't mean to be -- please forgive
12 me if I'm too simplistic, for all the engineers and experts out there, but there are
13 some average folks like everybody is. Basically, what you have here is two
14 companies giving money back because they could have bought power cheaper than
15 used what they used. So you want to know what the Public Service Commission's
16 good for? We have experts working for us, they uncovered this. Working with
17 these folks, SWEPCO and Cleco, the people will get some money back. So that's
18 what the Public Service Commission is supposed to do. We're supposed to grade
19 these people's papers, just like the teacher grades student's papers. And when you
20 find a mistake, you have to call it, and we found a mistake here and we called it.
21 And now they're giving back to the people, their ratepayers, 100 million and 25
22 million. So that's what the Public Service Commission's supposed to do. They did
23 a good job, we had a good consultant, and we worked it out and that's what they're

1 supposed to do. The people on this board here, the Commission, we represent the
2 people, we don't represent the companies. We grade the papers of the companies
3 with our consultants. So our consultants tell us this was a big mistake or whatever
4 and they owe money, and we follow what we think is right. They compromised,
5 now people are getting back \$100 million and \$25 million. And what did you say
6 they're going to get back this summer at Cleco?

7 **MR. KLEEHAMMER:** Between \$11 and \$12.

8 **COMMISSIONER CAMPBELL:** A month?

9 **MR. KLEEHAMMER:** Off a month, yeah. That's a 1,500-kilowatt hour
10 customer, but that's pretty indicative of summer months.

11 **COMMISSIONER CAMPBELL:** Right. So if you're on Cleco and you use
12 1,500 kilowatt a month, which is about average, maybe a little bit more, you'll
13 probably be getting \$11 check for three months in a row; is that what you're saying?

14 **MR. KLEEHAMMER:** It'll be a reduction to the bill, yes.

15 **COMMISSIONER CAMPBELL:** So the Public Service Commission did its job
16 with our consultants, and they're making Cleco refund \$100 million back to the
17 ratepayers. So I know that's simplistic. I used to teach school and I know I'm
18 overboard with that, but sometimes everybody doesn't understand everything that
19 goes on, with all the acronyms we use here in this meeting, but that's about as
20 simple as I can put it. Thank you, Mr. Chairman.

21 **CHAIRMAN FRANCIS:** Commissioner Lewis.

1 **VICE CHAIRMAN DAVANTE LEWIS:** Thank you, Mr. Chairman. Mr.
2 Kleehammer, can you clarify or explain to me exactly what you're doing with your
3 deferred income tax balance in the settlement?

4 **MR. KLEEHAMMER:** I think we're using standard ratemaking and we've done
5 it all securitizations, if that's what you're asking.

6 **VICE CHAIRMAN LEWIS:** Yeah.

7 **MR. KLEEHAMMER:** I think Item 3 in the term sheet is essentially --

8 **VICE CHAIRMAN LEWIS:** And that's 59 million?

9 **MR. KLEEHAMMER:** -- [INAUDIBLE] it out. Yeah. Yeah.

10 **VICE CHAIRMAN LEWIS:** And, Mr. Gilliam, you will be recovering or
11 SWEPCO will be recovering the remaining of their fuel balance of 11 million over
12 the next three years; is that correct?

13 **MR. GILLIAM:** Correct.

14 **VICE CHAIRMAN LEWIS:** Okay. Thank you. I mean, I'm pleased that we --

15 **MR. BRICE:** Commissioner Lewis.

16 **VICE CHAIRMAN LEWIS:** Yes, sir, Mr. Brice?

17 **MR. BRICE:** Tom Brice. I'm sorry. If I could -- just to be very clear, on the
18 deferred fuel balance, we'll recover that over a three-year period, and that amount
19 is about 24 million.

20 **VICE CHAIRMAN LEWIS:** Okay. 24 million, thank you.

21 **MR. BRICE:** Yes, sir.

22 **VICE CHAIRMAN LEWIS:** I am -- first, I mean, I think we have to recognize
23 what went wrong with Dolet Hills, and the customers suffered significantly. I'm

1 okay with this settlement. I would say that I do have concerns about it because I
2 think it does create a precedent where we're not giving full refunds. I don't really
3 think this is a true punishment for irresponsible, uneconomic practices that I see
4 here, and I think we have to do better about committing uneconomic generation
5 units in the SPP market or MISO. I mean, so I think -- I just want to know from
6 each company, are you committing to continue to look at energy markets and their
7 statuses and only use them when reliability is needed? I mean, I think that was the
8 challenge. We were running this plant when there was not a reliability need, and I
9 want to hear, future, what you plan to do so we don't end up in another situation
10 like this.

11 **MR. BRICE:** Commissioner, Tom Brice, SWEPCO. So this particular unit is a
12 long lead-time startup unit. It takes about 60 hours to get it running. The market
13 we participate in is a day-ahead market, so we have to make judgment calls. If you
14 were to bid it in for the very next day, if it was below that market price, it would
15 never run, so we'd need to look out in time a few days in advance and over the
16 weekends, it made economic sense to operate it and run it, that's exactly what we
17 did. And that designation in the RTO is called self-commit. It's an absolute
18 beneficial tool for customers. We need to designate the plant at times to run it on
19 that basis.

20 **MR. KLEEHAMMER:** I would agree. The markets are a little different, but I
21 think an example would be as recently as in January when we did commit another
22 solid fuel unit in advance of a pretty significant winter storm. You're going to have
23 times when you're going to do that.

1 **VICE CHAIRMAN LEWIS:** Thank you. And for the future, I would just like to
2 see some more of your market commitment practices and revenues, so we can have
3 this in a more transparent manner, so we are not retroactively. I mean, I think that
4 is -- while I am happy we have gotten here, my concern is what do we do to never
5 get back in this situation ever again, and so I would love to continue the
6 conversations with both of you about your market commitment practices and your
7 revenues at a later date. So thank you, Mr. Chairman.

8 **CHAIRMAN FRANCIS:** Any other questions? I'd like to thank both companies
9 for making it right, getting us back to ground zero. And, you know, the little bit of
10 research I've done with this generation plant, it's been there for over 20 years, and
11 when I look at the cost of electricity over those 20 years, most months out of the
12 year, the rate for a kilowatt hour was at or below most states in America. And I
13 know we've hit a bump here at the end. As a business man, it looks to me like it's
14 kind of like a little balloon note at the end of the deal, you know. It's a multi-
15 million-dollar deal. But the people who put this idea together and made it work in
16 your two companies, for the most of the years, you did a good job. I don't think
17 you're going to let this happen again, and appreciate you giving back this money.
18 As Commissioner Campbell said, it's the right thing to do, so thank y'all for what
19 you do. We got a great future ahead of us, let's just keep working hard, all right.

20 **COMMISSIONER SKRMETTA:** Commissioner.

21 **CHAIRMAN FRANCIS:** Wait a minute. Commissioner Skrmetta.

22 **COMMISSIONER SKRMETTA:** Yeah. Just a request for both SWEPCO and
23 Cleco that when you have time, I know that the plan for the Dolet site is to do a

1 solar facility, but because of its critical nature of where it is on the interconnect,
2 etcetera, that there's some discussion about the future about replacing also, along
3 with the solar, a baseload power facility. And I'd love to meet with you guys at
4 some point to discuss possibilities for the future, particularly when, as we're
5 looking now with a whole lot more demand coming onto the national system with
6 data processing and other facilities, that the need for power is not declining, it's
7 going to massively increase. And so we're going to have to start looking at what
8 we're going to do, so I'd like to meet with you at your earliest convenience. Thank
9 you.

10 **MR. KLEHAMMER:** Certainly.

11 **CHAIRMAN FRANCIS:** Any other discussion? [NONE HEARD] Hearing
12 none, I thank y'all for coming up. Exhibit 7 is passed. Exhibit 8.

13 **MR. GILLIAM:** All right. Thank you, Commissioners.

14 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-36658. It's Atmos
15 Energy Corporation's application for renewal of rate stabilization clause rider. It's
16 a discussion and possible vote on an uncontested stipulated settlement pursuant to
17 Rule 57, so this will also need two votes. And this was Exhibit 6 last month. On
18 March 30, 2021, the Commission opened a prudence investigation of Atmos'
19 system integrity improvement program. The investigation was published in the
20 Commission's Official Bulletin, and on March 22, 2023, Staff filed its report and
21 recommendation in which converted the docket to a U-docket and was republished
22 in the Commission's Official Bulletin. On January 31, 2023, Atmos filed its request
23 for renewal of its rate stabilization clause rider, and that notice was published in the

1 Commission's Official Bulletin with no interventions received. On December 7,
2 2023, the parties filed a joint motion to consolidate both dockets, which was granted
3 by the ALJ on December 7, 2023, with all of the issues of the dockets consolidated
4 into Docket Number U-36658. Following discovery, testimony, and settlement
5 negotiations, Atmos and Staff were able to enter into an uncontested stipulated
6 settlement. The parties filed a joint motion for consideration of the proposed
7 uncontested stipulated settlement by the Commission pursuant to Rule 57 on April
8 18, 2024. Staff recommends that the Commission: 1) Take the matter up under the
9 Commission's original and primary jurisdiction pursuant to Rule 57; and 2) Accept
10 the uncontested stipulated settlement filed on April 18, 2024.

11 **COMMISSIONER SKRMETTA:** Move to bring the matter up under Rule 57.

12 **CHAIRMAN FRANCIS:** Skrmetta moves to take the matter up under Rule 57.
13 Get a second?

14 **COMMISSIONER GREENE:** Second.

15 **CHAIRMAN FRANCIS:** Second by Commissioner Greene. I'll make a motion
16 that we take it up under the regular order, Exhibit Number 8.

17 **COMMISSIONER SKRMETTA:** Move to accept the uncontested stipulated
18 settlement.

19 **CHAIRMAN FRANCIS:** Okay.

20 **COMMISSIONER GREENE:** Second.

21 **CHAIRMAN FRANCIS:** Seconded by Commissioner Greene. And any
22 discussion?

23 **VICE CHAIRMAN LEWIS:** Yes, sir.

1 **CHAIRMAN FRANCIS:** Commissioner Lewis.

2 **VICE CHAIRMAN LEWIS:** Can I have a representative from Atmos please
3 come to the table?

4 **CHAIRMAN FRANCIS:** Like someone from Atmos to come up. Please give us
5 your name and your position.

6 **MR. SHAWN AUDIBERT:** Good morning. My name is Shawn Audibert on
7 behalf of Atmos Energy and I'm the vice president of rates and regulatory.

8 **MR. STEPHEN PERRIEN:** Good morning, Stephen Perrien, with the law firm
9 Taggart Morton.

10 **VICE CHAIRMAN LEWIS:** Great. Thank you. I mean, I'm pleased to see that
11 we have gotten to an uncontested settlement. I mean, I think my comments from
12 last meeting still stand, that I think this created a bad precedent for companies to
13 not negotiate in good faith efforts to reach settlements with Staff, and that
14 improving tariffs, to me, is an extremely serious matter in that it deserves a
15 significant level of scrutiny. And then taking it up prior to hearings leave the
16 ratepayers in dark, they are not in those discussions, and so while I did not object
17 to Rule 57, I still do have the concerns about how we got to where we got. But
18 more on the application itself, I want to focus in a bit on your SIIP program. I
19 mean, this began as a prudence investigation, and for good reason. And our Staff
20 found ample evidence of overspending in your SIIP program. So my question is:
21 In this new term, what kind of prudence reviews are proposed in this new spending
22 plan?

1 **MR. AUDIBERT:** Well, I don't believe there are any formal prudence reviews,
2 but there is enhanced reporting on our end that we're going to provide, reporting of
3 all projects that are preplanned by June 15th the year prior, and at that point, the
4 Commissioners or Staff can always take up review of those projects under
5 prudence. We will come to any Commissioner, we will walk through every one of
6 the projects, discuss how they tie into the pipeline safety regulations and why
7 they're needed.

8 **VICE CHAIRMAN LEWIS:** Thank you. What is the past process for approving
9 or selecting projects under your SIIP program, and will that change any with this
10 propose and your RSC is approved today?

11 **MR. AUDIBERT:** So I am not, by any means, the expert on the exact process, but
12 the process is -- it's a risk-based model that has multiple factors that are taken into
13 account on this, and those factors generate a risk score, and then they're ranked,
14 and so we go down the order of the riskiest programs to the less risky. And those
15 are guided, like I said, by pipeline safety regulations, which require us to identify
16 and anticipate risk failures and proactively mitigate those and that's because of, you
17 know, potentially there could be catastrophic events that cause loss of life or
18 property or community.

19 **VICE CHAIRMAN LEWIS:** Okay. Thank you. And so, I mean, when I'm
20 looking at the numbers, as I've been studying over the past month, I mean, when
21 we think about the average approved equity for a gas utility in the first quarter of
22 2023, it was about 53.9 percent. Under this term and settlement, you would be at
23 an equity cap of 58 percent. So can you explain to me what would justify an equity

1 ratio that is significantly higher than what you've had in the past and that is
2 significantly higher than our other natural gas utilities in this state and the average
3 across the country?

4 **MS. BOWMAN:** Shawn, will you pull your mic up just a touch?

5 **MR. AUDIBERT:** I'm sorry.

6 **MS. BOWMAN:** No, that's fine. Thank you so much.

7 **MR. AUDIBERT:** Is that better?

8 **MS. BOWMAN:** Yes.

9 **MR. AUDIBERT:** Okay. To your statement of in the past, I believe that this
10 settlement actually puts us on the exact same footing as the prior three years,
11 although it was a ROR, the numbers that were involved in that ROR or by the 9.8
12 ROE and the 58 percent equity, so this settlement is consistent with what we have
13 had the last three years. And our belief is any financial metric in the market today
14 has significantly increased, whether you look at a 10-year or 30-year mortgage
15 rates, and so we believe that this settlement with those rates are fair to continue to
16 provide reasonable costs to the customers, but also allow us to continue to invest in
17 the system to operate a safe system for our customers.

18 **VICE CHAIRMAN LEWIS:** Thank you. And, I mean, I think where my concern
19 really lies is that your rates are the highest in the state, and this would be another
20 322 million more dollars of ratepayers that cost, and so I'm trying to toy with those
21 two things because when we get back to the SIIP, Atmos filed amendments to their
22 reports changing the amount of miles of pipeline classified as unknown from 4
23 miles, which was the figure you had reported over the last 10 years, but after this

1 application was filed, you now report 5,602 miles. So that's a 126,000 percent
2 increase, and so I'm struggling to see how we went from 10 years of 4 unknown
3 miles of pipe to now almost over 5,000 miles of pipe that would justify a significant
4 rate increase.

5 **MR. AUDIBERT:** Yeah. And without getting into too much detail, unless you
6 want to, and we have somebody that can speak to that, but we went from a
7 accounting based system to a true system to understand what our system is. So
8 Atmos has acquired systems throughout the years and the majority of the pipeline
9 that was in our systems was dated to 2001 and -- I forget the other year, '83, '84,
10 when we acquired the TransLa systems and the LGS systems. So the dates that
11 were in those systems were consistent with more of the purchase date as opposed
12 to the actual date of pipeline in the ground. So this was through the DNR and was
13 accepted for the change, but this was to truly identify our systems, our age, and
14 work that needed to be done. So it's something that actually has been consistent
15 with which we've done in other states as well and has been accepted by the Pipeline
16 Safety Regulation.

17 **VICE CHAIRMAN LEWIS:** Thank you. And my final question for you is now
18 that there is 5,000 plus miles of pipe categorized as unknown, how are you going
19 to prioritize which pipelines need to be inspected and replaced? And does this mean
20 the majority of your pipes now qualify for SIIP and associated recovery?

21 **MR. AUDIBERT:** So as I stated earlier, we'll have that risk-based assessment.
22 They will go through there. The dollars in this settlement are the dollars that we
23 feel are reasonable to replace the pipeline and modernize our systems for safety and

1 reliability moving forward, so it puts us on about a pace to replace the infrastructure
2 over 70 to 80 years, which is consistent with the timeline and materials and
3 technology, how long it lasts, right. It's infrastructure, so it's not indefinite. It will
4 always require some replacement, but for the safety of our customers, for the
5 infrastructure reliability, we can't be on like a 200-year program just because the
6 technology and the infrastructure just doesn't last that long. So we believe these
7 dollars cover that consistently to make sure that we're operating a safe system. But
8 it'll go through the risk-based assessment and they have a whole team that takes the
9 qualifications of all the different factors, whether it's vintage of pipeline, type of
10 materials, leaks, leaks on the system. They take -- I mean, there's 15 different
11 factors they look at, they get the risk assessment, and then they work from the
12 riskiest down.

13 **VICE CHAIRMAN LEWIS:** Thank you. And I would say I appreciate your
14 answers. I'm probably still not comfortable with 107 million or 322 million for
15 SIIP when I looked at what you had gotten approved in Kentucky and Virginia and
16 Colorado. This is significantly higher than what your company has gotten in other
17 states. Staff's original testimony had what they thought were prudent would be 55
18 million, we're at 107 million in these terms, and just reviewing your ROE plus your
19 equity cap along with the spending in SIIP still leaves me significant concerns about
20 the deal that ratepayers of Louisiana are getting, and so unfortunately, I will oppose
21 this deal, but I want to thank you for answering my question at this time.

22 **CHAIRMAN FRANCIS:** Commissioner Greene.

1 **COMMISSIONER GREENE:** Yes, I just want to -- can you hear me? And I just
2 want the public to know, this stands for System Integrity Investment Program,
3 right?

4 **MR. AUDIBERT:** Yes, sir. Correct.

5 **COMMISSIONER GREENE:** And I think one of the themes for the day is going
6 to be a stronger Louisiana, which we definitely need. And so thanks for your hard
7 work on this. We've got to make this better. We can't continue to get behind in
8 leaking pipes. What is the bill impact of what we're voting on today?

9 **MR. AUDIBERT:** So our forecast would be that -- when we looked at the 2022
10 bills, on average, it was about \$53, and we're forecasting -- we'll put a little caveat
11 that gas cost is a pass-through, so if gas cost goes up or down, that is adjusted, but
12 assuming the baseline of prices where we are today, we're expecting bills be around
13 \$59 to \$60 by the end of the three-year term.

14 **COMMISSIONER GREENE:** So about a \$5 increase for new pipe?

15 **MR. AUDIBERT:** Yes, sir. Correct.

16 **COMMISSIONER CAMPBELL:** Over three years?

17 **COMMISSIONER GREENE:** Over three years?

18 **MR. AUDIBERT:** Over the three years.

19 **COMMISSIONER GREENE:** Okay. Thank you.

20 **CHAIRMAN FRANCIS:** Commissioner Skrmetta.

21 **COMMISSIONER SKRMETTA:** Yeah. You know, natural gas is one of those
22 utilities that safety is paramount. And, you know, I want to thank you for your
23 work on this because, you know, all too often, in failing lesser attended to systems

1 in other states, we see incidents that cause harm. And so, you know, it's important
2 that you take these and take corrective action to ensure safety in these pipeline
3 systems. So it's not for the faint of heart and it's something that we have to accept
4 the fact that these repairs have to be done, so appreciate your hard work on this,
5 and all we ask is that you do it in the most economically way possible, so thank
6 you.

