

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS  
AND EXECUTIVE OPEN SESSION HELD ON APRIL 26, 2023 IN CROWLEY,  
LOUISIANA. PRESENT WERE: CHAIRMAN FOSTER CAMPBELL, VICE  
CHAIRMAN MIKE FRANCIS, COMMISSIONER ERIC SKRMETTA,  
COMMISSIONER CRAIG GREENE, AND COMMISSIONER DAVANTE LEWIS.**

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7 **CHAIRMAN FOSTER CAMPBELL:** If y'all take your seats, please, we'll get  
8 started. Okay. Mr. Francis. Go ahead.

9 **VICE CHAIRMAN MIKE FRANCIS:** Let's all stand up, please. We'll get  
10 started. I want to call on our local Bishop Proctor to open us up with God's word  
11 and bless this meeting.

12 **[BISHOP JAMES PROCTOR LEADS IN PRAYER]**

13 **VICE CHAIRMAN FRANCIS:** And remain standing, I want to call on our great  
14 Mayor of the city of Crowley, Chad Monceaux, to say the Pledge of Allegiance,  
15 and after that, he's going to give us a little welcoming.

16 **[MAYOR CHAD MONCEAUX LEADS IN THE PLEDGE]**

17 **VICE CHAIRMAN FRANCIS:** Y'all can all be seated. Chad, go ahead.

18 **MAYOR MONCEAUX:** Good morning. I'm sure you all can hear me back there.  
19 I usually don't need a microphone. To the Commissioners, first of all I want to  
20 thank Mr. Mike Francis, Commissioner Francis, for having this meeting here today.  
21 Welcome to our great city of Crowley and what a great venue are we in today, the  
22 historic Grand Opera House of the South here. If you haven't been here before,  
23 welcome and we hope that you'll come back. While you're here in our city, I hope

1 that you will have time to visit some of our historic landmarks here in the historic  
2 district. City Hall is right next door. We've got three museums inside City Hall.  
3 Ford Motor Company started in 1902 in that building, building Model T Ford  
4 vehicles right there in that building. So feel free to come and visit us at City Hall  
5 and tour City Hall, but thank you so much for coming here to Crowley and visiting  
6 with us. If there's anything we can do, please do not hesitate to ask. Thank you.

7 **VICE CHAIRMAN FRANCIS:** Thank you, Mayor. Thank you, Reverend  
8 Proctor. I want to say a few words about our great city of Crowley and Acadia  
9 Parish. First off, this facility belongs to the family of L. J. Gielen and Chee Chee,  
10 his wife, and daughter Kim who runs the place, and because of their efforts and  
11 great investment in Crowley and in this facility, we're able to really enjoy this.  
12 They have events here usually almost every week, some special entertainment, so  
13 I would invite all of you on their behalf to come back. Let me tell you a little history  
14 why we're here today. The Public Service Commission represents all of Louisiana.  
15 There are five Public Service Commissioners. I'm one of five, and I represent  
16 southwest Louisiana up to Alexandria and Jena and Colfax down to Morgan City.  
17 But each one of us represents a different area. Once a month we have a business  
18 meeting in Baton Rouge where we gather together just like we're here today, but  
19 once a year each Chairman -- each Commissioner gets to have a event in his home  
20 area. And I've had a couple in Toledo Bend, I've had one in Lake Charles, and real  
21 excited to be able to come here today and -- because I know many of you have  
22 never seen such a beautiful place as this. So it's a great honor for me to be the host  
23 in the Commission, and I thank Commissioner Campbell for allowing us to come

1 here today. I think we had one in Natchitoches at your last meeting during the  
2 Christmas season. I want to recognize a few folks here. If you're not on this list,  
3 maybe you just wave your hand. I've tried to get people to sign in. Of course, the  
4 sheriff had to be called out but his brother, Kelly Gibson is here, Chief Deputy  
5 Kelly. All right. We have Dr. Sandra Marx, City Council; Katie Chiasson, City  
6 Council; Sammy Reggie, City Council; Troy Hebert, Police Chief; Chuck Ashby,  
7 City Council. All right. And we're also privileged, you know, we're right next  
8 door to the Jeff Davis Co-op right over in the Jennings area in which I'm privileged  
9 to serve them and their district. And it looks like their whole board is here and even  
10 the Jeff Davis staff. Thank y'all for coming over. All right. And let's see, we've  
11 got a former Commissioner from the Northshore of Lake Pontchartrain, Jay  
12 Blossman's here. Of course, we got the Mayor, Chad Monceaux and then we've  
13 got Ezora Proctor, the Reverend's wife, Ezora is here. I want to thank Cajun  
14 Country Rice, that's the Falcon Rice Mill for the gifts of the rice that you all  
15 received. And that was compliments also of the Acadia Parish Tourist  
16 Commission. And I want to thank the -- I want to thank the Opera House again for  
17 the -- back here in the back, if y'all sneak back there, we've got some coffee and  
18 cookies and it's really been a nice thing for them to do that for us. And boy, we've  
19 got a good looking Staff, these folks here on both sides are the -- they're the ones  
20 that do all the work, and they gather us up once a month to come vote on all the  
21 issues. And these are our fine Commissioners. I'm sure all of you know each one.  
22 I'm not going to recognize them. But I'll just stop right there. I probably have left  
23 out -- oh, I almost forgot the most important person in my life. My wife Sheila is

1 out there somewhere. Where are you, Sheila? Okay. All right. And my -- and of  
2 course, my number two lady, I've got to recognize Janice Perkins on my Staff. We  
3 have Staff members here and people who work for us so thanks again. I'll probably  
4 think about something that I forgot and mention in a minute, but right now I'm  
5 going to shut up and let Commissioner Campbell -- Chairman, take the helm.

6 **CHAIRMAN CAMPBELL:** Thank you. Thank you. First of all, let me say how  
7 glad I am and how nice it is. This facility is unmatched in the state. I haven't been  
8 to anything this nice -- maybe some places in New Orleans, but nothing I know in  
9 north Louisiana is as nice as this. We have a real nice Strand Theatre in Shreveport  
10 that we restored, but this is really nice. For a small town to have something this  
11 nice is a great asset. We talked about these meetings. When I first ran for the  
12 Public Service Commission, I told people if I got elected, I was going to move these  
13 meetings around the state, and my opponent said well, you can't do that, you can't  
14 do that. Well -- I said, well, you know, that's sort of crazy, why can't we, it's only  
15 five members. The Racing Commission moves around the state, other boards move  
16 around the state, so I was able to pass in the first time we got them to vote for it.  
17 And it's been a great thing because now anybody that wants to come to the Public  
18 Service Commission, they don't have to drive to Baton Rouge. If they live around  
19 here, they can come here. So it's been a great thing. It's good for the Staff.  
20 Everybody gets out of Baton Rouge, and we -- that's what we're supposed to do.  
21 We're supposed to be able to hear what people want and need. Next thing I want  
22 to say, Brandon, I want you to invite -- hold on -- we got a new president of --  
23 Malcolm Smoak retired. We have a new president of SWEPCO, Brett Mattison.