7 **CHAIRMAN FRANCIS:** Commissioner Campbell.

8 **COMMISSIONER CAMPBELL:** And I'm not -- just want to talk to you, this
9 concerns all gas utilities. Are y'all doing everything you can? There's no way
10 you're going to buy gas any cheaper. There's little or no risk right now. If it's \$2,
11 it goes to \$1.50; big deal. Are y'all doing everything you can to capture all the gas
12 you can for later use to pass it on while these savings are here for people?

13 **MR. AUDIBERT:** So just general gas supply terms, sir, you know, they do have
14 storage, our gas supply team, we do have storage that is, you know, withdrawn and
15 replenished each summer year. So currently, right now, in the market, they are
16 injecting gas at these prices that will be utilized during the upcoming winter. So if
17 we're putting in \$1.50 gas now, that gas will come out at \$1.50 this previous winter,
18 but it's -- we don't have enough storage, per say, because of the cost of storage to
19 maintain it. You don't have the opportunity to put that storage gas in and hold it
20 for five years down the road, it's more of a year to year.

21 **COMMISSIONER CAMPBELL:** What are you telling me? I hear all this talk.
22 Are you doing all you can do right now?

23 **MR. AUDIBERT:** Yes. Yes.

1 **COMMISSIONER CAMPBELL:** That's what I wanted to hear.

2 **MR. AUDIBERT:** Whatever molecules we can put in at these cheap prices to give
3 back to the ratepayer, we're doing absolutely everything we can.

4 **COMMISSIONER CAMPBELL:** Well, there's no sense of waiting. It can't get
5 any cheaper. And there's little or no risk. If it went to \$1.75 or \$1.50 or \$1.25, it's
6 not like it was \$9, it's going to 9 and it got down to 6 and stuff like that. You said,
7 well, it's a big risk. There's no risk involved now.

8 **MR. AUDIBERT:** Well, we have operational constraints that a storage contract
9 only allows us to put so much gas in per day, so you don't have the -- you have to
10 operate within the confines of a contract, so to the extent that we can inject gas, we
11 will inject to the maximum.

12 **COMMISSIONER CAMPBELL:** So what you're saying -- what you're trying
13 to tell me is that you're doing all you can do, you're buying all you can buy with
14 the amount of storage you have; is that correct?

15 **MR. AUDIBERT:** Yes.

16 **COMMISSIONER CAMPBELL:** Well, you should be because it's cheap and
17 people have to use it in the winter. And when you buy it when it's cheap you don't
18 have to say, well, the prices went up in the winter. You know, that's true, but a lot
19 of utility companies talk about things rise in winter, but it's so hot in Louisiana, in
20 the last three or four summers, we use a lot of natural gas in the summer now, not
21 just in the winter, just to keep people cool because our climate's getting hotter and
22 hotter and hotter. Like last summer we had record heat in Louisiana. So I just want
23 to make sure you're doing all you can do while it's cheap. It sounds like you --

1 **MR. AUDIBERT:** Yes, sir.

2 **COMMISSIONER CAMPBELL:** Okay.

3 **CHAIRMAN FRANCIS:** You know, natural gas is a great value at the price it is.
4 It's hard to beat. Louisiana uses about 70 percent of its electric generation produced
5 by natural gas. I got a question for Commissioner Frey.

6 **SECRETARY FREY:** Secretary. I don't want to be a commissioner.

7 **CHAIRMAN FRANCIS:** We talked about prudence -- okay. You know, the
8 question came up by Commissioner Lewis about prudence review. When you have
9 a SIIP program, is there not prudence review procedures in place there for that or
10 is that up to the Public Service Commission to write prudence review rules? What's
11 the answer?

12 **SECRETARY FREY:** So my generic answer will be the Commission always has
13 the ability to look at the prudence of a utility's decision, and we've argued this on
14 power plant constructions as well, that the utility has an ongoing prudence
15 obligation as well. Do we have a specific rule on this? No. We've actually kind
16 of talked about this, you know, maybe as more and more of these pipeline
17 replacements -- not just for gas, but water as well, maybe looking at establishing
18 generic rules. But we have the right to do it. We've talked to the company, that's
19 part of the things we've worked through. And actually, I want to thank both the
20 company and Staff. You know, I never thought we'd be here after last month, so
21 there was a lot of hard work that went on both sides and a lot of very respectful
22 work on both sides, too. But yes, we have the opportunity to look at the prudence

1 of these pipeline replacement on a system-wide basis or on a specific basis, and I
2 think Shawn was alluding to that in his earlier testimony.

3 **CHAIRMAN FRANCIS:** All right. Well, I think no more discussion, I think
4 we'll have a roll call vote.

5 **SECRETARY FREY:** Shawn, fill out a yellow card while you're up there, too,
6 by the way.

7 **CHAIRMAN FRANCIS:** Thank y'all for coming up. Call the roll here.
8 Commissioner Lewis, how do you vote?

9 **VICE CHAIRMAN LEWIS:** No.

10 **CHAIRMAN FRANCIS:** Commissioner Skrmetta, how do you vote?

11 **COMMISSIONER SKRMETTA:** Yes.

12 **CHAIRMAN FRANCIS:** Commissioner Greene, how do you vote?

13 **COMMISSIONER GREENE:** Yes.

14 **CHAIRMAN FRANCIS:** Commissioner Campbell, how do you vote?

15 **COMMISSIONER CAMPBELL:** Yes.

16 **CHAIRMAN FRANCIS:** The Chair votes yes, so it passes. Next item.

17 **MS. BOWMAN:** So Exhibit 9 is deferred, so we're moving to Exhibit Number
18 10, which is Docket Number U-36807. It's Dixie Electric Membership
19 Cooperative's formula rate plan annual report for the 2022 test year. It's a
20 discussion and possible vote on Staff's report. On May 15, 2023, DEMCO filed its
21 FRP Annual Report for the 2022 test year, based upon the test year ending
22 December 31st. It's pursuant to the Commission Order Number U-35359. Notice
23 of the proceeding was published in the Commission's Official Bulletin and no

1 interventions were received. DEMCO filed a corrected annual report on December
2 7, 2023, after discovering an error in the original filing. DEMCO's FRP contains
3 a reset to the midpoint of the times interest earned ratio of 1.45 should the test year
4 fall outside the band. And for the 2022 Test Year, DEMCO reported a TIER of
5 0.59. Therefore, DEMCO requested a revenue increase of approximately \$12.68
6 million, or 8.9 percent. After careful evaluation and analysis, Staff's report was
7 filed on March 20, 2024 and recommended three adjustments to DEMCO's as-filed
8 2022 FRP Annual Report. Staff's recommendation would result in a total rate
9 increase of \$12,389,302 to achieve the midpoint of the established TIER range of
10 1.45. Staff further recommended that DEMCO be allowed to collect the prorated
11 portion of the revenue increase during the May to December 2024 billing cycles
12 using the allocation method set forth in the Rider FRP. Staff recommends that the
13 Commission accept the Staff report filed into the record on March 20, 2024.

14 **COMMISSIONER GREENE:** I motion to accept Staff recommendation.

15 **VICE CHAIRMAN LEWIS:** Second.

16 **CHAIRMAN FRANCIS:** Motion by Commissioner Greene, seconded by
17 Commissioner Lewis. Any questions or comments? [NONE HEARD] Hearing
18 none, 10 is passed. Eleven.

19 **MS. BOWMAN:** Exhibit Number 11 is Docket Number U-36697. This is
20 CenterPoint Energy Resources doing business as CenterPoint Energy Entex. It's a
21 report of earnings and return on equity for 12 months ending June 30, 2023,
22 pursuant to Order Number U-27672-Subdocket A. It's a discussion and possible
23 vote on a joint report and draft order. In Order Numbers U-32998 and 36124,

1 Entex's RSP was revised and extended to allow the company to earn a midpoint
2 ROE of 9.95 and to require a resetting of rates in the event that the test period fell
3 outside the prescribed dead band. In Entex's 2023 RSP filing, the company
4 reported a ROE of 5.47 percent, and the results reflect the need for a rate increase
5 of an upward adjustment in the revenue requirement of approximately \$4.4 million
6 when netting the required increase with a decrease due to the Tax Cuts and Jobs
7 Act. Staff's report and recommendation was filed into the record on January 31,
8 2024, and due to certain disallowances, Staff's recommendation results in a
9 prospective increase in the revenue of approximately \$4.1 million. Staff further
10 recommended that Entex be ordered to refund all over-collections, adjusted for
11 taxes, plus interest. After review of Staff's report and recommendation, Entex filed
12 correspondence indicating no opposition, and therefore, Staff and Entex submitted
13 a joint report and draft order, which was filed into the record on April 9, 2024,
14 requesting the Commission issue the order accepting the joint report. Staff
15 recommends that the Commission accept the joint report and issue the draft order
16 filed into the record on April 9, 2024.

17 **COMMISSIONER SKRMETTA:** Move to accept Staff recommendation.

18 **COMMISSIONER GREENE:** Second.

19 **CHAIRMAN FRANCIS:** Move by Commissioner Skrmetta to accept Staff
20 recommendation and seconded by Commissioner Greene. Is there any other
21 discussion? [NONE HEARD] I see where John Shirley and Paul Guarisco were
22 working on this account. Do y'all have anything to say, any comments? Nope, I

1 don't think they do. Okay. Thank you, John. All right. Here we got -- Chair
2 recognizes Commissioner Greene.

3 **COMMISSIONER GREENE:** I just want to note, oftentimes on a reset, we're
4 unfortunately announcing that rates are going up. The bill impact on this is that
5 rates are going to down for residential and so this is -- and for commercial, so
6 [INAUDIBLE].

7 **CHAIRMAN FRANCIS:** Wow. John, you sure you don't want to come up and
8 blow your horn on that? Okay. Thank you very much. I'm glad you're here to
9 report on that, Commissioner Greene. So it's passed. So moving on.

10 **MS. BOWMAN:** Exhibit Number 12 is Docket Number U-36998. This is
11 CenterPoint's other sister company, CenterPoint Energy Arkla. It's a report of
12 earnings and return on equity for the 12 months ending June 30, 2023. It's a
13 discussion and possible vote on a joint report and draft order. In Order Number U-
14 32996 and 36126, Arkla's RSP was revised and extended to allow the company to
15 earn a midpoint ROE of 9.95 and to require a resetting of rates in the event that the
16 test period earnings fell out the prescribed dead band. In Arkla's filing, the
17 company reported an ROE of 3.67 percent, and the results reflected the need for a
18 an upward adjustment in the revenue requirement of approximately \$7 million.
19 Staff's report and recommendation was filed into the record on January 31, 2024
20 and recommended results in a prospective increase in the revenue of approximately
21 \$6.7 million. Staff further recommended that Arkla be ordered to refund all over-
22 collections, adjusted for taxes, plus interest at a rate of 5 percent per annum. After
23 Staff's review of the report, Arkla filed correspondence into the record indicating

1 no opposition, and as there was no unresolved issues, Staff and Arkla submitted a
2 joint report and draft order, filed into the record on April 9, 2024. Staff
3 recommends that the Commission accept the joint report and issue the draft order
4 filed into the record on April 9, 2024.

5 **COMMISSIONER GREENE:** Motion to accept Staff recommendation.

6 **COMMISSIONER SKRMETTA:** Second.

7 **CHAIRMAN FRANCIS:** Motioned by Commissioner Greene, seconded by
8 Commissioner Skrmetta. Is there any discussion or opposition?

9 **COMMISSIONER GREENE:** I'd also like to also comment that the bill impact
10 is -- this will go down for residential and commercial.

11 **CHAIRMAN FRANCIS:** That's great news. That's great news. And we need to
12 do that with electricity. Okay. Moving on to the next, 14, is it?

13 **MS. BOWMAN:** Thirteen.

14 **CHAIRMAN FRANCIS:** Thirteen. Sorry.

15 **MS. BOWMAN:** Yes, sir. So Exhibit 13 is undocketed. It's our reports,
16 resolutions, discussions. We do have a few reports and discussions. The first is an
17 update from Chris Justin, who's a Staff consultant, related to energy efficiency.
18 And, Chris, if you want to come up. And, Commissioners, you all have a copy of
19 what Chris is talking about, or should be in front of you. If you don't see it, please
20 let me know and I'll hand it out to you.

21 **SECRETARY FREY:** And we'll also be putting this on our website at the end of
22 the meeting, if it's not already up there.

1 **MR. CHRIS JUSTIN:** Good morning. Y'all able to find the report? Perfect.
2 Okay. Two items to cover here. First is the federally funded energy efficiency
3 programs. As a refresher, Louisiana State Energy Office has been allocated \$212
4 million through 2031 for energy efficiency. These are two programs, efficiency
5 rebates, whole home energy efficiency retrofits, and appliance upgrades.
6 Commissioner Skrmetta asked that I inquire with DENR about the possibility of us
7 helping oversee those programs. The LPSC has years of experience managing
8 energy efficiency. It makes sense from a customer and contractor standpoint as
9 well to have a single point of access for energy efficiency rebates, so a lot of good
10 reasons to pursue this.

11 **SECRETARY FREY:** Chris, before you move on there, I do want to give a heads
12 up, Colby reminded me. The new secretary of DENR and I had a visit at the capital
13 last week, I guess, and -- or it was earlier this week, the days are blurring together.
14 But he expressed an interest to come and present at the Commission's meeting, so
15 I think we're going to invite him for our May meeting, and to Chris' point, to
16 coordinate with us. So I think we should have a good working relationship with
17 them on that topic. I just wanted to throw that in before we jumped to the next part.

18 **CHAIRMAN FRANCIS:** Is that Mr. Tyler Gray?

19 **SECRETARY FREY:** That's correct.

20 **MS. BOWMAN:** Yes, sir.

21 **CHAIRMAN FRANCIS:** Okay.

22 **MR. JUSTIN:** I appreciate that, thank you. I was told no, politely, but pretty
23 firmly for handing the reigns over to us. But they are, as Secretary Frey mentioned,

1 eager to work with us, collaborate, especially around the LMI programs. There's a
2 bit of a transition going on there in terms of the point person for these rebates. We
3 worked closely with Ed O'Brien and the person in charge of this program going
4 forward is Dr. Abby Springer. I've corresponded with her via email and I'll be
5 meeting with her in person next week. It is a good opportunity for us to sync up
6 here. This is, you know, as Commissioner Skrmetta had suggested, it's a great
7 opportunity for customers and for us. This is what Wisconsin is doing. They've
8 been able to wrap in the home energy rebates under their focus on energy statewide
9 energy efficiency program, making it -- reducing overhead and making it very clear
10 for customers. So ideally, we'll be able to do something very similar.

11 **VICE CHAIRMAN LEWIS:** Mr. Justin, real quick. Has the state or in your
12 conversations indicated when they plan to submit their application to DOE?

13 **MR. JUSTIN:** Sure, yeah. I'll go over the timeline right now. They have hired
14 consultants to write the RFP. They expect to have that done by the end of Q2. At
15 that point, it will go to procurement for approval, and after that, they'll probably
16 have 30 to 60 days open for responses. And at that point, after they select the firm
17 that will design, build, maintain the program, they will likely give them about three
18 months to submit the application to DOE. So if you stack all that together, it's end
19 of the year.

20 **VICE CHAIRMAN LEWIS:** Okay. So they are -- so in your conversations, they
21 are planning to hire a third-party administrator for their application and to run the
22 home energy rebate program?

1 **MR. JUSTIN:** Yes. They've hired a consultant to create the RFP that will hire
2 the third-party administrator. Yes.

3 **VICE CHAIRMAN LEWIS:** Okay. Thank you.

4 **MR. JUSTIN:** Okay. And then the next item to talk about here is part of the
5 transition. Commissioner Francis had asked me to compile some of the existing
6 costs for the program so we get a really good understanding for how the programs
7 are running now, what's working well, how much they're costing, and that's the
8 report that you have in front of you here, the first couple of pages of it. I reviewed
9 the SARPs for these costs, going back to program inception, looking at LCFC, non-
10 incentives, and incentives, and I pulled that all together. I focused on PY7. That
11 was the year that I had data for all the IOUs as well as some external programs, so
12 that's just what I circled on. I'm happy to review other years, if there's interest.
13 Related to energy efficiency, that year we spent \$24.4 million. LCFC was 10
14 million of that; non-incentives were 5.8 million; and incentives were \$8.6 million.
15 I know that we've already struck LCFC from the third-party administered program
16 going forward, so if you pull that out and you look at the weighted average of non-
17 incentives, if you, you know, compare to incentives, it's about 40 percent non-
18 incentives among the three IOUs.

19 **CHAIRMAN FRANCIS:** Any other questions?

20 **COMMISSIONER GREENE:** What should that number be?

21 **MR. JUSTIN:** That is -- you know, it's up to y'all, but that is --

22 **COMMISSIONER GREENE:** What would you advise us to make that number?

1 **MR. JUSTIN:** That is in line with what some of the other places are doing. It's
2 anywhere from 20 to 50 percent, is what -- if you look at Wisconsin, DC, and, yeah,
3 some of the other -- Hawaii -- some of the other areas, it's in that range. So some
4 of that, you know, I'm not passing judgment on non-incentives. Some of that --
5 Commissioner Lewis likes to use the term programmatic, is contractor training,
6 educational events, a lot of the work that needs to be done in order to use this money
7 effectively, and it still is going to, including the non-incentives per the new rules,
8 the TRC will still be greater than one, so the return with the "overhead" is still in
9 that benefit to everyone, but.

10 **COMMISSIONER GREENE:** So traditionally, there have been some bad actors
11 in this space that have taken advantage of, I think, some of the vagueness that
12 existed. How do you think -- moving forward, do you think our transparency and
13 accountability will help take care of the bad actors and we get efficient contractors
14 in the energy efficiency space? Can you comment on that?

15 **MR. JUSTIN:** Sure. I think that's one thing that we can learn from the experience
16 of the IOUs. I met with SWEPCO a few weeks back and they walked through their
17 process for identifying, I'll say, the bad actors, and it's a really smart way that they
18 went through it. I'm happy to detail that if y'all would like, but I would recommend
19 that we start with something similar and it's been very effective.

20 **COMMISSIONER GREENE:** But there will be checks and balances to this?

21 **MR. JUSTIN:** Absolutely.

22 **COMMISSIONER GREENE:** Okay.

23 **MR. JUSTIN:** Yeah, absolutely.

1 **COMMISSIONER GREENE:** Thank you for the report.

2 **MR. JUSTIN:** Sure.

3 **CHAIRMAN FRANCIS:** Anybody else?

4 **COMMISSIONER GREENE:** When will we hear from you again? Whenever

5 we ask?

6 **MR. JUSTIN:** I can come and speak anytime. Yeah, whenever y'all are interested.

7 **CHAIRMAN FRANCIS:** I would like to ask you to be prepared to come monthly

8 to give us an update.

9 **MR. JUSTIN:** Sure. Yeah.

10 **CHAIRMAN FRANCIS:** I know you're expecting a new baby in the house and

11 if something happens, you can't --

12 **COMMISSIONER SKRMETTA:** Today, right?