1 Brett, you're here? Raise your hand. This is the new fellow that took Malcolm's  
2 place. Come up here, Brett. Come up here. And you can say a few words if you  
3 want to. Don't make it too long, but...

4 **MR. BRETT MATTISON:** Do you want me to talk to y'all or talk to them?

5 **CHAIRMAN CAMPBELL:** We need a microphone.

6 **MS. KATHRYN BOWMAN:** Yeah, please use the microphone.

7 **MR. MATTISON:** Sure.

8 **CHAIRMAN CAMPBELL:** This is Brett Mattison. He's the new president of  
9 SWEPCO in Shreveport. His dad was president before him. I've been knowing  
10 him; he's a nice fellow. We had Malcolm Smoak for a long time. Malcolm was  
11 great. This guy is in the same mold as Malcolm. He tries to help people. I call  
12 him in the middle of the night, he calls you back and things like that. Go ahead.

13 **MR. MATTISON:** Well, I appreciate it, Commissioner -- Chairman Campbell.  
14 Sorry I've got my back to y'all, but I think I need to talk to them because they may  
15 vote on me. I don't know. But Malcolm and I worked a long time together, for 30  
16 something years, and great guy, a great engineer. And I kind of worked with him  
17 on the customer side and together we blended together to make a really good team.  
18 So proud of Malcolm, and he's doing well and proud to be at SWEPCO. I was  
19 there 29 years and had the privilege to move to another AEP company, to go to  
20 Kentucky Power in the Appalachian Mountains. And the highest thing I'd seen  
21 before I left was an ant hill in Louisiana, you know, so there's real mountains up  
22 there. And it gave me a different perspective, but there were good folks up there.  
23 They're focused on the customer and that's really kind of what drives me is making



1 sure we do what's right by the customer and do those things that are, you know,  
2 necessary to keep the lights on. And it gets more and more challenging as we go,  
3 but I feel very privileged and blessed to be in this position. I appreciate you  
4 recognizing me.

5 **CHAIRMAN CAMPBELL:** Okay. Brett, before you -- before you go, I got a  
6 little something I want you to do.

7 **MR. MATTISON:** Okay.

8 **CHAIRMAN CAMPBELL:** I want you to ask Nick Akins that we want him to  
9 come down here to a meeting and be before the Commission. And also the Cleco  
10 people out there, if you're hearing me, hear me. We want your top guy to come,  
11 too. I think it's unfair we had the guy from Entergy who came. And poor fellow  
12 lost his job. I'm kidding, but he's not there anymore, but anyway, we had him  
13 come. Nick Akins needs to come and so does the head guy at Cleco. It wouldn't  
14 be fair just to invite Entergy and not the other ones. It's good for Nick to come  
15 down here and we'll work with you when he can to schedule and let him meet with  
16 the Public Service Commission and talk about what's going on in y'all's company.  
17 I know it's a big company. And we would like for him to come. I'm proud of Nick.  
18 He was from Bossier City, where I'm from, and now he's the CEO of AEP in  
19 America. Quite an accomplishment, but we still want him to come down here, and  
20 if there's any questions people want to ask.

21 **MR. MATTISON:** Will do.

22 **CHAIRMAN CAMPBELL:** That's it. That's all I got. Thank you. Brandon,  
23 make sure that you notify the Cleco people.

1    **SECRETARY BRANDON FREY:** We will.

2    **COMMISSIONER DAVANTE LEWIS:** I have some announcements.

3    **CHAIRMAN CAMPBELL:** Yeah. Okay. Mr. Lewis. Okay. I don't have a --

4    and I don't have a eye on this side and I don't hear too good. So y'all got to do

5    something. Mr. Greene.

6    **COMMISSIONER CRAIG GREENE:** Can you be his eyes and I'll be his ears?

7    **COMMISSIONER LEWIS:** It works. It works.

8    **COMMISSIONER GREENE:** I think we have three votes for seersuckers today

9    so cheers for that. I'd like to take a moment to introduce -- we have a new team

10   member, Mary Elizabeth Beaulieu. I don't know if -- where you are, if you could

11   stand up. There she is, right here, so very talented. Her father is in the legislature,

12   Beau Beaulieu, and so we welcome her. She's already hit the ground running. But

13   if you get a chance, introduce yourself to her, trade contacts, and she'll be a familiar

14   -- she signed a long-term deal so she's going to be around a little while.

15   **CHAIRMAN CAMPBELL:** Mr. Skrmetta.

16   **COMMISSIONER ERIC SKRMETTA:** I just want to bring everybody's

17   attention that we still are moving towards the SEARUC meeting in June. It's -- and

18   if you're planning on attending the sign-ups are rising. It's SEARUC.org. The

19   registrations are over a hundred. And if you intend to go and stay at the event hotel,

20   you might want to take some action for that to make sure you're attending. The

21   agenda is in place and a lot of you are going to get called to serve on panels and

22   help present different issues that will be of interest during the educational

23   component. So if you want to take advantage of the facilities and participate, I

1 suggest you get on it; otherwise, you may miss the opportunity to be in the closest  
2 position to participate. Thank you.

3 **COMMISSIONER LEWIS:** Mr. Chairman, I'll go ahead.

4 **CHAIRMAN CAMPBELL:** Mr. Lewis.