13 **MR. JUSTIN:** May 1st.

14 **COMMISSIONER SKRMETTA:** Okay.

15 **MS. BOWMAN:** Close.

16 **CHAIRMAN FRANCIS:** Something happens, you can't show up the next

17 meeting, we'll know why, but just call in. Okay.

18 **MR. JUSTIN:** I think I'll make it. It's Baton Rouge.

19 **CHAIRMAN FRANCIS:** Well, I appreciate your work. Thank you.

20 **COMMISSIONER GREENE:** Thank you.

21 **MR. JUSTIN:** Sure thing. All right. Thank y'all.

22 **CHAIRMAN FRANCIS:** Okay. Next item here.

1 **MS. BOWMAN:** Okay. Yes, sir. Also, under Exhibit Number 13 there is a
2 discussion with Cleco Power regarding a constituent billing complaint and Mrs.
3 Betty Carter is the constituent, if she's here and in the audience and she'd like to
4 speak.

5 **COMMISSIONER SKRMETTA:** Kathryn, while we're waiting for them to
6 come up, in the June 17th and 18th, the Commission is continuing its taskforce
7 meeting about new nuclear technology. It's going to be in Metairie, Louisiana at
8 the Copeland Tower Ballroom. I have checked and the ballroom is being offered
9 to the Commission for June 19th to host the B&E there if the Commission would
10 check their schedule, see if it would be okay with them, that way that we can just
11 have continuity if they want to come and attend the nuclear sessions, and then they
12 could just stay for the next day at the ballroom. So if we could look into that and
13 check and get back with everybody.

14 **MS. BOWMAN:** Yes, sir.

15 **COMMISSIONER SKRMETTA:** Thank you.

16 **MS. BOWMAN:** And is Mrs. Carter here? You can come up, Mrs. Carter. And,
17 Mrs. Carter, and you could do it after you speak, but will you fill out one of those
18 little yellow cards when you get done, please? Thank you. And just make sure the
19 microphone is close. Thank you.

20 **MRS. BETTY CARTER:** Good morning. My name is Betty Carter and this is
21 my husband, Fletcher. And we own and run a childcare center in Mansfield,
22 Louisiana. And I'm here with the concern of the demand rate. I found out about it
23 maybe about 5, 10 years ago. We have been in business for 22 years. We came

1 from a 1,800 square foot building to a 7,800 square foot building that we built. And
2 we didn't go into it blind, so we knew that the electric bills, the water bills, we don't
3 have gas, was going to be much more. So before we built the building, we did some
4 things, insulation, we did a lot of things. So when we are extremely cold or
5 extremely hot, we're on Cleco. If you go past 5,000 kilowatt hours for 3 months -
6 - for 3 consecutive months, the next month, which is the 4th month, you go to a
7 demand rate, which triples your bill, and you stay on that demand rate for 12
8 months. Most of the time, like, I have bills with the demand rate, without the
9 demand rate. Our building, it was built in 2006. There are some things that need
10 to be done, but being on the demand rate for 12 months and your bill is \$1,500.
11 When it goes from 5, 6, sometimes 9, to \$1,500 for 12 months, I don't get it. Okay.
12 So we went to Foster Campbell's office because I have a concern. We employ 14
13 people, and I have bills that -- when you get to the demand rate, I have bills that's
14 on the demand rate and my bill, in 22 years, until they put me on the demand rate,
15 has never been \$1,500, never. When my bill should be \$400, \$500, it's still \$1,500
16 and that's for the next 12 months. I don't care what I use. I can use 1,200, I can
17 use 3,000, I can use 4,000, that bill is still \$1,500 or more. We just came to Mr.
18 Shyne and Mr. Trip is helping me right now because this happened when it was
19 cold, cold, and it happened last year when it was hot, hot, when we had triple digit
20 weather. My building is never real cold and it's never real hot. It's comfortable
21 for the customers that I serve, which are smaller kids. So I went to the office and
22 we're trying to fix this because I can't afford that. And it's not just me, it's all small
23 businesses. I never knew this until we hit that and when my bill -- during those

1 months that my bill is not high, the highest bill that I've had since I've been in that
2 building since 2006, just regular, is probably maybe \$1,000, maybe, because we
3 did some things at the beginning so this wouldn't happen. We talked about it so
4 this wouldn't happen, but it happened anyway. And so from Mr. Campbell's office,
5 they sent a crew out to check my building out, and did. They went, they went in
6 the attic, they checked the windows, they checked the doors. There are some things
7 that I need to do. They made a recommendation list of the things that I need to do.
8 Some of those things I can and some of those things I can't because I don't have the
9 finances. Right now, the recommendations are -- I have the recommendations that
10 they said that I need to do. They told me that Cleco will help because they got an
11 incentive program. Well, they came in January. I haven't heard from Cleco. Some
12 of those things I'm trying to do on my own because I do have extra. Mr. Trip has
13 gotten -- my bills has been, January, February, March, like 1,500. One was 2,200,
14 but if I stay on the demand rate -- now, he took me off the demand rate for the next
15 12 months, so that I can do what I need to do, the things that I can do. My
16 thermostats, they told me Cleco will -- they will replace them. They pay for two
17 and I pay for two. Okay. I agreed. I have a company, but she told me that they
18 have a company. Well, haven't heard from them. I'm looking at the news and they
19 telling me this summer is going to be the same as it was last summer, three digits.
20 We're going to be back in the same place. I've been dealing with this for the last
21 15 years, 15, because I can't afford it. I employ 14 people, but to be on a demand
22 rate, it triples my bill. When I'm not on the demand rate, that's when I save money

1 to take care of the bills that I know that's going to be high during the summer and
2 during the winter, but I can't do that if my bill is \$1,500 all the time.

3 **CHAIRMAN FRANCIS:** What's your address, ma'am?

4 **MRS. CARTER:** 970 Louise Street, Mansfield, Louisiana.

5 **CHAIRMAN FRANCIS:** Mansfield. Okay.

6 **MRS. CARTER:** Yes.

7 **CHAIRMAN FRANCIS:** Commissioner Greene.

8 **COMMISSIONER GREENE:** Yeah. My question is for Commissioner
9 Campbell and if somebody from Cleco can come up. Commissioner Campbell, did
10 you have any insight into the demand rate? Is this a commercial -- does it get kicked
11 into a commercial rate? I'm looking for an explanation of why this -- why does it
12 get locked in once she hits a threshold? Why does it not go back down?

13 **COMMISSIONER CAMPBELL:** I don't know. I don't know the answer to that.
14 Mr. Shyne has been busy with -- I've gone on the premises with this lady. I want
15 to say one thing, this is a real clean operation and there's a lots of lots of kids that
16 go here. How many children do you have go there?

17 **MRS. CARTER:** I'm licensed for 124.

18 **COMMISSIONER CAMPBELL:** 124, so it's a big operation.

19 **COMMISSIONER GREENE:** Well, what I don't understand, John, if you can
20 come up, why wouldn't she just pay for what she uses? Is there a --

21 **MRS. CARTER:** That's what I've been saying.

22 **COMMISSIONER CAMPBELL:** It's the demand rate on what -- there's rules.

23 **COMMISSIONER GREENE:** Is this a commercial category?

1 **MS. BOWMAN:** It will be, yeah.

2 **COMMISSIONER CAMPBELL:** What did they -- Mr. Shyne, bring your chair
3 up here, too.

4 **CHAIRMAN FRANCIS:** Who's representing Cleco? Who's representing Cleco?

5 **MR. JOHN SHIRLEY:** John Shirley.

6 **CHAIRMAN FRANCIS:** Okay.

7 **COMMISSIONER GREENE:** John, can you comment as to why this -- and is
8 there a potential solution here? Does it get locked in for 12 months and why can it
9 not go back to pay for what you use?

10 **MR. SHIRLEY:** Well, the thing on the demand rate is, yes, once you --

11 **COMMISSIONER GREENE:** Get closer.

12 **MR. SHIRLEY:** Once you exceed the 5,000 for consecutive months, then you do
13 get it kicked on for the next 12 months.

14 **COMMISSIONER GREENE:** But why?

15 **MR. SHIRLEY:** Commissioner Greene, that's because the demand rate tariff that
16 is a part of our rate structure, our rate design, that's what we have in place. Now, I
17 want to -- I want to address what this specific situation is and that is that we have
18 been working with this, I'm going to say this, very fine lady. She does a great job,
19 she's got a wonderful childcare operation going on. We have been working with
20 her diligently, particularly recently through Mr. Shyne and Commissioner
21 Campbell's office, and we have agreed for the rest of 2024 that she will not pay the
22 demand rate because -- well, just because we recognize the specific issues that she
23 has. But also, I want to say, you know, with regard to what can we do, is there a

1 solution to this, we have a rate case that's been filed and is before the Commission
2 right now. And under our new rate structure -- rate design structure, it's my belief
3 that a situation like this will be addressed without her ever having the problem
4 again.

5 **COMMISSIONER GREENE:** So that's the --

6 **MR. SHIRLEY:** I can't guarantee that, but that --

7 **COMMISSIONER GREENE:** Maybe we can.

8 **MR. SHIRLEY:** No. Why don't we -- yeah. I was going to suggest perhaps today
9 y'all could bring it up under 57 and approve our rate case as filed.

10 **COMMISSIONER GREENE:** Well, maybe.

11 **MR. SHIRLEY:** But we're working diligently.

12 **COMMISSIONER GREENE:** I just want to understand this a little better. So is
13 she in the same category as, say, Walmart under the commercial tariff, perhaps?

14 **MR. SHIRLEY:** I do not have -- I don't know, but I have somebody here who --
15 but it is a commercial --

16 **COMMISSIONER GREENE:** But the demand rate is a part of a commercial
17 tariff?

18 **MR. SHIRLEY:** Yes. And she's got -- I mean, as she said, she's got a hundred
19 and something, and this is an operation. This isn't one of the little houses you see
20 in Southdowns.

21 **COMMISSIONER GREENE:** Sure, but it's also not Walmart.

22 **MR. SHIRLEY:** It is not Walmart.

23 **COMMISSIONER GREENE:** So the other thing --

1 **MR. SHIRLEY:** But Walmart uses a lot more than 5,000 kilowatts.

2 **COMMISSIONER GREENE:** Sure. And that's what I'm asking and if this -- if

3 you got caught into this because of a commercial tariff that this body approved at

4 some point in time, I would say I think we're in the process of trying to make that

5 right, so that it's more fair and accurate for you.

6 **MRS. CARTER:** Because they told me that this been in place for 36 years. You

7 didn't have what I have 36 years -- I have computers, I have smart boards, we have

8 --

9 **COMMISSIONER GREENE:** New pots and pans.

10 **MRS. CARTER:** Exactly. We got phones, we have iPads, and we have different

11 things for our kids to use. Thirty-six years ago, maybe 5,000 kilowatt-hours wasn't

12 a lot. It don't take me long to get there with a 7,800 square foot building and all of

13 the other stuff that I have.

14 **COMMISSIONER GREENE:** So I think we understand your problem and it

15 seems like they're in the process of a temporary solution. But also, who's the Staff

16 working on this?

17 **SECRETARY FREY:** On the rate case?

18 **COMMISSIONER GREENE:** Yeah.

19 **MS. BOWMAN:** On the rate case, right now, it's Noah Hoggatt and then our

20 consultant is UPC and then Patrick Miller is our outside counsel.

21 **COMMISSIONER GREENE:** So if we cut and paste the policy we had from 36

22 years ago, we have failed you dramatically. And so I appreciate your input and I

1 would ask that you continue to input into our Staff as we make the rate tariffs
2 different moving forward for maybe different levels of your class of business.

3 **MRS. CARTER:** Okay.

4 **MR. SHIRLEY:** And, Commissioner, if I might just make a suggestion based
5 upon some of her comments earlier and, again, we recognize and we appreciate the
6 situation that she's in, which is one of the reasons why for the rest of '24, she's not
7 going to be paying the demand rate. But one of the things that we have done, we've
8 done multiple assessments for her, as she said. We've gotten in the attic, we've
9 replaced her lighting, we have done some things that we were capable of doing, but
10 some things the customer has to do on their own.

11 **COMMISSIONER GREENE:** No, I understand that.

12 **MR. SHIRLEY:** And so if -- I'm sorry, I don't mean to interrupt you. But what
13 I'm saying is if she can just make a personal commitment that, you know, she's
14 going to take some of the savings of not having to pay the demand rate to make
15 some of these improvements we've suggested, I think that she is going to be better
16 off in the long run, whether we have a new rate design or not. It's going to help her
17 reduce her rates to where she can make whatever other improvements.

18 **COMMISSIONER GREENE:** She strikes me as someone who uses her money
19 prudently for things like that.

20 **MRS. CARTER:** Okay. Let me interject right here. The first program that they
21 sent, they said they was going to help me. I'm good. Help me. But I had put some
22 things already in place that Cleco said because I had put those things in place, that
23 they couldn't help me. Okay. I'm good with that. Okay. My lighting, I did my

1 inside lighting. The lighting that they did was on the outside. They replaced bulbs.
2 I don't use them, I'm not there at night, I don't need those. But what I placed inside
3 was the strips where you never have to replace the bulbs. They are energy efficient.
4 I did my whole building. My building is 7,800 square feet and I did the whole
5 building. So I am doing things to make sure that -- what we need even with the
6 things that they are suggesting. I'm with you, I don't mind paying for what I use.
7 I don't. If my bill is \$1,000, I'mma pay it because I can't afford for my lights to be
8 off. I'mma pay it, but if I got a \$1,500 bill for 12 months, no. He's right, they took
9 me off it January, February, and March. One bill was 1,500, one bill was 2,200,
10 and the other bill was 1,500. They put it to the back, spread it over 12 months. I
11 still have to pay it. I have to pay my regular bill plus something on the back part.
12 That part that they didn't get to before me gave the -- before it was the demand rate
13 and I'm good with that. Some of the things that they suggesting is expensive, like
14 insulation. They want me to blow my attic with insulation. They don't know how
15 much they'll refund me. I'm not willing to do that. If you blow my attic with
16 insulation and you come to me -- I don't know how much that'll cost. I do have
17 insulation. It's not blown insulation, but we have insulation. And I said well, how
18 much will that cost? They don't know. I'm not willing to do that. I'm not going in
19 that blind, no. Some things I will, like the thermostats. I know they couldn't be
20 too much, so if they do two, I'll do two. I have insulation, like my doors, they need
21 to be insulated. I'm doing that. I am. There's a few more things that I'm doing and
22 there's some things that I have already done.
23 **COMMISSIONER GREENE:** It sounds like you're doing what you can.

1 **MRS. CARTER:** I am.

2 **COMMISSIONER GREENE:** So as the way I understand this, and if any other
3 Commissioners want to chime in, I don't know that we can help you with your past
4 bills. It seems like they're trying to work with you on your current ones and it's up
5 to us to update from 36 years ago a rate structure moving forward that's more fair
6 and accurate.

7 **MRS. CARTER:** Exactly. That's all I'm asking.

8 **COMMISSIONER GREENE:** And I think -- do I understand that correctly?

9 **MRS. CARTER:** Yes.

10 **COMMISSIONER GREENE:** And if I understand Staff correctly, we have that
11 vehicle in place and in motion.

12 **MS. BOWMAN:** Well, we have the pending rate case, so we can absolutely look
13 at the various rate schedules, a commercial rate schedule, and see if there's a way
14 to have these types of issues not happen.

15 **COMMISSIONER GREENE:** And what I would like for you to help with,
16 ma'am, is be in communication with our Staff, so if we have a new rate structure
17 that we're going to vote on to approve, how would your exact case be reflected in
18 a new and updated rate structure.

19 **MRS. CARTER:** Okay.

20 **COMMISSIONER GREENE:** We just want to make sure it's fair.

21 **MRS. CARTER:** Okay.

22 **VICE CHAIRMAN LEWIS:** Mr. Shirley.

23 **MR. SHIRLEY:** Yes.

1 **VICE CHAIRMAN LEWIS:** Is -- Mrs. Cooper, correct?

2 **MRS. CARTER:** Carter.

3 **MS. BOWMAN:** Carter.

4 **VICE CHAIRMAN LEWIS:** Carter, sorry. My apologies for that.

5 **MRS. CARTER:** No problem.

6 **VICE CHAIRMAN LEWIS:** Is the report that Mrs. Carter is mentioning, was
7 that an energy efficiency audit that Cleco did?

8 **MR. SHIRLEY:** Yes, sir.

9 **VICE CHAIRMAN LEWIS:** And so did it provide -- and I'm not sure how your
10 audit process work, did it provide -- and I think as Mrs. Carter was talking, but did
11 it provide what savings would come, energy consumption savings, from each
12 advancement?

13 **MR. SHIRLEY:** Yes, and we actually did two. We went out the first time and
14 because of the fact that it was during work hours of our people who do the
15 assessments, they weren't able to access some of the parts of the building because
16 the children were there. So we came back out after hours one night and did another
17 complete assessment for her and it broke down everything, you know, from, if I'm
18 not mistaken, new freezers, new ice makers, you know, everything and what those
19 things would do. But as -- and I'm sympathetic, as she says, some of it costs money,
20 and that's, you know -- you know, well --

21 **VICE CHAIRMAN LEWIS:** No. And, Mrs. Carter, I think from the last
22 conversation, and I definitely want to work with you, when we -- and this is why
23 I've been working with Mr. Justin in the conversation that we had about these

1 rebates that are coming. They will be a significant amount available for you to
2 update those freezers that you're using and all of that. So when we come to energy
3 efficiency, I want to be there. But I want to step back for a moment, and, one, thank
4 you for coming. I said at my first meeting, we need more people like you to speak
5 here. I mean, if you look behind you, no insult to the crowd, but majority of these
6 people are being paid to be here. They are being paid to be here. They're a lawyer,
7 they work at a corporation, they're a contractor getting a deal from someone of
8 these utilities. And we don't often hear from residents. I mean, I think this is why
9 the Commission has to listen to this and we have to get off of just talking about
10 rates because your issue goes to the heart of what I've been talking about in the
11 Commission, is the consumption, the energy burden that people face. If we just
12 look at our rate structure, we are failing to see what our ecosystem is doing with
13 climate change when it is hotter in the summer, it's cooler in the winter. And if we
14 are still regulating based off of past years' analysis and only looking at a kilowatt-
15 hour per rate, we are failing to survive -- we're failing to help people because we're
16 knowing that now you have to consume more energy to be able to keep those kids
17 cool in the summer. You're consuming more energy now to be able to keep those
18 kids warm in the winter, which means the rate structure has to take into
19 consideration the consumption, which means we need to focus more on energy
20 efficiency, we need to focus more on weatherization, we need to focus on how do
21 we reduce consumption, not just rates. And so I want to thank you, Mrs. Carter,
22 because your story is an example of, I think, the challenging ecosystem that this
23 Commission has to adopt, which is we can't just focus on rates. We have to look at

1 the burden that you're facing because what you're talking about is not a rate design.
2 You're talking about the energy burden that what you need to have that building
3 function for your students and then now what is required to pay. And so I think it's
4 extremely important and, Mr. Shirley, I want Cleco to stay involved. I, personally,
5 want to continue to hear. As I said, I think once we get these federal programs from
6 the state, there will be a lot of initiatives that can help you and I'll make sure you
7 get all that resources, but I just wanted to thank you for lifting your voice and telling
8 your story.

9 **MRS. CARTER:** Thank you.

10 **CHAIRMAN FRANCIS:** Commissioner Campbell, Commissioner Campbell.

11 **COMMISSIONER CAMPBELL:** Since all this is in my area and Mr. Shyne's
12 been working on it, I think it'd be fair to talk to Mr. Shyne exactly what our office
13 has done because if you just hear this, it looks like we hadn't done anything.

14 **MRS. CARTER:** No, that's not true.

15 **MR. SHIRLEY:** No, I will testify that your office has been involved.

16 **COMMISSIONER CAMPBELL:** Now, wait a minute. Let me get through. I'm
17 doing this preaching now. Okay. I heard all the talk and I got it, but it's not like
18 we've gone to sleep.

19 **MRS. CARTER:** No, you haven't.

20 **COMMISSIONER CAMPBELL:** Now, Mr. Shyne, why don't you tell them
21 exactly what you've done for this lady? I've been to her place. I'm the one that told
22 you how nice it is. I know that she has 140 kids there. I know all about Mansfield.
23 But just to tell you my side of the record here, before everybody calls us bastards.

1 **MRS. CARTER:** No, none of that.

2 **COMMISSIONER CAMPBELL:** We've done a lot of work here and we're
3 trying our best. So, Mr. Shyne, you got the floor, tell them exactly what you've
4 done.

5 **MR. JOE SHYNE:** All right. You know, I've gone and seen Mrs. Carter at her
6 place and I've been there multiple times with Cleco, trying to help her. I know Mrs.
7 Carter can attest, every time she's called, I've tried to answer. She's had an issue
8 with the electricity bill. We've talked. I've talked to Trip and to see what we can
9 do to get her off of this rate because it's a unique situation where she's the only
10 person in that area to help take care of these kids. And so we have to do a job of
11 making sure that these kids are able to be taken care of and so everything that I can
12 in my power, I've tried to help Mrs. Carter, tried to take her off the demand rate,
13 make sure that Cleco keeps off and works with her. And I've told them, as long as
14 Mrs. Carter has been working to try to improve her building, that should show
15 enough evidence that she's doing what she can because I know a lot of her funds
16 come from the state and she can only do a certain amount of kids at that, so I know
17 the money is tight. And every single time they've had that meeting or they've
18 called me about it and they say they're looking at things, you know, I tell them Mrs.
19 Carter is working on it, keep her off of that charge because it would be terrible for
20 that area to lose the service that she's providing.

21 **COMMISSIONER CAMPBELL:** Did they take her off the charge, Mr. Shyne?

22 **MR. SHYNE:** Yes, sir. She's off the charge and she's supposed to stay off the
23 charge 2024. But I made sure -- I go, as long as she's showing things, I know there

1 was issues with doors, they couldn't do the blow drying test, but she's working on
2 fixing the doors and trying to make them as efficient.

3 **COMMISSIONER CAMPBELL:** So you've negotiated and helped get her off
4 the charge -- the demand charge?

5 **MR. SHYNE:** Yes, sir.

6 **COMMISSIONER CAMPBELL:** All right. Let me ask you something else.
7 Mrs. Carter, you said that Cleco told you they were going to be there and do
8 something for you earlier and they haven't been there.

9 **MRS. CARTER:** Nope.

10 **COMMISSIONER CAMPBELL:** What is that?

11 **MRS. CARTER:** They said that -- first of all, they said my thermostats need to be
12 replaced. Okay.

13 **COMMISSIONER CAMPBELL:** Your thermostats need to be replaced.

14 **MRS. CARTER:** Yeah. I have four. Listen, I have four four-ton air conditions.

15 **COMMISSIONER CAMPBELL:** Right.

16 **MRS. CARTER:** And we did that because in the evening time, we're at one place,
17 we're in one specific place. So two of them are off after 3:30, 4:00, until I close. I
18 close at 5:30, but until then -- the other two is on in the summertime to make sure
19 that it's warm -- I mean, make sure that it's cool. They don't have to be -- I mean,
20 it don't take a lot to cool it and it don't take a lot to heat it.

21 **COMMISSIONER CAMPBELL:** Well, did -- or have they done what they said
22 they would do? They haven't?

1 **MRS. CARTER:** No, they haven't. They haven't. I have a company that can
2 replace the thermostats, but they told me that Cleco was going to do them and they
3 was going to get in contact with me. They came to my business in January. I had
4 replaced two air conditions and they are more energy efficient than the 2006 air
5 conditions.

6 **COMMISSIONER CAMPBELL:** That's what I was going to say, I'm sure
7 they're energy efficient.

8 **MRS. CARTER:** Yeah. And so they're waiting -- I gave them my air conditioner.
9 I have had the other air conditioner since 2006, so I don't have much information
10 on that air condition to show what the energy -- you know, what it uses. So they
11 told me they have to compare the air conditions that I bought and the air condition
12 that I had before they do any kind of rebate. Well, I called her and I told her I don't
13 have any information on that, but I can give her the information on the new air
14 conditions that I replaced. She said she can't use that, so I don't know what to tell
15 her because I got two air conditions that don't have anything on them. All I have
16 is what the guy who sold them to me -- what it says on the invoice, that's all I have.

17 **COMMISSIONER CAMPBELL:** Right.

18 **MRS. CARTER:** So I can give her that and what the new guy, who put the air
19 conditions in, gave me. I have all of that information and I have two. Well --

20 **COMMISSIONER CAMPBELL:** So this was in January when they told you
21 that?

22 **MRS. CARTER:** They came out -- they sent me this assessment January the 11th
23 and I printed it. And some of those things that they are talking -- because they tried

1 to pressurize my building and they couldn't because they pressurize houses, that's
2 what he told me. He said they pressurized houses, so -- well, some things that they
3 pressurized in the building, you can tell, you know. I'm doing that. Like Mr. Shyne
4 said, money is tight. Right now, 90 percent of my kids are on CCAP, that's Child
5 Care Assistance Program, which is on hold. I don't know when they going to stop,
6 when they going to put children back on. So right now, all of my -- the new kids
7 that I get, my parents have to pay out of their pockets, which is expensive and some
8 of them are not doing it because they can't afford it.

9 **COMMISSIONER CAMPBELL:** Well, Mr. Shirley's here. I'm sure that that'll
10 be taken care of immediately after he leaves here, they'll be in touch with you. But
11 I appreciate you calling us and I've been there, Mr. Shyne's been there. We
12 understand your problem, but we always heard, Mr. Shirley, that's a tariff, that's a
13 tariff, and that's the excuse -- well, that's the rule that you go by, excuse or what.
14 But maybe we can change the tariff where this doesn't happen. Mr. Shyne's been
15 attentive to this problem --

16 **MRS. CARTER:** Very.

17 **COMMISSIONER CAMPBELL:** -- and he's got them to get off of it for a year.
18 He's the guy that did that --

19 **MRS. CARTER:** He did.

20 **COMMISSIONER CAMPBELL:** -- and I appreciate what he's trying to do.

21 **MRS. CARTER:** I do, too.

22 **COMMISSIONER CAMPBELL:** And I've been there and I know about
23 Mansfield and I've been to this lady's place. It's immaculate, it's clean, she serves

1 there a lot of poor children, and they've got to have it. It would be a hell of a thing
2 to lose this facility in Mansfield, Louisiana, so I'm glad you brought it to
3 everybody's attention. Five people can do a lot more than one.

4 **MRS. CARTER:** Thank you.

5 **COMMISSIONER CAMPBELL:** Thank you for coming today.

6 **CHAIRMAN FRANCIS:** Thank you, Mrs. Betty, for coming. Thank y'all for
7 coming. Okay. Next on the agenda here.

8 **MS. BOWMAN:** Yes, sir. We're still on Exhibit Number 13. We have some
9 ratifications. It's a discussion and possible vote to ratify interventions of the
10 Louisiana Public Service Commission in RTO-related or other Federal Energy
11 Regulatory Proceedings. Pursuant to the scope of work approved in connection
12 with the retention of Stone Pigman and United Professionals Companies at the
13 February 24, 2021 B&E for MISO, SPP, and ERSC participation, due to the short
14 deadlines allowed for interventions if advanced Commission approval is not
15 possible, the Executive Secretary on the recommendation of UPC or Stone Pigman
16 or on his own determination may authorize the initial interventions, comments, or
17 protests, subject to ratification. Interventions were filed on the Commission's
18 behalf for the purpose of monitoring issues related to MISO, SPP, or other FERC
19 proceedings in the following dockets: ER24-1499, EL24-85, ER24-1638, and
20 ER24-1583. Staff recommends that the Commission ratify these actions.

21 **COMMISSIONER SKRMETTA:** Move to ratify the --

22 **MS. BOWMAN:** Interventions?

23 **COMMISSIONER SKRMETTA:** -- interventions. Sorry.

1 **COMMISSIONER GREENE:** Second.

2 **CHAIRMAN FRANCIS:** Move by Skrmetta and seconded by Mr. Greene. Any
3 discussion or opposition? [NONE HEARD] Hearing none, it's ratified.

4 **MS. BOWMAN:** We also have a directive under Exhibit Number 13. It's a
5 directive to Staff to open a docket regarding Beauregard Electric Cooperative and
6 this is at the request of Chairman Francis. In a press release last month, Beauregard
7 announced that it had engaged outside counsel to investigate allegations of board
8 misconduct. The following statement was part of that press release: While the
9 investigation revealed no evidence to substantiate concerns of current or ongoing
10 theft or criminal activity, the investigative report revealed facts which substantiated
11 allegations that certain directors exercised undue influence and/or exhibited an
12 abuse of power with respect to interfering with Beauregard's day-to-day operations.
13 The press release went on to state that part of the investigation's findings were that
14 certain directors requested and received preferential treatment, either from
15 themselves or for constituents in violation of Beauregard's policies, practices, and
16 procedures. Some directors abused their power to direct dispatchers to move
17 linemen and disrupted dispatchers' work during an outage or similar event and until
18 recently there was a sentiment among Beauregard employees that board members
19 had authority over Beauregard employees, thus those employees felt compelled to
20 obey the board's direction. All of this is concerning to me, and as such, I direct
21 Staff to open a docket to investigate Beauregard Electric Cooperative on potential
22 violations of its policies, practices, and/or procedures, as well as potential actions
23 by its board of directors that is causing cost and/or service impacts. As part of this

1 investigation, Staff has the authority to retain outside consultants and/or counsel if
2 determined necessary.

3 **CHAIRMAN FRANCIS:** Yes. I put this on the agenda to give Beauregard a
4 chance to come up and give us a report on how are y'all doing. Is there someone
5 from Beauregard here to speak? Okay.

6 **MS. KARA KANTROW:** Hello. Good morning. Kara Kantrow on behalf of
7 Beauregard and I have with me Kevin Turner, who is serving as interim general
8 manager of Beauregard Electric. So thank you, guys, for this opportunity today.
9 We have -- Mr. Turner has a little statement he'd like to read and then we're happy
10 to answer any questions or have a discussion.

11 **CHAIRMAN FRANCIS:** Okay. Well, thank y'all for coming. Mr. Turner.

12 **MR. KEVIN TURNER:** Good morning, Commissioners. Thank y'all for the
13 opportunity, allowing me to speak. As Ms. Kantrow has stated, I'm Kevin Turner,
14 interim general manager at Beauregard Electric. Some of you might remember,
15 I've served as Beauregard's general manager for 14 years, retiring not too long ago,
16 September of '23. I'm here on behalf of Beauregard Electric. I do have the
17 authority to speak on the cooperative's behalf. Beauregard is committed to
18 providing reliable, safe electricity to its members and at its lowest possible rate.
19 Beauregard is also committed to ensuring that the cooperative runs smoothly, which
20 includes ensuring that the cooperative always maintains a decorum throughout the
21 entire cooperative, including the board room. Further, the commitment is to
22 directors' education and training is also paramount at the cooperative. Given the
23 recent happenings at the cooperative, Beauregard is in the process of scheduling

1 on-site training for its board of directors. Beauregard looks forward to putting the
2 past few months behind it and moving forward.

3 **CHAIRMAN FRANCIS:** Is it the option of each board -- there are ten co-ops in
4 Louisiana and I've visited each one of them and met the board members. Is it the
5 privilege of each co-op to have different training or is it pretty well standard training
6 across the board for board members? Let me ask that question.

7 **MS. KANTROW:** Sure. Each cooperative is unique in how they govern. They
8 are obviously, you know, owned and governed by their members. There is a
9 NRECA training which is not required. NRECA is the National Rural Electric
10 Cooperative Association. They're a national group that the cooperatives are
11 members of. They're designed to equip directors with the knowledge and the skills
12 needed to navigate those roles effectively. The requirement of certain training is
13 up to each cooperative. It's best practices for those directors to engage with
14 NRECA. There are schedules and classes for each of those directors to engage in
15 and they have done that for years and years and years. And that's throughout the
16 state.

17 **CHAIRMAN FRANCIS:** Now, you're a member of the ALEC group of co-ops;
18 is that right?

19 **MR. TURNER:** Yes, that's correct.

20 **CHAIRMAN FRANCIS:** How many co-ops are in the ALEC group out of the
21 ten? Just guess. Five, six?

22 **MR. TURNER:** Six, seven.

1 **CHAIRMAN FRANCIS:** Seven. Okay. Does the ALEC group, do they suggest
2 training for the co-ops that are in their membership?

3 **MS. KANTROW:** They do. ALEC is very supportive of training. Also, does on-
4 site training within their Baton Rouge office and also assists each of their individual
5 co-op members with those trainings to make sure that each cooperative has the
6 availability and accessibility to those type of training sessions.

7 **CHAIRMAN FRANCIS:** Okay. Now, you've had some new members come in
8 here lately to your board of directors, right? You just had an election where you
9 had two new ones come in; is that right?

10 **MR. TURNER:** Yes, last month. We have two new board of directors just come
11 on in March.

12 **CHAIRMAN FRANCIS:** Okay. And right now, you're the interim director?

13 **MR. TURNER:** Yes, I'm the interim. Mr. Brian Zelenak has been placed on 45
14 days paid leave, so they called me out of retirement to come back and assist. I come
15 back for the employees. The employees always been very good to me for 14 years,
16 so I felt like the least I could do is come back and fill in, in the gap.

17 **CHAIRMAN FRANCIS:** Well, your co-op is in my area. I've visited there many
18 times trying to be there to help in any way I could. I feel like the management of
19 the co-op is in the hands of the board of directors and right now it's an interim
20 situation. I'd like for you to come back to the next meeting, give us an update on
21 how you're doing. We get a lot of calls, even a lot of areas where it's not my
22 jurisdiction, you know, to pick who's going to be your leader, but it's a great co-op
23 and I want to continue to see it grow. And so we are going to have a docket opened

1 to look at this report because some of those things kind of get over in the -- go into
2 our area of concern and possible responsibility. Is there any other Commissioners
3 -- Commissioner Lewis.

4 **VICE CHAIRMAN LEWIS:** Yes, and thank you for showing up today. Well, as
5 the Chairman mentions, it is in his district, but as many know, I hail from southwest
6 Louisiana and so I have heard many calls and complaints from friends and families
7 about this. I mean, just last night at dinner, ironically, we met a young woman who
8 brought up Beauregard Electric when she found out we were in town and mentioned
9 the challenges. And so it is something that I am taking a very keen eye on. I am
10 concerned and I would like an answer from the board at a point why, when they
11 placed the general manager on suspension, they said he could not speak to us and
12 that is a very concerning proposition when a regulated board tells a member that
13 they cannot speak to the regulatory body. And I understand that there is sensitivity
14 around non-disclosure and potential litigation, but that type of information that's
15 not been conveyed to the Commission first, but just in a board meeting and I read
16 it in KPLC and had my aunt send it to me was really concerning to me. And I am
17 concerned, not only from what Chairman Francis' directive does, but from the
18 overall operation, and I would like the board to be more responsive as well. I
19 appreciate your attendance, but I think some of these board members who are
20 making these decisions owe, not only this Commission, but the public, some more
21 explanation.

22 **MS. KANTROW:** I appreciate that and we'll make sure that that happens.

23 **VICE CHAIRMAN LEWIS:** Thank you.

1 **CHAIRMAN FRANCIS:** All right. Any other --

2 **COMMISSIONER CAMPBELL:** Yeah, I have a question.

3 **CHAIRMAN FRANCIS:** Commissioner Campbell.

4 **COMMISSIONER CAMPBELL:** What was the -- I hear what you're saying, it

5 makes sense. It's a lady that wants to talk to the board and they couldn't talk to

6 him. That doesn't make any sense at all. That's not what happened. You're there

7 to serve people and, you know, that's been a big complaint. Co-ops have got off

8 track a lot of times. Sometimes these people get on these boards and they think

9 they own the boards. My daddy was on the board, my granddaddy was on the

10 board, and I'm on the board, now my son's going to be on the board. I'm glad to

11 see you're having elections, you're electing new people. That's healthy, but that

12 has not been the history of co-ops. The co-ops across the state of Louisiana have

13 had these board seats like they really belong to them and I'm glad to see you have

14 it open. And also, you told me that the new board members won't have any

15 insurance, you've made sure of that. Well, I wish you would tell the old board

16 members the same thing. It is absolutely ridiculous for board members who sit on

17 the ten co-ops around the state of Louisiana to be afforded health insurance.

18 Claiborne cut it out completely. It is absolutely crazy for somebody to be on a

19 board of electric co-op that meets twice a month that afforded health insurance for

20 their families. It might be \$3,000 a month, so they'd get more than the 250 a month.

21 They get 3,000 a month. If you got 10 of them, that's \$30,000 a month that the co-

22 op's paying. Their insurance is better than the linemen that work for the co-op, so

23 there ought to be a rule that co-ops cannot provide insurance to their board

1 members. It's nuts. It's just something that's happened and they expect it and it's
2 an abuse, it's an abuse. And I'm glad to say at least the new members you got
3 you're not giving them health insurance and you ought to take it away from the
4 three that's on the board. You really can't afford it. But anyway, I would like to
5 hear both sides of what's going on, I think, to make a good judgement. I appreciate
6 you coming today and I understand that you've got things in control, that's good,
7 but I would like to hear what the accusations were on both sides to make a
8 judgement rather than just one side. And if you could maybe have them come next
9 time, the board members, and have -- I know you can't let every one of them speak,
10 but if you can have someone who speaks for the opposition and somebody who
11 speaks for you or whatever, I'd be interested. Because I know through the years co-
12 ops have had a network that was very secretive of board members. Sometimes it
13 was hard to elect -- evidently, y'all have open elections, that's good. Well, I had to
14 pass legislation to ease up board members' election. You had it so tight, you had
15 to -- I forgot all the details. I mean, you had to have one guy -- he ran -- I remember
16 this specifically. A board member in Caddo Parish with Valley Rural Electric,
17 which no more is here, they ran from Bossier -- I mean, from Caddo Parish all the
18 way down to Leesville across the Red River. I mean, it was like bigger than a
19 congressional district. So what that did, it enabled them to keep the same board
20 members time, after time, after time. It was hard to go get election. You had to
21 have it advertised, you had to -- it was all kinds of dang configurations, rather than
22 just having a simple election. They were I nominate him, he's my neighbor, and
23 you go to a school, and you'll have an election. It wasn't like that. It was always

1 configured pro-co-op members and board members. But thank you for coming
2 today. I hope you can cool everything down and we can get down to reason. And
3 Mr. Francis talked about talking to the other and I think that's real good idea
4 because it's always good to hear both sides of the story. It's always good.