5 **COMMISSIONER LEWIS:** Thank you. And first, Reverend Proctor, as I was  
6 walking in, told me he was from Lake Charles, and I realize he played football with  
7 all of my great uncles and is a close friend of my grandmother. So it seems  
8 everywhere I go, there's somebody from Lake Charles in the area. So I wanted to  
9 extend wishes to him from my family and I'll make sure after this meeting -- my  
10 grandmother's probably watching, so Reverend Proctor, you'll probably get a  
11 Facebook message any moment now from her welcoming you. Mr. Chairman, I  
12 also want to -- just a few announcements. I would like to ask Staff if, at our next  
13 and future B&E meetings, we can look at having closed captions on our video or  
14 an ALS interpreter. I do have the School -- Louisiana School of the Deaf and the  
15 Blind within my district, and they have been really engaged, and they have asked  
16 us to do that. So I would just ask Staff if we could look at possibles to make sure  
17 that our meetings are accessible to all who have disabilities. The next  
18 announcement I want to make is to remind all of the companies that on March 27<sup>th</sup>  
19 my office sent you a letter asking if you could comply with some data reporting on  
20 disconnections in Louisiana. I wanted to make sure that you all received that letter.  
21 My office has asked that you respond to us by May 11<sup>th</sup>. We are open to having  
22 conversations. We've had conversations with many of you, but as you know,  
23 disconnections is an extremely important issue to me. Before I start making a

1 docket or any type of rulemaking, I wanted to work collaboratively with you, so  
2 I'm once again urging and requesting the letter that we made public on March 27<sup>th</sup>  
3 that you all would at least respond with some of the data and we can continue  
4 conversations from there. And the last announcement I have, Mr. Chairman, is I've  
5 had the pleasure of connecting with multiple members of Governor John Bel  
6 Edwards' Climate Task Force and stakeholders recently about the findings and their  
7 recommendations in their recent study. Many of those recommendations were  
8 before the Commission and so I've reached out to Mr. Harry Vorhoff, and I would  
9 like to have Harry and some other members of the Governor's task force to come  
10 present information to us on where the task force sees intersections with our own  
11 work. And so, Mr. Executive Secretary, if we could, I would hope that this  
12 presentation could happen at our next B&E or if not, at a B&E soon. And my Staff  
13 is willing to work with your office to make sure that we hear from the Governor's  
14 Staff about this climate task force that he has set up.

15 **SECRETARY FREY:** And we'll handle that. I've been in contact with Mr.  
16 Vorhoff as well about that after you and I talked. And I think they will be available  
17 probably depending on session. So if not at the May meeting, we'll shoot for June.

18 **COMMISSIONER LEWIS:** Thank you so much. That's it for me, Mr.  
19 Chairman.

20 **VICE CHAIRMAN FRANCIS:** Mr. Chairman, I'd also like to recognize Police  
21 Jury President Chance Henry is here today. Okay. Thank you.

22 **CHAIRMAN CAMPBELL:** Thank you. Anybody else want to be recognized?  
23 Again, I want to say we're happy to be with y'all here today in Crowley. Crowley's

1 a famous place. You've had some great people -- I served with Tommy Casanova  
2 who was one of the nicest people I've ever met, still is, a real gentleman. And I  
3 was in the legislature for 27 years and worked with Edwin Edwards all during his  
4 terms and got along with him well and got a lot a done under his administration.  
5 He was a friend of mine. I knew he was very proud of Crowley. So at that time,  
6 you want to go ahead and we'll get started.

7 **MS. BOWMAN:** Sure. So Staff does have two quick announcements. One is if  
8 you are going to come up on stage to testify and present any evidence --

9 **CHAIRMAN CAMPBELL:** Can you speak a little closer to the microphone?

10 **MS. BOWMAN:** I will try. So if you guys are going to come speak, be careful,  
11 these stairs do not have a handrail, but there is also stairs to the right of the stage  
12 that you can walk up and come around. So either one, but just be careful with those  
13 stairs. Second is the Galvez parking garage has had a change related to parking  
14 payments and validation. There -- so giving you guys a head's up for May's B&E,  
15 there's no more taking of a ticket. You pull in, you have 30 minutes to validate  
16 with us or there's QR codes in the garage to pay. The main thing you're going to  
17 need is your license plate number. So just fair warning and, you know, with the  
18 B&E, you know, you have 30 minutes, so we're trying to just give everybody some  
19 head's up notice on that so no one gets a ticket. There's also some additional  
20 information and some frequently asked questions on our website if you guys need  
21 more information. And then moving to the agenda, they have 16 items today and  
22 Exhibit 9 will be deferred. Exhibit 9 is deferred. So moving on to Exhibit Number  
23 2. It's Docket Number R-31106. It's the Commission's rulemaking to study the

1 possible development of financial incentives for the promotion of energy efficiency  
2 by jurisdictional electric and gas utilities. It's a discussion and possible vote to  
3 retain an engineer for District III. Pursuant to the Commission's General Order  
4 dated December 2, 2021, each Commissioner can nominate a qualified engineering  
5 firm to provide professional services for each district for the political subdivision  
6 energy efficiency program, subject to the Commission's confirmation vote and  
7 approval.

8 **COMMISSIONER SKRMETTA:** Move to accept -- are you finished?

9 **MS. BOWMAN:** We can go. So pursuant to that order, Staff recommends that  
10 the Commission approve Commissioner Lewis' nomination of Bonton Associates  
11 to assist District III with the political subdivision energy efficiency program for a  
12 total budget not to exceed \$26,251.74.

13 **COMMISSIONER SKRMETTA:** Move to accept Staff recommendation. It  
14 really is hard to hear you.

15 **MS. BOWMAN:** I'm sorry.

16 **COMMISSIONER SKRMETTA:** That's okay.

17 **CHAIRMAN CAMPBELL:** So second.

18 **COMMISSIONER GREENE:** Second.

19 **CHAIRMAN CAMPBELL:** Thank you. There's a motion and a second to accept  
20 Staff recommendation. Is there any objection? [NONE HEARD] No objection,  
21 so ordered.

22 **MS. BOWMAN:** So Exhibit Number 3 is also R-31106. It's the same rulemaking.  
23 It's a discussion and possible vote to: 1) Amend the general order related to the

1 public entity program and maintain the quick start program pending consideration  
2 of Phase II. In 2017, this Commission voted to modify the requirements of the  
3 quick start program to include programs for which eligibility was limited to school  
4 districts, local state governments, state agencies, higher education institutions, or  
5 other public entities. When the order was issued, a deadline to submit potential  
6 projects for the program was included, and while that deadline has changed over  
7 the years, the deadline still exists, with an application deadline of January 31<sup>st</sup> each  
8 applicable program year. In order to allow more applications to be submitted, Staff  
9 proposes to eliminate the application deadline for the public entity program. Also  
10 at the November 2021 Business and Executive Session, the Commission voted to  
11 extend the voluntary quick start program for an additional two-year period with the  
12 anticipation that the second year, 2023, would be a transition year. The  
13 development of Phase II rules is still underway with multiple rounds of comments  
14 and two rounds of proposed rules, one of which was exploring alternative  
15 administrative options. While Staff is hopeful that the movement and possible final  
16 proposed rules on Phase II will occur within the remainder of 2023, Staff is of the  
17 opinion that the final rules will likely not be considered until sometime in 2024,  
18 necessitating a transition year between the current quick start program and final  
19 Phase II rules. Therefore, Staff recommends that the Commission eliminate the  
20 application deadline for the public entity program located in ordering Paragraph 5  
21 of the General Order and maintain the quick start program for an additional two-  
22 year period beginning January 1, 2024. We do have a yellow card from Ms. Logan  
23 Burke -- excuse me, Ms. Jessica Hendricks if she would like to come up.