5 **CHAIRMAN FRANCIS:** Manager Turner, I know you've had an unusually large
6 number of meetings, more than necessary -- normal for normal operations and a lot
7 of extra expense like this survey you had done. And we have the privilege of seeing
8 your budget and your operating expense because you come before us for rate
9 increases. And I just want you to send a message back to your board members that
10 when you come before us with another rate increase, we're going to be looking at
11 those line items and you need to do your business and do it in an economical way.
12 Because all those people -- and you had a lot of constituents listening to this
13 message, they need to know that they're operating expenses have been
14 tremendously high compared to normal first quarter business. But we'll see you in
15 a month and I hope we get a better report or a good report. Okay. Thank you.

16 **MR. TURNER:** All right. Commissioner, we'll get ready.

17 **MS. KANTROW:** All right. Well, thank you.

18 **MS. BOWMAN:** So assuming there is no opposition to Chairman Francis'
19 directive, we will move forward with Exhibit Number 14.

20 **COMMISSIONER GREENE:** I think --

21 **MS. BOWMAN:** Yes, sir?

22 **COMMISSIONER GREENE:** I wanted an update on CCO. Did you want to do
23 it right here?

1 **MS. BOWMAN:** Sure. Ms. Evans, will you provide an update on the CCO
2 Docket, please?

3 **MS. LAUREN EVANS:** Good afternoon. Am I good? Good afternoon,
4 Commissioners. Lauren Evans on behalf of Staff. A brief update on our CCO
5 Docket. Staff filed its second Phase I report on March 15th and we set a comment
6 deadline for April 15th, which was Monday. We did receive 12 reports from
7 stakeholders in that docket and Staff is currently evaluating, going through
8 everything and evaluating their comments, taking them into consideration. We
9 hope to issue a final report on Phase I by June.

10 **COMMISSIONER GREENE:** Thank you for your hard work on this and I'm
11 glad everyone's participating. I'd like to see a June vote on this and if not -- and if
12 not, we move it up to May, but if that's too much for y'all, then definitely a June
13 backstop and also look forward to starting Phase II. Thank y'all. This is exciting
14 stuff and I appreciate all your hard work on it. And we are going to add a line item
15 for an update each month, so thank you.

16 **MS. EVANS:** Thank you, Commissioner.

17 **CHAIRMAN FRANCIS:** Thank you, Ms. Evans. Okay. Moving on. Where we
18 at?

19 **MS. BOWMAN:** We are at Exhibit Number 14, which is Docket Number S-
20 37119. This is CenterPoint Energy Resources, CenterPoint Arkla's request for
21 approval of a renewal of an asset management agreement with Tenaska. It's a
22 discussion and a possible vote on a Staff report. On February 27, 2024, CenterPoint
23 Arkla filed its application requesting the LPSC approve renewal of its asset

1 management agreement and relating to certain gas storage and transportation assets
2 on the Enable Gas Transmission. In its proposed revenue sharing mechanism
3 associated with the renewal of the AMA, CenterPoint's current AMA expired on
4 March 31st and notice of the company's request was published in the Commission's
5 Official Bulletin without any intervention or protest. Staff concluded that the
6 renewal of the AMA provides protection for CenterPoint's supply assets, does not
7 place undue hardship on the company, and will adequately compensate the
8 company and customers for use of its assets. Based on this, Staff found that
9 renewing the 2024 AMP is in the best interest of CenterPoint's customers. Further,
10 Staff recommends that the renewal of the AMA be subject to certain conditions,
11 such as all customer savings flowing through the PGA. Staff recommends that the
12 Commission accept the Staff report filed April 11, 2024.

13 **CHAIRMAN FRANCIS:** Motion to accept Staff recommendation.

14 **COMMISSIONER GREENE:** Second.

15 **CHAIRMAN FRANCIS:** Second by Commissioner Greene. There any
16 discussion? [NONE HEARD] Hearing none, it passed. Next item.

17 **MS. BOWMAN:** Exhibit Number 15 is Docket Number U-36625. This is Entergy
18 Louisiana's application for approval of the Entergy Future Ready Resilience Plan
19 Phase I. It's a discussion and possible vote on Entergy's motion pursuant to Rules
20 51 and 57 at the Chair's request. On December 19, 2022, Entergy filed its
21 application. Notice of the company's application was published in the
22 Commission's Official Bulletin with several parties intervening. In August of '23,
23 Staff filed its engineering report, and in that September of '23, Staff filed its

1 financial evaluation. Several intervenors filed cross-answering testimony in
2 response. Entergy filed its rebuttal testimony in November of '23 and throughout
3 the pendency of the docket, there was formal discovery requests issued and
4 responded to by Staff, Entergy, and the intervenors. There were also several
5 technical conferences held. On April 15, 2024, Entergy filed the above referenced
6 motion requesting that the Commission assert its original and primary jurisdiction
7 to consider the attached framework for approval and implementation of the Future
8 Ready Resilience Plan. Staff makes no formal recommendation as to whether or
9 not the Commission should approve the plan; however, Staff does believe that the
10 terms of the framework are reasonable and should the -- should the Commission
11 should choose to approve the plan. We have several yellow cards for folks to speak,
12 and I just want to, for a procedural component, while Entergy's motion did request,
13 pursuant to Rules 51 and 57, it's Staff's opinion that it's appropriate just to simply
14 take this up under Rule 57. So it would just need the two votes for a Rule 57 motion
15 and then a motion on the actual request.

16 **COMMISSIONER SKRMETTA:** Move to bring the matter up under Rule 57.

17 **CHAIRMAN FRANCIS:** And I'll second that motion.

18 **VICE CHAIRMAN LEWIS:** I'll object.

19 **COMMISSIONER SKRMETTA:** Roll call vote request.

20 **VICE CHAIRMAN LEWIS:** Can we speak -- this is a debatable motion, correct?

21 **COMMISSIONER SKRMETTA:** We can still bring it up for a roll call vote.

22 **VICE CHAIRMAN LEWIS:** No, no. I'm just saying before we take the vote, I'm
23 asking --

1 **MS. BOWMAN:** To debate --

2 **VICE CHAIRMAN LEWIS:** Taking it up under Rule 57.

3 **MS. BOWMAN:** To take it up under Rule 57, yes, you can.

4 **VICE CHAIRMAN LEWIS:** Because I just have some questions about why we
5 would proceed on Rule 57 and I'll start. I mean, I think this approach creates a
6 precedent that utilities do not have to make good faith efforts to negotiate with Staff
7 and take intervenors' concerns very seriously. This new proposed framework is
8 not a settlement with Staff or with its intervenors, as their own filing shows not a
9 single intervenor is in favor of it and two have expressly expressed their
10 opposition. Entergy argues that this should not go through the ALJ process because
11 it isn't ultimately a policy question and an ALJ's job is to decide the issues of fact
12 and law. But if this is such a big policy question that we are taking up, shouldn't
13 we give Staff, Commissioners, and stakeholders ample opportunity to investigate
14 and interrogate this proposed plan? I have received over 90 emails in the last day
15 to say please give us more time to understand this. We filed -- Entergy filed this
16 framework on Monday, it was added to the supplemental agenda on Wednesday,
17 and here it is Friday at 12:10 and we are trying to take up the merits of this proposal.
18 We just listened to a constituent talk about these issues and we said we want to hear
19 from you. And then when our constituents say to us we want to hear from you, we
20 are now saying let's suspend the rules, let's take up this framework that we have
21 intervenors who have said we're not ready to, we have constituents saying give us
22 more time, and now here we are. And so I'm really confused at how we speak one
23 thing, one time, and then we do something else. There is no justification I have

1 seen why this has to be taken up this month, this week. The only thing that I have
2 seen that would suggest why we have to take it up is that Entergy has an earnings
3 call on April 23rd and they want to give their shareholders a good report and it looks
4 like this Commission is ready to give them that very statement. And so I think this
5 is a bad precedent for us to take and this is why I'm objecting strongly to taking this
6 up under Rule 57.

7 **CHAIRMAN FRANCIS:** Okay. All right. Well, we have a motion and a second.
8 Now, do we -- is it in order to have a roll call vote on whether we --

9 **MS. BOWMAN:** Yes, sir.

10 **CHAIRMAN FRANCIS:** So the Chair calls for a yes or no vote. Can we get a
11 parliamentary ruling?

12 **COMMISSIONER CAMPBELL:** Can I make a substitute motion?

13 **SECRETARY FREY:** Sure. I mean, there's a motion on the floor. You can make
14 a substitute.

15 **COMMISSIONER SKRMETTA:** By the way, is that Rule 51 require a vote as
16 well?

17 **MS. BOWMAN:** No, sir.

18 **COMMISSIONER SKRMETTA:** Okay.

19 **COMMISSIONER CAMPBELL:** Can I make a substitute motion just to put it
20 off one month?

21 **CHAIRMAN FRANCIS:** What's the --what's in order?

22 **COMMISSIONER SKRMETTA:** We're still waiting to hear what's the --

23 **CHAIRMAN FRANCIS:** What's in order here? We have a vote and a second.

1 **SECRETARY FREY:** So the question --

2 **CHAIRMAN FRANCIS:** A motion and a second for 57.

3 **SECRETARY FREY:** -- and we'll just say it out loud, what we're talking about.

4 **COMMISSIONER CAMPBELL:** We've got to vote on that though.

5 **SECRETARY FREY:** So we've got two votes we're contemplating, and setting
6 aside Commissioner Campbell's substitute motion, you got a motion under Rule 57
7 and we do have people who want to speak. Since it's a motion, we're talking about
8 whether we take the comments before the 57 vote is finalized or go forward with
9 the 57 vote and go to the merits.

10 **COMMISSIONER SKRMETTA:** Are the comments on the merits or are the
11 comments on the 57?

12 **SECRETARY FREY:** They just reference the actual item.

13 **COMMISSIONER SKRMETTA:** Well, then it's not on 57. The comments
14 aren't on the procedural, the comments are on the merits then.

15 **MS. BOWMAN:** Well, I would assume that, but I don't want to speak for the folks
16 because, I mean, maybe the opposition is on bringing it up.

17 **COMMISSIONER SKRMETTA:** I just -- if people file cards, it's on the merits,
18 it's not on procedure unless they specify procedure, correct?

19 **MR. JAMES HIATT:** My comment was on the procedure, so [INAUDIBLE].

20 **COMMISSIONER SKRMETTA:** Well, then yeah. Nice try, but I get it, so if
21 that's what -- if you wanted to have it on procedure, that's fine. Either way, we'll
22 get through both of them, it'll just take a little bit longer.

23 **MS. BOWMAN:** Your mic.

1 **COMMISSIONER SKRMETTA:** Is it on?

2 **MS. BOWMAN:** You just need to, I think, move it a little bit closer.

3 **COMMISSIONER SKRMETTA:** Well, yeah, I mean, that's fine. It'll just take

4 a little bit longer. We'll get through it on procedure either way.

5 **MS. BOWMAN:** Yeah. So I mean, yes, if you fill out a yellow card and your

6 comments are on the procedure, I'm assuming you are Mr. James Hiatt.

7 **MR. HIATT:** Yes.

8 **MS. BOWMAN:** You may come up.

9 **SECRETARY FREY:** And actually, we have Commissioner Campbell's

10 substitute motion.

11 **COMMISSIONER SKRMETTA:** Do we have to -- do we have to

12 [INAUDIBLE] --

13 **MS. BOWMAN:** [INAUDIBLE] well -- and then -- yeah. So you can come up

14 and take a seat.

15 **COMMISSIONER SKRMETTA:** So do we --

16 **MS. BOWMAN:** And I think we have to entertain, since he put --

17 **COMMISSIONER SKRMETTA:** The question I have is: Do we hear

18 Commissioner Campbell's motion, figure out if we have to make any procedural

19 [INAUDIBLE]?

20 **SECRETARY FREY:** Yes, yes.

21 **MS. BOWMAN:** Correct.

22 **COMMISSIONER SKRMETTA:** So, Commissioner Campbell --

23 **SECRETARY FREY:** You got a motion?

1 **COMMISSIONER SKRMETTA:** -- you put out a substitute?

2 **COMMISSIONER CAMPBELL:** I have a substitute motion.

3 **SECRETARY FREY:** Okay.

4 **COMMISSIONER SKRMETTA:** Tell them what it is.

5 **MS. BOWMAN:** What is your substitute motion?

6 **COMMISSIONER CAMPBELL:** Put it off one month. Bring this item up next

7 month.

8 **VICE CHAIRMAN LEWIS:** I'll second.

9 **CHAIRMAN FRANCIS:** Campbell wants to put it off a month. Commissioner

10 Campbell, Commissioner Lewis --

11 **COMMISSIONER SKRMETTA:** And I object.

12 **CHAIRMAN FRANCIS:** -- is a second.

13 **MS. BOWMAN:** And Commissioner Skrmetta objected.

14 **COMMISSIONER SKRMETTA:** And Skrmetta objects to the substitute and

15 request roll call vote on that when appropriate.

16 **CHAIRMAN FRANCIS:** Okay. Let's have a roll call vote on the --

17 **SECRETARY FREY:** I think on the deferral we can do that vote before we get

18 comments.

19 **MS. BOWMAN:** Yes, yes.

20 **CHAIRMAN FRANCIS:** I'm sorry, I didn't hear you.

21 **COMMISSIONER SKRMETTA:** He says on the deferral --

22 **SECRETARY FREY:** I said so since this is just a deferral we can have a roll call

23 without taking comments first.

1 **COMMISSIONER SKRMETTA:** -- we can have a roll call on Campbell's vote,
2 but not on the other.

3 **SECRETARY FREY:** Yes.

4 **CHAIRMAN FRANCIS:** Okay. Commissioner Campbell, how do you vote?

5 **COMMISSIONER CAMPBELL:** On my motion?

6 **CHAIRMAN FRANCIS:** Yes. Okay.

7 **COMMISSIONER CAMPBELL:** First of all, just to make everything a little bit
8 lighter, we've got a preacher in the room and I shouldn't have cussed a while ago.
9 I cuss sometimes, but --

10 **COMMISSIONER SKRMETTA:** What? Say it ain't so.

11 **COMMISSIONER CAMPBELL:** -- preacher, please forgive me, preacher. I
12 didn't mean to do that. But I'm for this.

13 **CHAIRMAN FRANCIS:** Okay. Commissioner Greene?

14 **COMMISSIONER GREENE:** No.

15 **CHAIRMAN FRANCIS:** Commissioner Skrmetta?

16 **COMMISSIONER SKRMETTA:** No.

17 **CHAIRMAN FRANCIS:** Commissioner Lewis?

18 **VICE CHAIRMAN LEWIS:** Yes.

19 **CHAIRMAN FRANCIS:** Chair votes no, so it fails. So let's go back to my
20 original motion to accept --

21 **SECRETARY FREY:** Under Rule 57, then we're going to have comments.

22 **CHAIRMAN FRANCIS:** -- Rule 57.

23 **SECRETARY FREY:** And we have comments on that.

1 **COMMISSIONER SKRMETTA:** [INAUDIBLE] Rule 57 and now he gets the
2 comments.

3 **CHAIRMAN FRANCIS:** And we got to -- no. You made the motion.

4 **COMMISSIONER SKRMETTA:** Right. I brought up the 57 --

5 **CHAIRMAN FRANCIS:** And I seconded it. Okay.

6 **COMMISSIONER SKRMETTA:** -- and it got seconded and then they have to
7 go to comment on the rules.

8 **CHAIRMAN FRANCIS:** Okay.

9 **SECRETARY FREY:** Yes.

10 **CHAIRMAN FRANCIS:** Here we go. Go ahead.

11 **MR. HIATT:** Okay. My name is James Hiatt. I'm from Lake Charles, Louisiana.
12 I'm in your district, Mr. Francis. My Pawpaw Hebert retired to Many after he
13 worked at the natural gas pipeline in the 70's. So it's quite a drive up here today,
14 but I'm happy to make it. I'm a resident of southwest Louisiana. I'm appearing here
15 as an unpaid citizen and an Entergy customer. And like most folks in Louisiana, I
16 have no choice in who I get the energy from. The PSC is the regulators who are
17 supposed to be looking out for ratepayers. We've heard that that didn't quite
18 happen in some other instances already earlier today. So the PSC is supposed to be
19 looking out for the ratepayers and not for shareholder value. I didn't learn about
20 this until Wednesday. Where this meeting is located is not in Entergy customer
21 neighborhood, so you would have a lot more people coming out. I just find it very
22 upsetting, this democratic process that we went through. We drove under a huge,
23 beautiful American flag. We pledged allegiance to your back there, the American

1 flag. This is wholly undemocratic process to -- I understand this has been going on
2 for a few years, that this is not, like, all of a sudden, Monday, but Monday is when
3 they applied for this, Wednesday is when it was added to the agenda, and Friday is
4 the day that y'all are being asked to vote to approve \$1.9 billion of ratepayers.
5 There's some other money available, I understand, for the DOE, from the IRA,
6 from these other things. Why does it have to be voted on in such a quick manner?
7 We saw what happens when the public is left out of comments, when tariffs from
8 36 years ago are still being implemented. If this is going to be a democratic process,
9 and we've heard a lot about transparency. We just recently, the last docket, we
10 heard about what happened just north of Lake Charles in Beauregard Electric.
11 Public input and comment are essential. Mrs. Carter brought up some very good
12 points about the cracks in the system. I'm not asking you to deny the thing. I'm
13 asking you -- I tried to look on the docket to read what we're even talking about
14 and it was illegible on my devices to understand what exactly the Future Ready
15 Resilience Plan is. So the same motion that Mr. Campbell just brought up; why
16 does it need to be rushed through today, you know? Five days in a system where
17 we want to be democratic, we want to get all the input, we want the Commission to
18 look out for ratepayers. Why does it have to be a five-day process that is rushed
19 through? Why can we not wait four more weeks and bring it up in the May
20 meeting? We postponed -- I saw that we deferred the solar part from 2022. This
21 is about the same time that this resiliency plan was put forward. I just think before
22 we -- we just heard about \$125 million that is having to be refunded to customers.
23 Rushing through nearly \$2 billion would be a huge mistake and is really a lack of

1 transparency and a lack of accountability for the ratepayers. Entergy is a huge
2 company. I understand that their earnings in 2023 were twice that in 2022. They're
3 doing fine. Okay. They're doing fine. We're still paying for storm damage. If I
4 could choose someone else, maybe I would, but I need you to act on my behalf and
5 be speaking for me and the other millions of customers of Entergy and not rush
6 through and saddle us with this 1.9 -- nobody in Louisiana will disagree that we
7 need the grid hardened. But this process of doing this in this kind of rush job
8 manner -- you're not even in -- I mean, we're in Many and this place is beautiful,
9 but we're not even in a place where there's Entergy customers that's easily
10 accessible for folks. And so I think that -- and there's a lot of people who, when
11 they understood what was happening, were upset. I mean, when I heard on
12 Wednesday this is what was going on, my blood was literally boiling. Okay. I
13 mean, we are in the process of one of the most divisive election seasons ever in my
14 life and maybe there's been even more. I don't know, but there is -- I can't find any
15 justification or reason why this has to be done today on -- applied for on April 15th
16 and approved on April 19th is way too quick. And if you can wait another month,
17 if we can actually get the docket to get the information legible, I don't see any harm
18 in that and I don't think that the public comment or the stakeholders who have
19 already intervened on this docket, which is not me, I am just a citizen here and an
20 Entergy customer who will be saddled with this \$1.9 billion.

21 **CHAIRMAN FRANCIS:** All right. Thank you for your comments. Were there
22 some others? There's some others on the list, right?

1 **MS. BOWMAN:** There are, Commissioner, but I believe theirs are on the
2 substance related -- Together Louisiana and the Alliance for Affordable Energy --
3 or is it on the procedure? Okay. Come on.

4 **MR. HIATT:** Thank you.

5 **CHAIRMAN FRANCIS:** Thank you.

6 **MS. BOWMAN:** Thank you, sir.

7 **CHAIRMAN FRANCIS:** What's your name, doll?

8 **MS. ERIN HANSEN:** Good morning. My name is Erin Hansen. I'm here
9 representing Together Louisiana and I'm also here representing thousands of our
10 leaders who are not able to be here today. People just like James who don't have a
11 choice in who they get their electricity from. We need a more reliable grid, we
12 know that. In fact, my organization, Together Louisiana, has been working for a
13 couple of years to improve our grid to make it more reliable and our leaders are
14 charting a path for, we think, the entire country in setting up a network of resilience
15 hubs in every community around the state to help deal with the problem of power
16 outages. So we take resilience and everything that goes along with it, health
17 consequences, economic development, workforce development opportunities, we
18 take all of that really, really seriously. And we're here testifying against taking a
19 vote on this today because we believe that decisions that happen in the light of day
20 better represent the interests of regular people who those decisions affect and
21 decisions that are made rushed, under the cover of darkness, tend to represent
22 special interests. So we're here to ask the Commission to delay this vote, to shine
23 a light on this question, and to allow for more public input. Commissioner

1 Campbell, you spoke at the beginning of the meeting about how the Public Service
2 Commission is the teacher that grades the papers. Approving this request today
3 would be like putting out an assignment for a five-paragraph paper and then
4 accepting a wish list instead of a paper and then giving it an A without applying a
5 tested rubric. So we feel a little taken -- put upon, if you will, because we're here
6 and it looks like there's this giant check that's been written and the Public Service
7 Commission is about to sign it, but that check is linked to our bank account. So
8 that doesn't feel great. To be clear, we want to see these projects happen, we want
9 to see investments in our distribution system, in our transmission system, but the
10 filing that was made on Monday really doesn't allow time for public understanding.
11 There's no bill impact analysis, there's no explanation of how the projects were
12 chosen, what reliability improvements we can expect them to produce, and why
13 these investments produce more benefit at a lower cost than the alternative. Like
14 James said, there's a list of projects, but it's literally illegible. So our position is
15 this: A public process, transparency, following a set schedule, public input, those
16 are not irritating delays to be pushed through; they are an essential part of your
17 responsibility to your ratepayers. That's what makes you the teachers and the
18 companies the students and not the other way around. So it looks like the ink is
19 drying on the giant check, but it's not too late to implement a real resilience
20 framework. If you do vote to approve this today, we still want to work with you to
21 create a more reliable grid. We want to see real innovative solutions brought by
22 the people and the communities that you serve to create forward progress and to get
23 things done for the people of Louisiana. Thanks.

1 **CHAIRMAN FRANCIS:** Thank you, Erin. Do we have any other yellow cards
2 for people to come up? Okay. Here we go.

3 **MS. LOGAN BURKE:** Hi there. I have comments on both process and content,
4 so I'm just going to offer process comments now and my colleagues have both as
5 well. I'm sorry. Thank you. I'm Logan Burke. I'm the executive director of the
6 Alliance for Affordable Energy. Thank you so much for having us ask this question
7 about whether we should move this forward today and here. As you are probably
8 aware, the Alliance is supportive of investments in reliability and investments in
9 our future, there is no question of that. The challenge here is that we expected more
10 process. We expected, for example, another technical conference or settlement
11 conference of all of the parties and continued to direct questions to the utility even
12 last week. Questions that seem to have been dismissed simply because our expert
13 used the term reliability instead of resilience. The way in which this process has
14 rushed forward over the last week or two has not been supported, as Commissioner
15 Lewis mentioned, by the many parties that have been engaged with it nor Staff as
16 evidenced by Entergy's motion this Monday evening with not a single party in
17 support. Furthermore, we have deep concerns about the way in which this decision
18 is being made in a remote location only days after being publicly announced.
19 Louisianans expect this body, which makes decisions worth billions of dollars, to
20 make them clear eyed, based on facts, and in a way that is accessible to the
21 ratepayers who will be impacted. The public trust depends on that and that's what
22 we anticipated. The utilities intentions to push nearly \$2 billion worth of spending
23 forward without any stakeholder support with a framework that doesn't include

1 transparency or evaluations about how to continue to improve ratepayer
2 investments is concerning to say the least. I'm going to stop there because, as I say,
3 I have some other comments to offer about the content of the filing. We simply
4 urge this Commission today to delay this decision a month to give the parties and
5 the public the opportunity to work toward alignment. I'll stop there.

6 **CHAIRMAN FRANCIS:** Thank you, Ms. Logan.

7 **MS. BURKE:** Thank you.

8 **COMMISSIONER SKRMETTA:** Do you want to do your content now, too?

9 **MS. BURKE:** If you'd like, I'd be happy to. If that's helpful.

10 **SECRETARY FREY:** Yeah. You can. I mean, look, that's fine either way.

11 **MS. BURKE:** Certainly.

12 **SECRETARY FREY:** If you're up here, let's do it. I mean, it doesn't --

13 **MS. BURKE:** All right. Happy to, happy to. I appreciate it.

14 **SECRETARY FREY:** Right, right.

15 **MS. BURKE:** So in our testimony, we pointed out some no regret spending that
16 we are supportive of. It's obvious that Louisiana will continue to experience the
17 threats of major storms, but it's obviously not just for storms, it's also extreme heat
18 and extreme cold. And we must be prepared to protect life and safety, as was
19 mentioned earlier today. And as Florida has done -- I'm getting some feedback, so
20 I'm going to -- oh, all right. So as Florida has done, we should learn from each
21 storm and we should invest so that we can return to normal life as quickly as
22 possible. Throughout this docket, we've been concerned that the intention has not
23 been resilience, but instead has been a single-minded investment in Entergy's

1 preferred solutions without the necessary transparent evaluations to ensure we're
2 improving and what investments are the right ones. An enormous challenge for us
3 during this proceeding has been understanding why Entergy believes that
4 undergrounding is irrelevant or inappropriate entirely. Where our expert has
5 pointed out the wide difference between Florida's experience with undergrounding
6 versus overhead hardening, Entergy continues to dismiss the issue. We would like
7 to see more analysis showing why certain undergrounding projects should not be
8 considered. Think about this, utilities in Florida have seen only 20 percent
9 improvement or reductions in outages following storms from overhead hardening.
10 The difference in underground hardening is a 600 to 1,000 percent improvement in
11 outages and in failing during storms, 20 percent to up to 1,000 percent. We
12 understand that undergrounding is not cheap. We understand that it is a significant
13 investment and so we're not expecting that this Commission -- or even suggesting
14 that this Commission spend all of this money on undergrounding, but to dismiss it
15 entirely feels wholly inappropriate. Also, I want to --

16 **COMMISSIONER GREENE:** Sorry. Did you say 600 X?

17 **MS. BURKE:** 6 X to 10 X, so 600 times to 1,000 times, as opposed to 20 -- I'm
18 sorry -- 600 percent to 1,000 percent as opposed to 20 percent.

19 **COMMISSIONER GREENE:** Thank you for clarifying.

20 **MS. BURKE:** Yes, thank you for allowing me to. I also just want to point out the
21 concerns about extreme heat and extreme cold not being considered in this docket.
22 We know that those two situations are far more likely to impact an individual or a
23 household than even a named storm on any given day of the year, and so not

1 thinking about how those things impact our grid and impact us at home is, to me,
2 leaving out a major part of this equation. I'll stop there. Thank you.

3 **VICE CHAIRMAN LEWIS:** Ms. Burke, I do have a few questions for her, I
4 mean, while we have her. I'm reading your opposition testimony -- or your
5 opposition filing and you state that in Entergy Louisiana's framework, they contend
6 that no significant factual issues exist. Is that -- would that -- based off of what you
7 just said, I would assume that -- how can they make that assertion that no factual
8 issues exist if you are an intervenor filing testimony and opposition?

9 **MS. BURKE:** I'm going to ask my counsel to answer that question for you.

10 **VICE CHAIRMAN LEWIS:** Thank you.

11 **MS. SUSAN MILLER:** Thank you, Commissioner. My name is Susan Miller
12 and I'm representing the Alliance in this proceeding. Part of our opposition is
13 definitely that Entergy justified this motion based on their assertion that there are
14 no factual issues left to resolve and there's only policy issues. I'll point out, they
15 said there's only policy issues, but didn't say what those policy issues are, so they
16 left it the Commission to try to figure that out. But beyond that, we provided a list
17 -- a short list because we only had three days -- of all the factual issues that are in
18 our testimony that we feel haven't been resolved. Now, I will concede that you
19 could argue whether to do a plan or not is a policy issue, but the details of those
20 plans, if you choose to do one, are not policy issues, they're factual issues that we
21 disagree with Entergy on a number of things, and so to say there's no factual issues,
22 to me, is simply patently incorrect.

1 **VICE CHAIRMAN LEWIS:** I'm looking at their original application and their
2 sworn testimony. Have you had the opportunity to question Mr. May, Mr.
3 Meredith, or Mr. Lewis on their direct testimony?

4 **MS. MILLER:** We have had the opportunity to ask discovery questions, but
5 because we haven't got to the evidentiary hearings yet, we have not had any
6 opportunity to cross any of the witnesses in the case.

7 **VICE CHAIRMAN LEWIS:** And was there an evidentiary hearing scheduled at
8 some point?

9 **MS. MILLER:** Yes. There was, but because the parties thought there could be a
10 settlement, it keeps being moved at the request of the parties. The ALJ has been
11 moving -- changing the schedule.

12 **VICE CHAIRMAN LEWIS:** Right. So your factual questions that you are
13 posing could be answered if we had the utility cooperating, but in this procedure of
14 what we are taking up today is to say well, we don't really want to hear your factual
15 inaccuracies, we don't want to make our case, we want to just bypass, put in a
16 framework, and say by golly, we're good. I do have some policy questions for you
17 based off of your testimony and your opposition. After Entergy filed its initial
18 Resiliency Plan, you suggested that they should focus on top tier of projects where
19 you believe that resiliency benefits are inarguable, which includes the initial \$1
20 billion of distribution projects with the greatest benefit per dollar and transmission
21 projects in wind-loading zones with a large number of customers impacted. Have
22 you had the opportunity to review Entergy's latest plan? Do they incorporate those
23 discussions you brought up?

1 **MS. MILLER:** It's hard to say whether they actually incorporated everything that
2 we asked for. They definitely didn't incorporate everything that we asked for. As
3 a matter of fact, after the first settlement conference, internally, we developed a list
4 with our expert of things that we felt needed to be changed to meet our testimony,
5 as you say, but there never was a second settlement conference, so we never got to
6 present that to the parties.

7 **VICE CHAIRMAN LEWIS:** And so do you think this updated framework aligns
8 with your suggestion about top-tier projects?

9 **MS. MILLER:** No, I do not.

10 **VICE CHAIRMAN LEWIS:** Let's go to the modeling and the modeling that
11 1898 did to assist Entergy in creating this Resiliency Plan. It's obviously very
12 complex and hard. One of the major points in your testimony is that Entergy should
13 validate model with actual data, both historical and future. Why do you think these
14 models need to be validated?

15 **MS. MILLER:** The models needed to be validated because they are using the
16 models in order to select what projects they do and so you need to know that your
17 model is actually correct if you're going to use that to spend billions of dollars.
18 And they haven't validated -- their model is very new and they haven't validated
19 that model for use to choose projects that cost hundreds of millions to billions of
20 dollars.

21 **VICE CHAIRMAN LEWIS:** I'm letting them answer the question. I understand
22 that some don't want to hear it, but I'm not going to speed up \$1.9 billion worth of
23 spending for my constituents. My next question for you is: In your testimony, you

1 discuss some broader issues with the scope of Entergy's approach to resiliencies;
2 what other technologies should be included in holistic approach to grid hardening
3 and reliance that is not in this framework?

4 **MS. BURKE:** So some of the things that were brought forward by parties were --
5 included distributed resources. So for example, I know that, for example, Together
6 New Orleans, Together Louisiana have recommended having installed facilities,
7 resilience hubs as part of this plan and not just saying Entergy's grid hardening will
8 solve resilience, but thinking more holistically about what those technologies can
9 be in addition to the undergrounding and in addition even to thinking about
10 resilience in terms of how people stay safe at home when the lights do go out. And
11 so thinking about things like having more efficient housing needs to be part of the
12 -- if we're thinking about resilience, if we're thinking about being ready.

13 **VICE CHAIRMAN LEWIS:** Thank you. And my final question for you is that,
14 if this approach was not as holistic because it does not discuss grid enhancing
15 technologies, increasing redundancy at transmission and distribution levels, and
16 interregional interconnections, and extreme weather planning suggested by FERC;
17 does this qualify as resiliency as we're selling it off today?

18 **MS. BURKE:** I would say no. I would say this is a grid hardening proposal not a
19 ready or resilience proposal.

20 **VICE CHAIRMAN LEWIS:** Thank you, Ms. Burke. Thank you for your time.

21 **CHAIRMAN FRANCIS:** Commissioner Greene.

22 **COMMISSIONER GREENE:** Thank y'all for your input along the way and I
23 think y'all have some great ideas along with Together Louisiana and we look

1 forward to the rest of resilience pathway. Would you agree that grid hardening or
2 pole updating is a part of just making it better?

3 **MS. BURKE:** I can't disagree. We know, if you look around Louisiana, that our
4 infrastructure has not been well maintained. We know that we need investments in
5 our system to make us safer as these storms get worse. There's no question.

6 **COMMISSIONER GREENE:** And I guess my question is, I'm a big fan of
7 resilience hubs and distributed generation, but that can't obviate the need for pole
8 updating.

9 **MS. BURKE:** I don't disagree.

10 **COMMISSIONER GREENE:** Okay. Thank you. Thanks for your input.

11 **CHAIRMAN FRANCIS:** All right. Thank you, ladies, for your testimonies. Do
12 we have some other ones, Ms. Bowman?

13 **MS. BOWMAN:** No, sir. The only other yellow card is Mr. Hand for Entergy.

14 **CHAIRMAN FRANCIS:** Okay. So we've got to vote on Rule 57.

15 **MS. BOWMAN:** Yes, sir. There's a motion on the floor by Commissioner
16 Skrmetta and a second by Chairman Francis to take this matter up under Rule 57
17 and there's opposition by Commissioner Lewis, so we do need a roll call vote.

18 **CHAIRMAN FRANCIS:** So, Commissioner Greene, how do you vote?

19 **COMMISSIONER GREENE:** Yes.

20 **CHAIRMAN FRANCIS:** Commissioner Skrmetta, how do you vote?

21 **COMMISSIONER SKRMETTA:** Yes.

22 **CHAIRMAN FRANCIS:** Commissioner Lewis, how do you vote?

23 **VICE CHAIRMAN LEWIS:** No.

1 **CHAIRMAN FRANCIS:** Commissioner Campbell, how do you vote?

2 **COMMISSIONER CAMPBELL:** I would want to say this, I don't think putting

3 this off 30 days is going to hurt anything, so I would vote no.

4 **CHAIRMAN FRANCIS:** Okay. The Chair votes yes, so it's a three to two vote.

5 So we move on to the motion now that we're out of 57?

6 **MS. BOWMAN:** Yes, sir. We move on to the merits of the docket and Mr. Hand

7 is --

8 **COMMISSIONER SKRMETTA:** Do you need to -- you've already read the in

9 re, correct?

10 **MS. BOWMAN:** Yes, sir.

11 **COMMISSIONER SKRMETTA:** I move to approve Staff recommendation --

12 actually, it's not a Staff recommendation.

13 **MS. BOWMAN:** It's not, yeah.

14 **COMMISSIONER SKRMETTA:** So is it to move to approve the --

15 **MS. BOWMAN:** Entergy's motion.

16 **COMMISSIONER SKRMETTA:** -- Entergy's motion under Rule 51?

17 **MS. BOWMAN:** Fifty-seven.

18 **COMMISSIONER SKRMETTA:** It's under 67?

19 **MS. BOWMAN:** Fifty-seven.

20 **COMMISSIONER SKRMETTA:** Under 57.

21 **MS. BOWMAN:** Yes, sir.

22 **COMMISSIONER SKRMETTA:** So it's just a move to approve --

23 **MS. BOWMAN:** Entergy's motion.

1 **COMMISSIONER SKRMETTA:** -- the Entergy's motion. Okay. Okay.

2 **CHAIRMAN FRANCIS:** And I'll second it, the Chair.

3 **VICE CHAIRMAN LEWIS:** I'll object.

4 **CHAIRMAN FRANCIS:** There's objection.

5 **COMMISSIONER CAMPBELL:** Is this on the vote?

6 **COMMISSIONER SKRMETTA:** And now, it's on the floor, so we can call

7 Entergy up.

8 **CHAIRMAN FRANCIS:** So we'd call Entergy up to testify for your side of this.

9 **COMMISSIONER CAMPBELL:** Let me ask the questions. Let me ask the

10 questions.

11 **CHAIRMAN FRANCIS:** Okay. Question by Commissioner Campbell.

12 **COMMISSIONER CAMPBELL:** The motion was on the whole subject matter;

13 is that right? Before we hear the witnesses.

14 **MS. BOWMAN:** Yes, sir. What was just moved was to approve Entergy's motion

15 to accept their resiliency framework that was filed into the record.

16 **COMMISSIONER CAMPBELL:** Yeah. Okay. Before we hear the testimony -

17 - correct -- from Entergy, correct?

18 **SECRETARY FREY:** Correct, correct.

19 **COMMISSIONER CAMPBELL:** Yeah.

20 **MR. LARRY HAND:** Commissioners, good morning or good afternoon. Larry

21 Hand on behalf of Entergy Louisiana. First off, I believe we had worked with a

22 few of the parties in the last week or so to agree to some modifications, so I think

1 the motion we would request is one that approves the framework that we filed, but
2 also recognizes the amendments that have been requested.

3 **COMMISSIONER GREENE:** Could you move a little closer?