1 **COMMISSIONER SKRMETTA:** To put a motion on the floor, I'll move to  
2 accept Staff recommendation.

3 **CHAIRMAN CAMPBELL:** It's a motion by Mr. Skrmetta to accept Staff  
4 recommendation. Is there a second?

5 **COMMISSIONER GREENE:** I'll second, but I have a comment. I used to drive  
6 a standard, and it never happened to me, but sometimes standards if you just --  
7 you're going down the road and you slip into neutral, nothing happens. And I feel  
8 like that's what's happened with this. And so I plan on getting it back into gear  
9 until we get to where we need to go. Because we routinely put it back into neutral,  
10 and we're not going to do that anymore. So I just want everybody to know.

11 **COMMISSIONER SKRMETTA:** One comment, Mr. Chairman.

12 **CHAIRMAN CAMPBELL:** Mr. Skrmetta.

13 **COMMISSIONER SKRMETTA:** I've been talking to Staff on energy efficiency  
14 on the company side of the equation that we've been doing for a while, and I've  
15 been talking to the Staff about a suggestion for the Commissioners to take over that  
16 half of the position to do weatherization planning for individual homeowners in  
17 each district by the same allocation that we do governmental projects. And I'm  
18 going to be having that written up and shared with the other Commissioners so we  
19 can look at that and review that as an interim element for a test period for a couple  
20 years to see how we can move into that to become more effective in this. So that'll  
21 be shared probably by August. So we'll kind of move on from there as well. Thank  
22 you.



1 **CHAIRMAN CAMPBELL:** There's a motion and a second. Is there any  
2 objection?

3 **MS. BOWMAN:** And then -- well, Ms. Hendricks would like to speak, so before  
4 we vote -- yeah, Jessica, you can come on up. Just be careful, please.

5 **SECRETARY FREY:** While Jessica's coming up, too, just to give you all the  
6 head's up, there is quite a bit of money for energy efficiency. We're still kind of  
7 learning the specifics of it that are going to go through the state Department of  
8 Energy and probably state housing available through some of the federal money  
9 that's flowing through. So when we get more information on that, we'll pass that  
10 along, so it may work in tandem with what we're doing as well.

11 **CHAIRMAN CAMPBELL:** Go ahead.

12 **MS. JESSICA HENDRICKS:** Good morning. Can you hear me?

13 **MS. BOWMAN:** Yeah.

14 **MS. HENDRICKS:** Good morning, Commissioners and Staff. My name is  
15 Jessica Hendricks. I am the state policy director with the Alliance for Affordable  
16 Energy, and it's great to see some familiar faces again and be back in Crowley. I  
17 want to voice support for the robust energy efficiency programs as that is a core to  
18 our mission and we do support a two-year extension as it will provide certainty for  
19 utility planning and workforce development. But we respectfully urge the  
20 Commission to use these two years as an opportunity to implement Phase II and  
21 launch long-term, robust energy efficiency programs. We ask the Commission to  
22 take a -- to issue a directive to Staff to release the current draft rule for stakeholder  
23 review followed by a Commission vote within 60 days. Program implementers can

1 utilize these two years to develop and plan for program rollout, but only if there is  
2 certainty on the resources and design needed for long-term programs. Let this be a  
3 program extension -- let this program extension be an opportunity, not a way to  
4 continue to kick the can down the road. Thank you.

5 **CHAIRMAN CAMPBELL:** Thank you. Thank you for coming. There's been a  
6 motion and a second. No objections? [NONE HEARD] Passed. Next item.

7 **MS. BOWMAN:** Exhibit Number 4 is Docket Number S-35903. It's the City of  
8 Lafayette, Louisiana, doing business as LUS Fiber. It's a petition for designation  
9 as an eligible telecommunications carrier. It's a discussion and possible vote on  
10 Staff's report and recommendation and this was Exhibit 5 on the March 15, 2023  
11 Business and Executive Session. On March 3, 2021, the City of Lafayette,  
12 Louisiana, doing business as LUS Fiber filed a petition with the Commission  
13 seeking designation as an ETC for the purpose of participating in Federal low-  
14 income Lifeline Program to be allowed to offer Federal Lifeline benefits to eligible  
15 and qualifying customers in additional census blocks located in Lafayette. Notice  
16 of the company's request was published in the Commission's Official Bulletin with  
17 no interventions or protests received. LUS Fiber is the trade name of the  
18 Communications System Department of Lafayette City-Parish Consolidated  
19 Government, which is a political subdivision of the State of Louisiana. And  
20 pursuant to the Home Rule Charter of Lafayette City-Parish Consolidated  
21 Government, the City of Lafayette also retains its status as a political subdivision  
22 of the state and the governing authority of LUS Fiber is the Lafayette City Council.  
23 LUS operates a 100 percent fiber optic network and holds a statewide video

1 franchise that will soon begin providing services in St. Martin and Iberia Parishes.  
2 Pursuant to Section 214(e) of the Act, state commissions are given the authority to  
3 designate a ETC for those common carriers that meet certain federal service  
4 requirements and whose designation would be consistent with the public interest,  
5 convenience, and necessity. And consistent with the authority under federal law,  
6 the Commission issued its ETC General Order. On February 23, 2023, Staff filed  
7 its Staff report and recommendation of the LUS petition finding that the company  
8 had demonstrated the requirements of the act, applicable FCC regulations, and the  
9 ETC General Order. Therein, Staff also found that designation of the company as  
10 an ETC in the services areas for the purpose of receiving Lifeline support is in the  
11 public interest. So Staff recommends that the Commission accept Staff's report  
12 and recommendation filed into the record on February 23, 2023.

13 **COMMISSIONER SKRMETTA:** Mr. Chairman, I'd like a roll call vote simply  
14 because I did -- still haven't gotten a call from anybody on this, and I just want to  
15 abstain.

16 **MS. BOWMAN:** And there are two individuals who are here for informational  
17 purposes only from LUS Fibe,r if you would like to speak to them. So Mr. Michael  
18 Hebert and Mr. Ryan Meche, if you would you come to the stage.

19 **CHAIRMAN CAMPBELL:** Is there any -- a motion?

20 **COMMISSIONER GREENE:** I motion to accept.

21 **MS. BOWMAN:** And just please introduce yourselves for the record before  
22 speaking.

1 **MR. MICHAEL HEBERT:** Sure. So good morning, Mr. Chairman, members of  
2 the Commission, Michael Hebert. I'm counsel for LUS Fiber from Lafayette.

3 **MR. RYAN MECHE:** Good morning. My name is Ryan Meche. I'm the director  
4 of LUS Fiber.

5 **CHAIRMAN CAMPBELL:** Go ahead.

6 **MR. HEBERT:** Well, we appreciate the opportunity. I think Staff sort of stole  
7 my thunder and said everything that we would want to say about the application,  
8 the purpose of the application, albeit a lot faster than we probably could. But the -  
9 - we really don't have anything to add, happy to answer any questions that you may  
10 have. I think that this important to expand LUS Fiber's portfolio and further enable  
11 it to serve low income residents with residential telephone and high speed  
12 broadband service that meet the income test of the Lifeline service. So we would  
13 respectively recommend that you accept the Staff report and grant the ETC  
14 designation.

15 **MR. MECHE:** I'd just like to say thank you for your attention to this matter, as  
16 we try to expand our broadband services and make sure that they're affordable to  
17 help bridge that digital divide and provide a equity of services. So thank you for  
18 your time.

19 **CHAIRMAN CAMPBELL:** How thorough is broadband services in this area?  
20 Do you know? Would you say?

21 **MR. MECHE:** I would say it's underserved in this area.

22 **CHAIRMAN CAMPBELL:** Underserved?

1 **MR. MECHE:** Yes, sir. We are actually working with Acadia Police Jurors,  
2 Chance Henry actually. They were able to contribute some contributions for us to  
3 get throughout Acadia Parish actually coming up through GUMBO.

4 **CHAIRMAN CAMPBELL:** I'd say this probably for this whole Commission,  
5 the state of Louisiana is underserved and that's why we're trying to bring everybody  
6 where they are served because we all realize everybody up here to the man is  
7 fighting for high speed internet. Everywhere you go, people want it. It's not -- it's  
8 a must now.

9 **MR. MECHE:** Yes, sir.

10 **CHAIRMAN CAMPBELL:** It's a must. Because people are utilizing, kids are -  
11 - lessons and businesses want it. So it's to our advantage to do everything we can  
12 as the Public Service Commission to make sure that people in Louisiana have  
13 broadband.

14 **MR. MECHE:** Well, thank you for that, and this will make it more affordable.  
15 We're also --

16 **CHAIRMAN CAMPBELL:** How much does it cost?

17 **MR. MECHE:** Our lowest package is 29.95.

18 **CHAIRMAN CAMPBELL:** Boy, that sounds great.

19 **MR. MECHE:** We do offer the fastest in the nation of 25 gigs so we want to make  
20 sure that everybody can afford it. It's only as good as everybody being able to  
21 afford this service.

22 **CHAIRMAN CAMPBELL:** You said 29.95.

23 **MR. MECHE:** 29.95 is our lowest package.

1 **COMMISSIONER GREENE:** How long does it take to download a movie?

2 **MR. MECHE:** Very quick. Very quick. It's really the end device that really has

3 the -- the computer, can the computer handle that amount of speed.

4 **CHAIRMAN CAMPBELL:** See, that's the main thing. People talk about high

5 speed internet and I represent north Louisiana, basically, from Texas to the

6 Mississippi River, north Louisiana. A lot of rural parishes, a lot of people don't

7 make a lot of money. When you hit them with a bill of \$65, \$70, \$80 a month,

8 you're out of their league in the first place.

9 **MR. MECHE:** Yes, sir.

10 **CHAIRMAN CAMPBELL:** But 29.95 is getting it down there where people can

11 afford it, and you're helping folks there.

12 **MR. MECHE:** Yes, sir.

13 **CHAIRMAN CAMPBELL:** And I look forward to when it's like a lot of other

14 things, gets down to \$10, stuff like that.

15 **MR. MECHE:** We would like to be able to do so.

16 **CHAIRMAN CAMPBELL:** All right. Thank you. Mr. Francis.

17 **VICE CHAIRMAN FRANCIS:** In this order, I see where you have statewide

18 authority.

19 **MR. MECHE:** Yes, sir.

20 **MR. HEBERT:** Yes, sir.

21 **CHAIRMAN CAMPBELL:** Once we approve this, you could go anywhere in

22 the state; is that right?

1 **MR. HEBERT:** Yes, sir. LUS Fiber, as I think the Staff report mentioned, has a  
2 statewide video franchise already.

3 **VICE CHAIRMAN FRANCIS:** Yeah. Video. Okay.

4 **MR. HEBERT:** And there were some legal constraints that the City of Lafayette  
5 was required to comply with in order to start this service initially, which now that  
6 they're done, there aren't any legal limitations on them providing service in other  
7 areas of the state.

8 **VICE CHAIRMAN FRANCIS:** You're looking at St. Martin and Iberia in part  
9 of this docket. Who would you be competing with in those parishes?

10 **MR. MECHE:** Cox, AT&T. We're going all the way up to Ville Platte and Pine  
11 Prairie where we'll be competing against CenturyTel, CenturyLink, pretty much  
12 everybody in the state with our new expansion efforts.

13 **VICE CHAIRMAN FRANCIS:** All right. You know, just for the public's notice  
14 on this, LUS is a -- it's a company managed and run by the government, by the  
15 Lafayette Parish Government; isn't that right?

16 **MR. HEBERT:** That's right.

17 **VICE CHAIRMAN FRANCIS:** Okay. And you're competing against private  
18 industry, right?

19 **MR. HEBERT:** Yes, sir.

20 **VICE CHAIRMAN FRANCIS:** So one of the purposes of the Public Service  
21 Commission is kind of to stand between the public and the operators out there,  
22 whether it's a private industry or a government company, you know. See, we  
23 regulate people like Entergy is a private investor company. The co-op like Jeff

1 Davis is a government company, is supported by FEMA money and the  
2 government, you know. And it's our job to make sure that the rules are fair for  
3 everybody, and in this case here, this is -- I think one of the things that opens the  
4 door to you is, like Commissioner Campbell said, we really need country folks to  
5 get the internet, you know. I live three miles out of town and you'd be surprised  
6 how poorly my reception is, you know. So we just -- we're going to be keeping an  
7 eye on all of you guys to make sure that it's a good, fair fight, but the customers  
8 need the help. And I sure -- so go ahead, go statewide. That's okay with me and  
9 we'll just -- we'll be watching you and making sure it's a good, fair fight, that the  
10 Cox and AT&T don't get their nose blooded too bad. Okay. Thank you.