4 **MR. HAND:** Yes. We think the motion would be one that approves the
5 framework, but also has two modifications that I think are part of what we worked
6 through with the parties or at least the parties who were discussing it with us.

7 **CHAIRMAN FRANCIS:** Okay.

8 **MS. BOWMAN:** Yeah. And I wanted to confirm that with Commissioner
9 Skrmetta.

10 **COMMISSIONER SKRMETTA:** We're going to read the motion into the
11 record.

12 **MS. BOWMAN:** Yes. So Entergy's resilience application has been pending at
13 the Commission for over 16 months. That application requested approval of an
14 initial five-year plan with an estimated cost of \$5 billion at the first stage of a ten-
15 year plan. Since that filing, it is my understanding that a lot of discovery and
16 testimony has been exchanged and there were several technical conferences that
17 took place with all parties. Entergy's current motion seeks approval of a
18 framework, which was Attachment 1 including exhibits, on which they can
19 undertake a specific subset of hardening efforts that are expected to cost \$1.9 billion
20 over five years. It is also my understanding that the framework requires
21 transparency and accountability metrics throughout the hardening efforts in order
22 to ensure protection for customers. Also, an important component of this proposal
23 is that Entergy agrees to be bound by the rules that the Commission may issue for

1 two pending rulemakings on resilience and pole viability. In addition to the direct
2 customer benefits of these projects and the projects will support economic
3 development and jobs in Louisiana, both in terms of the linemen who will do the
4 work and the businesses that will want to invest in a more resilient Louisiana.
5 Accordingly, I move that we approve Entergy's motion and approve the resilience
6 framework attached to the motion, subject to two modifications. Paragraph 8C of
7 the attachment is amended to increase the starting value of the pole performance
8 penalty by \$500 per pole type, which will provide additional protections for
9 consumers if the hardened assets do not perform as expected. And Paragraph 4A
10 ii of Attachment 1, Exhibit B is amended to provide that the transmission voltage
11 customer shall be assigned 16 percent of the distribution revenue requirement
12 instead of the 33 percent as proposed by Entergy for the Entergy 1.925 billion
13 proposal for grid hardening expenditures provided, however, that such 16 percent
14 amount shall not be used, argued, or be applicable, or relevant in any manner as a
15 basis to reduce the sharing level that occurs for sharing by transmission level
16 customers and distribution restorations after hurricanes occur. That is the motion
17 with amendments.

18 **VICE CHAIRMAN LEWIS:** Kathryn, have we gotten a copy? Those two
19 modifications are brand news to me. No one has told me -- I've never heard about
20 these two modifications until you just read them.

21 **COMMISSIONER SKRMETTA:** It gives more money to the ratepayers, so.

22 **VICE CHAIRMAN LEWIS:** I understand that, but in full transparency, I am
23 finding about a modification to a term sheet that was filed on Monday while you

1 read the motion and we are calling that transparent. I was trying to take notes as
2 you said it, and so in full transparency, can we have the two modifications repeated
3 so I can try to understand exactly what they are?

4 **MS. BOWMAN:** Yes, sir. So Paragraph 8C of Attachment 1 increases the starting
5 value of the pole performance penalty by \$500 per pole type, which is providing
6 additional protections for consumers if those hardened assets do not perform as
7 expected. Do you need me to repeat any of that?

8 **VICE CHAIRMAN LEWIS:** I got that part. Thank you.

9 **MS. BOWMAN:** You're welcome. So Paragraph 4A ii of the Attachment 1,
10 Exhibit B. You there?

11 **VICE CHAIRMAN LEWIS:** I'm good. Thank you.

12 **MS. BOWMAN:** Is amended to provide that transmission voltage customers are
13 assigned 16 percent of the distribution revenue requirement instead of the 33
14 percent proposed by Entergy, provided that that 16 percent amount is not to be used,
15 argued, or applicable, or relevant in any manner for a basis to reduce the sharing
16 level that occurs for sharing by transmission level customers in distribution
17 restorations after hurricanes occur.

18 **VICE CHAIRMAN LEWIS:** Thank you.

19 **MS. BOWMAN:** You're welcome.

20 **MR. HAND:** Good afternoon, Commissioners. Again, Larry Hand on behalf of
21 Entergy Louisiana. I'm joined by Mr. Phillip May and Skylar Rosenbloom, my
22 counsel. Thank you for the opportunity to speak. I do want to first -- and I'm sure
23 you have questions of me and Phillip, we're happy to answer them. I want to

1 address a few things that I heard earlier. There's a lot to unpack. First off, the
2 process that's been described, I want to talk a little bit about what the process really
3 has been, and secondly, I want to address the characterization that no one's aligned
4 with what we're trying to do here. First and foremost, we've engaged extensively
5 with the parties for the last 16 months in this process. There's been, you know,
6 1,000 pages of sworn testimony filed in the record, roughly 600 pages by us, maybe
7 400 pages by the intervenors and the Staff. I will point out that this Commission
8 retained two different consulting firms, experts on these matters, to advise them
9 and to file testimony and recommendations. Those very consultants advising the
10 Staff and the LPSC Staff's position, I believe, on the framework and the motion as
11 read is that the terms of the framework are reasonable to the extent -- and acceptable
12 to them to the extent the Commission is inclined to accept them and approve them.
13 Secondly, you know, we worked with the [INAUDIBLE] Users Group. They have
14 withdrawn their opposition. They're willing to withdraw that opposition in
15 exchange for an adjustment to the allocation percentage, which I think is beneficial
16 for customers because the LEUG's position going in is that zero percent should be
17 reallocated, which would be extremely harmful to distribution level customers. So
18 this agreement really locks in that benefit and gets a contribution from industrial
19 customers to pick up some of the cost of these resilience investments which benefit
20 our commercial customers and our residential customers. The other amendment is
21 to increase the pole performance penalty, which I'll talk about later, but this
22 framework due to the -- I'll be polite -- saying being leaned upon by the LPSC
23 Staff's experts, we have put forward an agreement to have accountability and

1 transparency measures that are first of kind, not only in Louisiana, I believe in the
2 country. And this other adjustment increases that further by \$500 per pole type so,
3 you know, to characterize this as, you know, negative changes at the last minute,
4 they're very beneficial for customers and more accountability that we're giving in
5 to this process. In terms of the other parties in this docket, yes, this is not a typical
6 settlement you would see where people sign up. We took the information, the
7 feedback from Commissioners, from stakeholders, from witnesses, all of that and
8 continued to refine it, worked very hard to get to where we are. I will represent that
9 the framework that's before you is not what we originally proposed, it's a lot worse,
10 you know. We were pulled back by the LPSC Staff and reined in, so what's before
11 you is a compromise on our part hearing the stakeholder feedback. The parties in
12 this case, you've heard from the Alliance for Affordable Energy. They are opposed.
13 They stated the reasons for that. The LEUG has withdrawn its opposition, is now
14 currently in a non-opposition position. Other parties in this case have taken
15 positions and I would venture to say that other than the Alliance for Affordable
16 Energy, Walmart has opposed -- they're not opposed to the resilience and hardening
17 efforts, they are opposed to the rider recovery. So it's an opposition, but yes,
18 they're opposed to the rate mechanism, not the actual investment that needs to be
19 made. And Pointe Coupee Electric is not opposed and I think the remainder of the
20 parties just haven't stated a position, which you can read that however you want,
21 but they're not -- they haven't stated they oppose it, haven't stated they support it,
22 they've taken no position. So I wouldn't characterize this as no one has supported
23 this, no one agrees to it. I think there's a lot of alignment amongst the intervenors

1 to get to where we are. You know, in terms of the process that's taken place here,
2 we did file the Rule 57 motion, I guess, Monday. We did advise the parties last
3 week that we would be doing that to give them a heads up, but in terms of what's
4 on the table, this framework, it is not something that fell out of the sky and should
5 surprise the intervenors and I want to walk through, kind of, how we got here. We
6 did file this application back in December of 2022. We filed testimony and rebuttal,
7 that was November of 2023. We had a hearing date, a contested hearing date,
8 scheduled in January. There was a lot of feedback we got from stakeholders and
9 some Commissioners that they wanted to slow down that contested process and let
10 the rulemakings continue to work and not have this hardening plan get ahead of
11 them. And how do we align what we're doing to make the state more resilient and
12 a hardened grid with what the Commission is trying to accomplish on a statewide
13 resiliency model or pole viability? So we agreed to defer and postpone that hearing
14 in January to work on that, to meet with the Commissioners, Staff, experts,
15 stakeholders, multiple engagements have taken place since then. In the first quarter
16 of 2024, we had multiple technical conferences to walk through the resilience plan,
17 get feedback. Also, in the first quarter, we worked extensively with the LPSC
18 Staff's external consultants, two expert firms, United Professionals as well as
19 CSRS, and I think it was on about by March 15th that work with the Staff culminated
20 in us in identifying a framework that we could move forward. That was provided
21 to all the parties on March 15th to begin considering and get their feedback. On
22 March 19th, we hosted a conference call to walk through that framework, as it then
23 existed, and received comments and questions. March 25th, we provided written

1 responses to certain parties who had requested more information, and then on
2 March 27th, we provided an update to this Commission at the March LPSC meeting
3 advising where we were. At that time, I couldn't speak about ongoing settlement
4 negotiations or the positions that parties had taken, but we wanted to apprise you
5 of the efforts we had taken to get to that point. And I believe -- I've slept since then,
6 I cannot recall exactly what I said, but I thought I was urging the parties to continue
7 to work on this, so we could be here today, before this Commission to take an
8 affirmative step to make Louisiana's grid more resilient and hardened and start
9 taking the steps now. We are about 45 days before hurricane season and we need
10 to get moving soon and that's why we want to bring this forward and get to a vote.
11 On April 9th, we received some additional redlines and revisions to the framework
12 from the LPSC Staff, which we circulated to the parties again to update them on
13 where we were. These were not wholesale changes, they were minor changes, and
14 then on April 12th, as I said, we did inform the parties of our intent to bring forward
15 a Rule 57 motion to ensure they had notice that this framework was going to be
16 presented, we were going to ask the Commission to consider it, to give them full
17 notice that we intended to do so. And on March 15th we did file a Rule 57 motion
18 with the framework and all the supporting exhibits. When you look at all the record
19 that's here, there's over 1,000 pages of sworn testimony, there's been over 1,000
20 pages of discovery exchanged amongst the parties. LEUG also deposed one of the
21 Staff's experts along the way and I heard earlier that no one had the opportunity to
22 cross-examine Mr. May or any other witnesses, you know. LEUG figured out a
23 way to depose a witness if they had questions they wanted to answer under oath.

1 Lots of discovery, so here we are. I think the record is pretty clear that the evidence
2 is there and I want to talk about what we originally filed back in December of 2022.
3 As you will recall, we filed a five-year program back then that was estimated to
4 cost about \$5 billion. It had -- you know, just for reference, it had about 2,500
5 individual projects identified. That was an exhibit to Mr. Meredith's testimony, a
6 detailed spreadsheet of those projects, amounted up to about 2,500 projects, which
7 would touch about 96,000 structures. For reference, Entergy Louisiana has over a
8 million distribution poles across the state. That program would have tackled or
9 touched 96,000 structures. When we got feedback from the parties about where the
10 Commission was in its policy for resilience, we went back to the drawing board.
11 We tried to identify the lowest hanging fruit, the biggest benefit projects we could
12 bring to this Commission and present what we believe is a no regrets starting point
13 to begin hardening and grid resilience. That resulted in, and this was all shared
14 with you over the time, but it was a scaled back version of a five-year plan with
15 about \$1.9 billion of investment. That would touch 2,100 specific projects and
16 that's about 69,000 poles or structures that would be touched. So that's kind of
17 what was in the original filing. I would represent to you that every project, every
18 specific project, that is in the current framework in the exhibit that was filed is also
19 in the original exhibit that was filed in the case. So to represent that there's no
20 evidence supporting the request before this Commission, that there's been no
21 process, is deeply, deeply flawed. So we believe this is ripe for the Commission to
22 vote on and I'm happy to walk through the terms and talk more about the consumer

1 protections, but I'll yield there and see if you have any questions that you would
2 ask of me at that point.

3 **CHAIRMAN FRANCIS:** Commissioner Skrmetta.

4 **COMMISSIONER SKRMETTA:** I'm just going to go through a few things about
5 my thoughts about this particular issue more so than question you about it because
6 we've spent an enormous amount of time over the last couple of weeks talking
7 about this, and I'm talking about me and Entergy, whether it be by phone or in
8 person. I will tell you that the Commission over the past -- I don't know, since I've
9 been here -- 15 years, we've recognized that we've got no mechanism to acquire
10 insurance over the transmission and distribution grid. It doesn't exist. That was
11 courtesy of Hurricane Andrew in Florida some years ago and it wiped out the
12 opportunity to do it. And we've been looking for a way to acquire some form of
13 insurance on the grid, but it doesn't exist. When we look at the past couple of
14 storms that we paid out on to do repairs, it was a little bit over \$4 billion and it was
15 right to do so. We got the services back up, we put the economy of the state back
16 on foot pretty quick. We looked -- that was in Laura and Ida. And, you know, the
17 thoughts behind this were to make the concept of an ounce of prevention is worth
18 a pound of cure. That if we take this action now, a couple of things happen; we
19 harden the system and we do so in the way that if the actions that Entergy takes,
20 that if any of these poles fail, that there is a amount of money that is paid back to
21 the ratepayers of these new poles that go down. And we engaged Entergy and
22 brought that item up, which is a part of this amendment or the additions to the
23 motion, to bring this item up -- the amount up to a significant amount of money,

1 which overrides any of the stranded asset continued costs that would exist and that's
2 a major step forward for the ratepayer. And what it really does, it creates, sort of,
3 a de facto insurance mechanism that if the system works, the system works. And
4 if it fails, it's insured and we create a mechanism to where we have a recovery for
5 the failures in the system as we move forward. So the second part of this, which I
6 found to be acceptable only in the consideration of we search for balance, because
7 that's what a Commissioner is supposed to do. We search for the balance of the
8 interests. We don't look, you know -- while I'd like to be an advocate, I realize that
9 my job is to balance interest and we look at the costs associated with this particular
10 thing, which we haven't been talking about too much, and it's going to be a five-
11 year plan, my understanding, and it's going to be for the average consumer of a
12 1,000-kilowatt home. It's going to be beginning at a lower number, but increasing
13 to a maximum of about \$8 per month, and that is going to be gone in five years.
14 It'll be shifted off from a line item to a rate base issue, it'll be a smaller number
15 then. So I do think that it's a concept worth looking at, it's a concept that won't last
16 forever, it is one that provides a reasonable level of security, and it attracts the
17 interest -- or the interest that a lot of people from all sides of the fence have been
18 arguing about, about hardening the grid, making things better, finding the way to
19 do it, finding the way to do it economically, and finding the way to do it to provide
20 adequate protections for the public. And I believe that, at this point, I think we've
21 been able to craft an agreement that will provide the better level of security for the
22 system, the better level of security for the public, and the security and knowledge
23 that if there's ever a failure in the system of what they've proposed, that the balance

1 of value and the money involved will come back and provide for it to be repaired
2 in a meaningful way that'll balance the interest in favor of the ratepayers. So I was
3 the hardest sell on this and I want you to know that. And this is something that
4 caused me a lot, a lot of discussions and also caused a lot of people to be calling
5 me and a lot of people to be hanging on me. But until I got the raised value
6 associated with making sure that if the system failed, that the ratepayers benefitted
7 to the greater advantage, I wasn't going to give in on it. And so I feel like we've
8 achieved that goal and I think it's something that's pressed itself to be in the best
9 interest of the company and also in the best interest of the ratepayers and I think
10 striking that balance was an important step. So that's about all I have to say.

11 **CHAIRMAN FRANCIS:** Commissioner Lewis.

12 **VICE CHAIRMAN LEWIS:** Thank you. Thank you, Mr. Hand and Mr. May,
13 for your comments earlier. I do have a few questions on the underlying proposal.
14 Mr. Hand, I'mma start with something that you just said. You said that hurricane
15 season is 45 days. Will any of these projects be in construction before June 1st?

16 **MR. HAND:** In construction, it would be difficult to say. The first step once we
17 -- you know, assuming we get approval, is to engage the contractors to begin
18 scoping those and then you design them and then you construct them. So I can't
19 say any will be, but I also can't say absolutely none will be, depending on the scope
20 and the scale. So I understand your point. I will agree, of course, that the bulk of
21 these, just based on where we sit today and where storm season is and the
22 engineering that has to happen, the Staff engagement that has to happen, all of those
23 things, it's very unlikely that there will be significant investments prior to the start

1 of storm season. Storm season goes a long time. We've had late storms, but more
2 importantly, I'm thinking about storm season next year. If we start today, get
3 moving, we're going to be in a much better position next year based on the
4 spending, the investments we can make this year, and throughout 2025. So really
5 I think, eyes wide open, that is what, you know, we should be really focused on and
6 every month, every day matters to get ready for, you know, storm season 2025.

7 **MR. PHILLIP MAY:** And if I may -- Phillip May for Entergy -- add to that. I
8 think the other thing this does, and while we can't say with certainty that any project
9 will be started before June 1st, what we can say is the state has an enormous
10 opportunity of economic development. And those folks who are deciding whether
11 or not to invest in the state of Louisiana, and we're talking tens of thousands of jobs
12 and tens of billions of dollars, they want to see a sign that their concerns are taken
13 seriously and we're going to build a grid that gives them confidence to make these
14 investments. I believe that to be true and I anticipate that this vote and approval for
15 a more resilient grid will facilitate that investment, will facilitate new jobs and
16 growth for the state of Louisiana. So for the first time in a long time, we can be no
17 longer on the bottom of that list, we can move forward with economic progress for
18 all of our citizens, not simply because of the avoidance of a cost of a hurricane, but
19 because it says to people who are looking to see whether or not they want to invest
20 in this state that we get it and we're going to provide a mechanism that allows you
21 to confidently invest in this state. And I think that's the important statement and
22 the sooner we can make that statement, the better off the state is, the better off its
23 citizens are.

1 **VICE CHAIRMAN LEWIS:** And I appreciate that and I don't think that there's
2 anyone who does not want to see our grid more reliable and resilient. I think the
3 question that faces us today is how we do it and whether or not the metrics that we
4 are using are the correct one. I mean, we have talked significantly about Florida
5 and we can -- I mean, most people focus in your testimony, that you submitted into
6 the record, focus mostly on the 2019 decision of the Public Service Commission,
7 but didn't really focus on what -- I'm sorry, of the legislator to the Public Service
8 Commission, but didn't really focus on some of the other items that they did in
9 2005, 2006, and 2007. But my next question for you is: When we talked about this
10 plan being out there for so long, why did you not provide any residential customer
11 cost benefit information and we had to do the consultant? I didn't see that in your
12 framework, and so I'm curious, if we're talking about this as a well thought out
13 plan, the consultants had to do that. And I'm just curious why we had never had
14 those conversations.