11 **COMMISSIONER LEWIS:** Mr. Chairman, I have a quick question. What is  
12 your plan to make sure that low income families know about your services?  
13 Because I think one of my heartburns have always been is that we create a bunch  
14 of programs that service low income communities like the ones I represent;  
15 however, we do not put enough effort in getting into those communities so they  
16 understand and know the value of the discounts and services that can be provided  
17 to them. I'm especially thinking about as we've moved -- especially in north  
18 Lafayette where we are utilizing more technology in schools. As a former  
19 elementary school teacher, we are giving students laptops, which is amazing, but I  
20 don't know if we're doing enough to ensure that those families have the broadband  
21 to support them as well. So I just want to see what are your initiatives, how do you  
22 plan to get into those communities and let them know about this program and then  
23 serve them correctly?



1 **MR. MECHE:** That's a great question.

2 **MR. HEBERT:** Yeah. Let me start and then you can maybe follow up. Very  
3 good question. The FCC Lifeline program requires that the applicant advertise the  
4 availability of these services. And in fact, this order and the Staff report will require  
5 LUS Fiber to later submit those advertisements to the Staff and to the Commission  
6 to further affirm and verify that they are, in fact, advertising the availability of those  
7 services.

8 **COMMISSIONER LEWIS:** Is there a time line? Is there -- to my knowledge --  
9 in our order, do we have that?

10 **MS. BOWMAN:** It's not in the general order. It may be part of Staff's  
11 recommendation, which I don't have a copy of in front of me, but I believe --  
12 typically Staff will put in the report and recommendation within 60 days they would  
13 provide the draft, we would review it and approve it, and then they could go out  
14 with it.

15 **COMMISSIONER LEWIS:** I was just curious. Thank you.

16 **MR. MECHE:** So what we're actually -- you bring up a good point. These  
17 students --

18 **MR. HEBERT:** It's 30 days. I'm sorry. Thirty days.

19 **MS. LAUREN EVANS:** Lauren Evans on behalf of Staff. It is in the ordering  
20 language that it be done within 30 days of receipt.

21 **COMMISSIONER LEWIS:** Thank you.

22 **VICE CHAIRMAN FRANCIS:** There you go. That's great.

1 **MR. MECHE:** So Commissioner, to your point, these students, these school age  
2 students do have access to laptops, but they don't a lot of times have access to  
3 internet or quality internet. So what LUS Fiber recently did was we worked with  
4 Lafayette Parish to stand up a wireless network, and we're actually connecting a  
5 thousand underserved students throughout the parish through that -- through fiber  
6 connectivity to these wireless access points. So our goal to get the message out is  
7 to work with local stakeholders either at the school board, the city council, police  
8 juries, so there will be a lot of community engagement to make sure we can connect  
9 the maximum amount of customers and make sure they can afford it.

10 **COMMISSIONER LEWIS:** Absolutely. Great. I appreciate that. And the only  
11 advice I would say is if you could also look at some of these smaller nonprofits. I  
12 think as often times what I find with some of my constituents is, just based off of  
13 life experience, government sometimes scares them, when it comes from a  
14 governmental entity. So if you get some of those community organizations that  
15 are, like, the YMCAs or a fraternity and sorority, I think they can also help you a  
16 lot more -- not -- I don't want to say a lot more, but can help spread the word,  
17 especially when we're talking about just sometimes trust issues among low income  
18 people who just feel like they've been used and abused a lot of times. But I really  
19 appreciate your comments and look forward to seeing the work that you do. Thank  
20 you.

21 **MR. MECHE:** Thank you.

22 **SECRETARY FREY:** And Commissioner, to add one point to that and you're  
23 right on topic with people not knowing and this is something I learned, being a

1 telecom guy for years, in a meeting with Mr. Francis -- and Mr. Hebert, correct me  
2 if I'm wrong, but under the Lifeline program, the household is eligible to get  
3 Lifeline support whether it be through reduced costs for broadband or phone  
4 services and a lot of people will get the cheaper cell phone not understanding they  
5 could take advantage of this cheaper broadband which could benefit the whole  
6 house. So I think the messaging, again, is important to your point and this should  
7 help in that.

8 **COMMISSIONER LEWIS:** Thank you. I'm done, Mr. Chairman.

9 **MS. BOWMAN:** So we do have a motion --

10 **CHAIRMAN CAMPBELL:** We had a --

11 **MS. BOWMAN:** I'm sorry. Your mic, Commissioner -- Chairman. Your mic.

12 **CHAIRMAN CAMPBELL:** We've had a motion and a second. I second it.

13 **MS. BOWMAN:** Okay.

14 **COMMISSIONER SKRMETTA:** Roll call vote.

15 **MS. BOWMAN:** So there is a roll call vote because Commissioner Skrmetta  
16 wishes to abstain. So motion by --

17 **CHAIRMAN CAMPBELL:** You're going to roll call vote.

18 **MS. BOWMAN:** -- Greene, second by Chairman Campbell. So Commissioner  
19 Francis, how do you vote?

20 **CHAIRMAN CAMPBELL:** Roll call vote.

21 **VICE CHAIRMAN FRANCIS:** For me?

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

23 **VICE CHAIRMAN FRANCIS:** I'm sorry. Yes.

1 **MS. BOWMAN:** And Commissioner Lewis?

2 **COMMISSIONER LEWIS:** Yes.

3 **MS. BOWMAN:** Motion passes. Thank you, guys.

4 **COMMISSIONER SKRMETTA:** And I didn't get a chance to say I abstain --

5 **MS. BOWMAN:** Oh, I'm sorry.

6 **COMMISSIONER SKRMETTA:** -- but I'm abstaining because no one

7 contacted my office from your company or body and did not have a chance to talk

8 to you and ask you questions that I really still have, and so I don't feel equipped to

9 vote on this issue.

10 **MR. HEBERT:** Apologies for that. I certainly didn't mean any oversight.

11 **CHAIRMAN CAMPBELL:** You get everybody? Just call everybody's names

12 out.

13 **MS. BOWMAN:** Yes, sir. I have the vote.

14 **CHAIRMAN CAMPBELL:** Okay. Well, good. I didn't hear you. I got you.

15 You thought since I seconded it, I was for it, right?

16 **MS. BOWMAN:** Well, I assumed that. Would you like to tell me yes or no?

17 **CHAIRMAN CAMPBELL:** Well, guess what, you're right.

18 **MS. BOWMAN:** I'll take it.

19 **CHAIRMAN CAMPBELL:** You're right. All right.

20 **MS. BOWMAN:** Thank you, gentleman.

21 **MR. HEBERT:** Thank you very much.

22 **MR. MECHE:** Thank you for your time.

1 **MS. BOWMAN:** Exhibit Number 5 is Docket Number is U-36339 - South  
2 Louisiana Electric Cooperative Association's request for interim and final  
3 emergency rate relief. It's a discussion and possible vote on an uncontested  
4 stipulated settlement. On April 20, 2022, SLECA filed a request for interim and  
5 final emergency rate relief and notice of the application was published in the  
6 Commission's Official Bulletin with the Alliance for Affordable Energy  
7 intervening. At its May 25, 2022 B&E, the Commission approved SLECA's  
8 request for interim rate relief, subject to bonding requirements to ensure refund if  
9 necessary, and subject to SLECA filing an updated tariff indicating the interim  
10 emergency rate. On October 11, 2022, due to increased interest expenses, SLECA  
11 filed an unopposed motion for leave to amend its application, which was published  
12 in the Commission's Official Bulletin with no parties intervening. Following  
13 discovery on SLECA's application and accompanying testimony, SLECA, the  
14 Alliance, and the Commission Staff reached an agreement and executed an  
15 uncontested stipulated settlement filed into the record on March 23, 2023. The  
16 major terms of that settlement are as follows: SLECA is authorized to implement  
17 an increase in rates to achieve an additional \$6,421,980 in annual revenues in order  
18 to achieve a times interest earned ratio of 1.35. SLECA will place a line item storm  
19 rider charge of 13.32 mills per kilowatt hour in place of the current interim rider of  
20 6.92 mills per kilowatt hour, and that will remain in effect until the first year of its  
21 FRP is approved by the Commission. SLECA is also ordered to implement an FRP  
22 for an initial term of three years with the initial filing due by May 15, 2024. Staff

1 recommends, as there are no unresolved issues, that the Commission approve the  
2 uncontested stipulated settlement filed into the record on March 23, 2023.

3 **COMMISSIONER SKRMETTA:** I have a question for Staff.

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

5 **COMMISSIONER SKRMETTA:** Two things. So on the remarks that the rate  
6 impact for 1,000 KW will increase \$6.40 over the interim rates, and then 1,500 KW  
7 will be \$9.60, is that cumulative? So the first 1,000 is 6.40 and then as it moves  
8 over 1,500, is that 6.40 added to the 9.60 for 15 or \$16?

9 **MS. BOWMAN:** Ms. Evans is going to address your question.

10 **MS. EVANS:** Lauren Evans on behalf of Staff. No, that -- it's not cumulative. So  
11 it would be --

12 **MS. BOWMAN:** Lauren, speak closer if you can.

13 **COMMISSIONER SKRMETTA:** She couldn't get any closer to that thing if she  
14 tried.

15 **MS. EVANS:** Those are just estimates for 1,000 kilowatt users and 15.

16 **COMMISSIONER SKRMETTA:** Okay. I got one other question for you. All  
17 right. The sale of the TESI assets --

18 **MS. EVANS:** Yes.

19 **COMMISSIONER SKRMETTA:** -- that are owned by SLECA, when are they  
20 supposed to get those?

21 **MS. EVANS:** So it is my understanding and, you know, we can pull Kara up if we  
22 need to, but it's my understanding that the sale has occurred in Louisiana, but as  
23 you know, they're in multiple states and that the sales --

1 **COMMISSIONER SKRMETTA:** Yeah. I understand they're waiting on North  
2 Carolina.

3 **MS. EVANS:** Correct. And so what Staff has done, we have put into the  
4 stipulation language that any proceeds would be included in the first annual filing  
5 for the FRP, just to give them more time to have everything concluded, you know.

6 **COMMISSIONER SKRMETTA:** So the plan -- because my -- correct me -- is  
7 it 10 million or -- the sale price or is it higher? Is it 20 million? I can't remember  
8 the amount.

9 **MS. EVANS:** I don't have that, but we can absolutely pull the company up.

10 **COMMISSIONER SKRMETTA:** Well, the amount, I think it's in excess of 10  
11 million, but that amount of money, is it going to be coming back as a credit to the  
12 ratepayers on -- through the formula rate plan? How is it going to be allocated back  
13 to the ratepayers?

14 **MS. EVANS:** I would think so. I think the way that we have it set up now is it's  
15 a little bit open and that way when we do the review of their annual filing, Staff  
16 would be able to review that and determine the best way to get the money back.

17 **COMMISSIONER SKRMETTA:** Okay. Well, what I'd like you to do is by the  
18 next meeting, if you could research the amount that is anticipated to come in and  
19 put together a plan for the Commission to act to ensure that that money comes back  
20 the ratepayers to offset the rate increases that they're looking at here.

21 **MS. EVANS:** Absolutely.

22 **COMMISSIONER SKRMETTA:** Okay. Thank you. No more questions.

23 **COMMISSIONER GREENE:** Motion to accept Staff --

1 **VICE CHAIRMAN FRANCIS:** Ms. Evans, do you know what 3,000 kilowatts  
2 would be -- price?

3 **MS. EVANS:** No, Commissioner. I don't. But that is something we can easily  
4 get for you.

5 **VICE CHAIRMAN FRANCIS:** That's okay if you don't have it on hand. I'm  
6 good.

7 **MS. EVANS:** Yeah. The numbers I have in front of me are just the 1,000 and  
8 1,500.

9 **CHAIRMAN CAMPBELL:** Mr. Greene.

10 **COMMISSIONER GREENE:** I motion to accept Staff recommendation. I also  
11 note that on the TESI amount, I understand Staff agreed that that would be more  
12 beneficial to customers to pay down debt than to just give the money back to them.

13 **CHAIRMAN CAMPBELL:** I second the motion.

14 **MS. EVANS:** And that's something I think that they'd be able to look at in the  
15 annual filing review. I think Staff just didn't want to commit to anything now until  
16 we had final numbers and the final estimate of what we can do.

17 **COMMISSIONER SKRMETTA:** Get back to us on both aspects.

18 **MS. EVANS:** Absolutely.

19 **COMMISSIONER SKRMETTA:** Because that affects rates.