15 **MR. HAND:** And I don't know if I follow the question about consultants, but let
16 me address head on the bill impact issue. You know, we're dealing with a specific
17 list of projects and we currently have cost estimates of what those will cost. So we
18 do have high level estimates of what the bill effects will be for a residential
19 customer. We have shared that with the LPSC Staff as they requested, you know,
20 not knowing exactly what would be voted on in terms of the final motion, the
21 adjustments that had been requested to make this more customer centric. You
22 know, your estimates are only as good as the current information, so we have

1 updated those bill effects and I'm happy to walk through them, as what they are.

2 You know, beginning in --

3 **COMMISSIONER GREENE:** Could you do that right now? Can you do the bill
4 impact?

5 **MR. HAND:** I'm happy to, since it's been --

6 **COMMISSIONER GREENE:** Sorry to interrupt.

7 **MR. HAND:** No, no. Since it's been talked about, you know. 2025, the estimated
8 monthly bill effect for a residential customer, and the numbers I'm giving you, as
9 y'all know, we still have legacy ELL rates and legacy EGSL rates, so I'm giving
10 you kind of an average of the two, roughly in the middle. But in 2025, we expect
11 the monthly bill impact for a residential customer using 1,000 kWh to be \$0.57;
12 2026, with completed investments, that number would go to \$2.64; 2027, it would
13 be \$5.41; 2028, it would be \$6.97; and in 2029, it would be \$7.19. And at that point
14 in time, the investments are largely complete because this is a finite set of projects.
15 Once they're complete, that \$7.19 would begin to decline as depreciation accrues
16 on those investments, so I would say, at the peak, the proposals here would result
17 in \$7.19 per month on a residential bill and then decline thereafter with the passage
18 or accumulation of depreciation.

19 **VICE CHAIRMAN LEWIS:** Thank you. Can you explain the relationship
20 between this now proposed rider, your O&M spending, and the transmission and
21 distribution spending that you have allocated or aligned in your pending rate case
22 or FRP extension? I mean, because you've got about \$5 billion in T&D in that rate

1 case, you have traditional O&M spending, and now we're talking about a 1.9
2 billion, so I'm trying to figure out how we -- how they exist with each other.

3 **MR. HAND:** Yes. Great question and it's one I've gotten before, so I'm glad you
4 asked it. And I'm not an engineer, you know that. The guy to my left is an engineer,
5 so if we get into technical stuff, I'm going to punt to him. But in terms of the rider
6 itself, the resilience rider that is attached to the framework, it is very specific. The
7 only costs that are eligible to be recovered through that rider are the costs associated
8 with the specific projects that are on Appendix A, so they're asset specific, so it's
9 only those assets, those projects whose costs are eligible to be recovered through
10 the resilience rider. Also, any costs incurred by the Commission's consultants to
11 monitor the work, and there's a lot of framework here for them to monitor it, check
12 our homework, make sure we're doing what we should do, that too would be
13 through the rider. So that's a very discreet set of costs that are eligible for recovery
14 through the rider. When you think back about the distribution recovery mechanism
15 or the FRP, we remove from those mechanisms, and we do this for a number of
16 things, and I'll talk through that. But we remove from those mechanisms anything
17 that would have the project code associated with the resilience or hardening plan
18 and those specific 2,100 projects. So anything that pops up on that tag is removed
19 from the DRM, it's ineligible for recovery. That's one of the things your Staff
20 checks when they review our FRP filings, and we did the same thing, for example,
21 with AMI meters. We have a separate, you know, way to recover the AMI meter
22 cost, and so AMI meters would fall into the distribution function, but we manually
23 remove all of those AMI costs because they're coded as AMI. We remove them

1 from base rates and also make sure they don't go in the DRM to make sure there's
2 no double recovery. That same process will be followed here to make sure. That's
3 the ratemaking mechanics. I think your other question, the second part, where Mr.
4 May may want to help me, is how do you distinguish between the types of
5 investments that are being done under the resilience versus the normal O&M type
6 stuff. First off, again, the resilience is only the 2,100 specific projects we've
7 identified. If that is approved today, those are the only things that we can proceed
8 with and recover through the DRM -- the resilience rider, distribution recovery
9 mechanism or other maintenance. If you think about a hardening plan, we're going
10 to go look at a feeder, identify a feeder that has a lot of customers and is vulnerable
11 to damage. And if we replace that entire feeder, may have 100 poles, we're going
12 to put, you know, new cross-arm designs, you know, new poles. We're going to
13 methodically do the entire feeder as part of the resilience. If we were doing a pole
14 inspection, like we're out doing today, we inspect poles every day, and we find a
15 pole, based on inspection, or sounding, or boring, that doesn't meet requirements
16 and is in imminent risk of failure, we'll remove that pole or we'll put it on the list
17 to deal with in six months or a year. As those poles are removed and replaced,
18 those types of poles will go through the normal distribution recovery mechanisms,
19 but it is not the same thing as replacing the entire feeder and bringing that entire
20 feeder up to today's wind loading standards to gain that benefit. Other examples,
21 new subdivisions, you know. We get a request to build out a new subdivision, we
22 would do that, and those types of costs would go through the DRM or other things.
23 You're familiar, unfortunately, we had some issues last year, earlier this year,

1 mostly last year in the Baton Rouge area, so a lot of that blitz effort we did to
2 rebuild. We had an issue in Gonzales, as you recall, with an underground line that
3 had a number of failures. We built an overhead duplicate. So those normal types
4 of activities, new subdivisions, load growth on the distribution system, those are
5 things we would recover through the distribution recovery mechanism or through
6 the base rates. Am I getting to the question?

7 **VICE CHAIRMAN LEWIS:** No, no, yeah, no. You got to my question. You
8 answered my question. Thank you so much. And then, one of the last questions I
9 have for you is: Can you explain how -- or why, excuse me, you decided to include
10 only the pole performance fee and did not include the cost metric or the CMI
11 reduction metric that was suggested by our Staff in this framework?

12 **MR. HAND:** Yeah. And I guess, at a high level, that was the result of a lot of
13 challenges between us and Staff, challenging one another, explaining our positions,
14 and working towards something that addressed their concerns as well as ours. And
15 basically, I think it just addresses it in a different way. The Staff's original proposal
16 in this case was to include a decrement to our return on equity to make these
17 investments. From a cost of capital perspective, our cost of capital is a number that
18 is the actual cost of capital, which includes the ROE as set by the Commission. To
19 think that you would have a lower cost of equity or capital simply because you're
20 doing resilience is not how the capital markets would work. So we really struggled
21 to get there, but we understood the objective of the Staff was to make sure we had
22 more accountability for doing this stuff, that we would stand behind it, and the
23 term's used often, skin in the game. So we wanted to try to come at it a different

1 way, so we moved away from a decrement to the ROE and tried to come up with
2 how can we demonstrate to our customers that we believe so much in what we're
3 proposing to do that we're going to stand behind it. Commissioner Skrmetta
4 referred to it as a form of insurance which is not commercially available and that's
5 how we got to a pole performance penalty. We looked at the, you know, the cost
6 of the different structures, whether it's a wood pole, steel pole, concrete pole,
7 composite pole, and came up with a number that would be a very significant credit
8 back to customers if that hardened pole failed. And it does two things, I think, that
9 performance metric we have out there. It compensates customers. They didn't get
10 what they paid for, right. So if a hardened pole fails in Year 2 or 3, and we have
11 that on the rates, the customers didn't get what we told them they should get. And
12 so this is our saying we're going to stand behind that and credit money back to
13 customers to stand behind the work we're trying to do. And the second thing it
14 does is it recognizes that certain of the assets we'll have to remove from service to
15 replace, they have a remaining net book value, you know, based on the accumulated
16 depreciation. So this also recognizes that if a hardened pole fails within, I'm making
17 up an example, within the first five years, the pole we took out of service, it was
18 still standing, we took it out, put in the hardened pole. Some would say well,
19 customers have to pay twice now. So this increased pole metric penalty, the extra
20 add-in, is to try to compensate for any exposure customers have to the remaining
21 book value of the assets that we removed from service or retire in order to perform
22 the hardening work.

1 **VICE CHAIRMAN LEWIS:** Thank you. And I mean, I appreciate -- so just so
2 I'm clear, so the pole performance metric fee phases out after 25 years, right?

3 **MR. HAND:** It declines, yes.

4 **VICE CHAIRMAN LEWIS:** It declines 4 percent each year and then phases out
5 at 25 years.

6 **MR. HAND:** That's correct.

7 **VICE CHAIRMAN LEWIS:** Okay.

8 **MR. HAND:** And so the basis for that, generally, a distribution pole is generally
9 depreciated over 30 year life; transmission structures, maybe 40. So that was the -
10 - again, to get the highest level of pole performance penalty we could get support
11 for to put on the table, we narrowed it to 25 years because that's the biggest risk,
12 right. If a pole fails in Year 25 -- a distribution pole fails in Year 25, and you're
13 depreciating it over 30 years, there's not a lot left at the end. So our focus here is
14 the risk to customers if these hardening structures fail in the early years and that's
15 why we front loaded, if you will, the pole performance penalty in those early years.

16 **VICE CHAIRMAN LEWIS:** Thank you.

17 **CHAIRMAN FRANCIS:** Some would say you put some skin in the game, huh?

18 **MR. HAND:** I've been told it's more like a pound of flesh, but skin in the game is
19 what I've heard.

20 **CHAIRMAN FRANCIS:** Okay. Let me put one out. I, like Commissioner Lewis,
21 I don't like the last-minute deals, but anytime a utility comes in here and gives the
22 ratepayers a concession like you did at the last minute, you're welcome. Okay.
23 Commissioner Lewis, go ahead.

1 **VICE CHAIRMAN LEWIS:** Yeah. No, no. Thank you, Mr. Chairman. I just
2 had one last comment that I would make and then I'll be done on this. I mean, I
3 just want to ensure that this framework does not jeopardize the work in the
4 remaining R-dockets, 35394, 36226, and 36227 because I think that is where we
5 should've been working. And getting in this point where if we look back at Florida
6 and we actually examine what Florida did, it was making rules that prevented and
7 amplified storm readiness, storm preparedness. And I am struggling today simply
8 because I still feel we're very much ambiguous on what we are saying resiliency is.
9 I mean, we have said resiliency, but we've mentioned most of these projects are
10 grid hardening, it has not taken into all of the technology that would make
11 resiliency. It is very last minute, we made modifications just seconds -- minutes
12 ago. And so while I appreciate the work, I will continue to work with you on this.
13 This is why I am strongly objecting because I feel we have a better process. I mean,
14 I go back to my colleague, Commissioner Greene, who had this memo in October,
15 and I actually, really do agree with this line, you know, where you wrote I am
16 curious to understand why the Commission would want to try this path forward
17 before considering Entergy's \$9.7 billion proposal on resiliency without going for
18 the rules. And that's where I've been every step of the way. I agreed with
19 Commissioner Greene at the time. I still agree that that is the way that we should
20 move forward and I thank you for your time.

21 **MR. HAND:** Yeah. And then --

22 **CHAIRMAN FRANCIS:** Commissioner Greene.

23 **MR. HAND:** - you started that with a question that I want to confirm.

1 **VICE CHAIRMAN LEWIS:** Oh, I'm sorry. Yes.

2 **MR. HAND:** No, no, no. For the record, it is a specific term of the framework
3 that we remain and commit to follow the outcome of any Commission rules,
4 policies in the various dockets, pole viability, grid resilience. We can affirm that
5 commitment. It's in writing, I'll affirm it here today. And to accomplish that, what
6 we've agreed to, we are not off to the races to spend \$1.9 billion, complete all the
7 projects tomorrow. There's a measured approach. We're going to engage
8 contractors. It's going to be systematic. And another provision that was important,
9 I believe, to the Staff and is very protective of your jurisdiction -- ongoing
10 jurisdiction, is that to the extent the rules come out and they're different than we're
11 embarking on, you have the ability as a Commission to tell us stop, pause, let's look
12 at what we're doing, and make sure it aligns with the rules. And as long as we
13 haven't financially committed a specific project to a contractor, in the contracting
14 business it's referred to as full notice to proceed. So as long as -- of the 2,100
15 projects, whatever projects if you would vote as a Commission stop, pause this
16 program until we do something different, whatever projects of the 2,100 that
17 haven't been released for full notice to proceed to a contractor, we would not move
18 forward with those. And so I think this is very respectful of the rulemakings, but
19 also, generally, the Commission's jurisdiction over this very important issue for the
20 state.

21 **VICE CHAIRMAN LEWIS:** Thank you, Mr. Hand. Thank you for your time.

22 **MR. HAND:** Thank you.

1 **COMMISSIONER GREENE:** Two quick things. First, a comment, you know,
2 I opened the pole viability docket -- I want to say it was in 2019.

3 **SECRETARY FREY:** I know it was pre-COVID for sure. I remember
4 [INAUDIBLE] and off.

5 **MR. HAND:** It was 2019.

6 **SECRETARY FREY:** Yes.

7 **COMMISSIONER GREENE:** It's been -- this is a huge deal because you drive
8 around Louisiana, they all look like they're about to fall over and then they do and
9 people complain; why didn't y'all replace those ahead of time? So we're being
10 proactive here and then y'all filed your U-docket. And at first, I had said I want to
11 complete my pole viability docket, which had been open for four and a half years.
12 That should've probably been completed before that anyway. But then I decided
13 as long as my pole viability docket stays 10 yards ahead of this first bite, and I want
14 to thank y'all for making sure that happened. And what was important to me out of
15 the pole viability docket was what matters to ratepayers and I think all of it got in
16 there. I regret that the pole viability docket didn't proceed quicker, but I'm
17 interested in results and so I think this is a huge step towards that today. Will you
18 maintain to me that my pole viability docket/issues will still stay 10 yards ahead as
19 we move forward?

20 **MR. HAND:** Absolutely, all the dockets, because it helps us all be on the same
21 page.

22 **COMMISSIONER GREENE:** Thank you. And secondly, can you explain the
23 accountability measure? Are you grading your own homework? How does that

1 work? Let's say there's an event that happens and y'all come to us and go well, we
2 don't know if that was a pole that we put in after this date or -- I mean, I have
3 AirTags on everything, so how specific is this going to be when we go to argue
4 about it when it happens?

5 **MR. HAND:** I will attempt to address that and first off, we are not grading our
6 own homework. I was never the best student. If I graded my own homework, I
7 would do well. So what we have here in the pole viability penalty metric, you
8 know, that is triggered anytime there is an event that impacts a system that damages
9 or destroys more than 150 poles across the state and, again, we have over a million
10 poles. So in the event of that magnitude, that performance metric we go through,
11 do the math, and if it's greater than five percent, you know, we credit back to
12 customers according to the formula. Also, anytime there is what is referred to under
13 the IEEE standards as a major event day, under your rules it's a different name, but
14 basically, any major impacts to the system, that's going to trigger us to do a post
15 storm report. We need to go assess the performance of these hardened structures
16 following those major event days, file it with the Commission, I believe it'll be put
17 into an X-docket, I believe it was an X-docket, for the Commission Staff and the
18 Commission to review and look at how these things are doing. The other
19 accountability is there are quarterly reports we'll be sharing with the LPSC Staff.
20 There's a form of that attached to the framework that keeps the Commission Staff
21 and its expert consultants that it will retain -- I'm assuming it will retain, keeps them
22 very apprised at every quarter or sooner of what's going on in terms of the projects
23 we've done, what the actual cost was, what are the future estimates. And so that

1 sort of quarterly reporting is the information that the Commission will have at its
2 disposal to say slow down or stop because it's not -- you know, we've all seen the
3 effects of inflation on supply chain issues, materials, labor. So if y'all see this
4 getting, you know, uncomfortable, that quarterly report is your line of sight into
5 what it is we're doing quarter to quarter and would be the information your Staff
6 would have to advise you that maybe we should stop, pause, slow down, whatever.

7 **COMMISSIONER GREENE:** Thank you.

8 **CHAIRMAN FRANCIS:** Okay. Any other questions?

9 **COMMISSIONER CAMPBELL:** I got one.

10 **CHAIRMAN FRANCIS:** Okay. Commissioner Campbell.

11 **COMMISSIONER CAMPBELL:** I appreciate the hard work you're doing and
12 what you're trying to do, but we've had discussions a lot. I represent everything in
13 north Louisiana, from Alexandria, from this parish, Alexandria to meet in
14 Natchitoches, from the Sabine River to the Mississippi River. And the best I can
15 come up with, we're getting about 10 percent of this money up here and we're going
16 to be paying the same bill as the people in south Louisiana where all the damage
17 occurs and we've talked about this a lot. We pay the same price for electricity as
18 somebody in Grand Isle or Houma or wherever, but we don't have the damages.
19 So I can't vote for this simply because north Louisiana is paying more per person -
20 - per customer than we ever get back, so I mean, it's a problem. I do appreciate
21 what y'all are trying to do, what Mr. Greene's tried to do to help, but I don't
22 represent Baton Rouge, I don't represent Grand Isle. I represent Monroe, and I
23 represent Sicily Island. And a lot of these people, we've talked about it, up and

1 down that river is the poorest place in America, so I can't in good conscience vote
2 to give them a higher utility bill when I don't think they get a fair share of this deal,
3 and that's it.

4 **CHAIRMAN FRANCIS:** Okay. I'd like to say something about that. My district
5 is about half of the Gulf Coast, up to LaSalle and Grant Parish, so I've got a mixed
6 crowd there of people that I support. And so I feel Mr. Campbell's pain on some
7 of these, but as I've looked at all the statistics and what you're going to do for
8 Louisiana, I'm going to vote for this when the times comes. So thank you.

9 **MR. HAND:** Thank you.

10 **COMMISSIONER GREENE:** The time's now.

11 **CHAIRMAN FRANCIS:** Okay. So I think it's time. Show time.

12 **MS. BOWMAN:** So we have a motion by Commissioner Skrmetta, seconded by
13 the Chair, with opposition from Commissioner Lewis, so we will need a roll call
14 vote.

15 **CHAIRMAN FRANCIS:** Okay. Roll call vote. Commissioner Skrmetta?

16 **COMMISSIONER SKRMETTA:** Yes.

17 **CHAIRMAN FRANCIS:** Commissioner Greene?

18 **COMMISSIONER GREENE:** Yes.

19 **CHAIRMAN FRANCIS:** Commissioner Campbell?

20 **COMMISSIONER CAMPBELL:** No.

21 **CHAIRMAN FRANCIS:** Commissioner Lewis?

22 **VICE CHAIRMAN LEWIS:** No.

23 **CHAIRMAN FRANCIS:** Chair votes yes, so [INAUDIBLE] it passed.

1 **COMMISSIONER SKRMETTA:** Move to adjourn.

2 **CHAIRMAN FRANCIS:** Move to adjourn.

3 **MS. BOWMAN:** So there's a --

4 **COMMISSIONER SKRMETTA:** Mr. Chairman, motion to adjourn.

5 **COMMISSIONER GREENE:** Second.

6 **CHAIRMAN FRANCIS:** It's over.

7

8 **(WHEREUPON THE MEETING WAS ADJOURNED)**

9

1 I certify that the foregoing pages 1 through 119 are true and correct to the best
2 of my knowledge of the Open Session of the Business and Executive Meeting
3 held on April 19, 2024 in Many, Louisiana.

4 *****

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