20 **COMMISSIONER LEWIS:** And Mr. Chairman, I have no objections, but I just  
21 wanted to flag that. I mean, I think one of the places where I'm becoming  
22 increasingly interested, especially with our co-ops, is if a formula rate plan puts the  
23 Public Service Commission in the best position to exercise our oversight, especially



1 on cost conscious board and management team. I mean, I think as we are looking  
2 at this being more of a natural occurrence, I think we should start to look whether  
3 or not a formula rate plan is the necessary tool or the best tool for us to be using  
4 and reviewing some of these requests. So while I have no objection on Exhibit 5,  
5 I did want to place that as future thought on these matters.

6 **CHAIRMAN CAMPBELL:** There's a motion, there's a second. Any objection?  
7 [NONE HEARD] No objection. Passed. Next issue. Number 6, I believe. Is that  
8 right?

9 **MS. BOWMAN:** Yes, sir. Exhibit Number 6 is Docket Number U-36385. This  
10 is Southwestern Electric Power Company's application for certification of certain  
11 renewable resources and approval of natural gas capacity purchase agreements. It  
12 is a discussion and possible vote on an uncontested stipulated settlement. On May  
13 27, 2022, SWEPCO filed its application seeking certification of a solar facility in  
14 Mooringsport, Louisiana, two wind generation facilities, Wagon Wheel in  
15 Oklahoma and Diversion in Texas, totaling approximately 999 megawatts of new  
16 nameplate generation, and certain natural gas capacity purchase agreements, for  
17 capacity planning years 2024 through '26, to help bridge the gap until the selected  
18 facilities are in service. Notice of the application was published in the  
19 Commission's Bulletin and no interventions were filed. Following discovery on  
20 SWEPCO's application, and after the filing of direct testimony, SWEPCO and Staff  
21 reached an agreement and executed an uncontested stipulated settlement, which  
22 was filed into the record on March 10, 2023. The settlement recommends that the  
23 Commission approve the relief requested by SWEPCO in its application, subject to

1 conditions. The major terms of the settlement cover approval of the selected  
2 facilities and the capacity purchase agreements, approvals by SWEPCO's of other  
3 state's jurisdictions, cost recovery of the selected facilities and the capacity  
4 purchase agreements, and informational updates that the company must file with  
5 the Commission. As there are no unresolved issues, Staff recommends that the  
6 Commission approve the uncontested stipulated settlement filed into the record on  
7 March 10, 2023.

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

9 **COMMISSIONER GREENE:** I object.

10 **CHAIRMAN CAMPBELL:** Mr. Greene.

11 **COMMISSIONER GREENE:** Yeah. First, I want to commend the Staff for  
12 trying to make lemonade out of lemons. The conditions put on this proposed  
13 settlement at least make it palatable; however, I don't think it's palatable in the -- is  
14 the appropriate standard. Utility customers deserve better than palatable.  
15 Customers are right to expect that we hold utilities accountable and ensure  
16 companies do what's best for their customers, those residents and business that pay  
17 for each utility decision that we approve. In this case, the utility on its own decided  
18 to ignore evaluating options other than those that would benefit their shareholders,  
19 and I cannot support that approach. SWEPCO designed their RFP to limit the  
20 participation of companies willing to offer long-term power purchase agreements  
21 thus ensuring that the only responses evaluated would be those providing  
22 SWEPCO's shareholders with financial returns. What's worse is that the  
23 Commission Staff asked SWEPCO to do a fully competitive RFP that include PPAs

1 and SWEPCO rejected the request using our own lax rules against the  
2 Commission and ultimately against their customers. As a result of SWEPCO's RFP  
3 design decision, SWEPCO's here today asking Commissioners to approve \$2  
4 billion worth of generation bills without fully testing the market. By excluding an  
5 entire set of resource options from this consideration, SWEPCO has limited its  
6 ability to evaluate resources that might be more beneficial to their customers and  
7 as a result has prevented the Commission from doing so as well. I cannot support  
8 that outcome. SWEPCO customers deserve a result that's fully and fairly market  
9 tested. For these reasons, I vote no. I want and I know that other Commissioners  
10 have said they want resource diversity, price stability, low cost energy, and all the  
11 benefits that cost-effective renewables can bring to Louisiana residents and  
12 businesses. The most accountable and transparent mechanism to deliver those  
13 benefits to the customers is through competitive RFPs that fully evaluate all market  
14 options. To quote the late data scientist Edwards Deming, in God we trust, all  
15 others bring data. Excluding resource options from an RFP process reduces the  
16 amount of data available to make prudent decisions for our customers. Thus, if  
17 you're asking your customers to pay for your decisions, the data you bring better  
18 be a product of a fully competitive and fair process.

19 **CHAIRMAN CAMPBELL:** Mr. Sisung and Mr. -- I need you to come up here,  
20 please.

21 **MS. BOWMAN:** Mr. Bourg.

22 **COMMISSIONER SKRMETTA:** Mr. Chairman.

23 **CHAIRMAN CAMPBELL:** If Bobby Gilliam, Mr. Gilliam.

1 **COMMISSIONER SKRMETTA:** Mr. Chairman.

2 **CHAIRMAN CAMPBELL:** Yes, sir.

3 **COMMISSIONER SKRMETTA:** I made a motion. If no one seconds it, it fails  
4 and it's over.

5 **CHAIRMAN CAMPBELL:** I want to hear from these folks.

6 **COMMISSIONER SKRMETTA:** Okay.

7 **CHAIRMAN CAMPBELL:** I think this is a complicated issue. It needs to be  
8 fully explained, Mr. Sisung. I hear what Mr. Greene's saying. I think he made  
9 some valid points. I think you made some of these points. Basically what he's  
10 saying, if I might paraphrase what he's saying, basically, he doesn't think there's  
11 been a real clean search for the cheapest price for people because you eliminated  
12 purchase power agreements. They were eliminated, and they were eliminated  
13 because we have -- because SWEPCO said they went by the rule and we don't have  
14 a rule that demands that. So I talked to Brandon. That's what we need to do first  
15 thing of all, Brandon, we don't need any more RFPs coming up here until they  
16 check everything, PP -- professional, private, anywhere you can get a quote, we  
17 need to do it. And they didn't do that here, correct?

18 **MR. LANE SISUNG:** That is correct.

19 **CHAIRMAN CAMPBELL:** And you asked them to do it?

20 **MR. SISUNG:** We did.

21 **CHAIRMAN CAMPBELL:** And they wouldn't do it?

22 **MR. SISUNG:** They did not.

1     **CHAIRMAN CAMPBELL:** And they said they didn't have to do it because they  
2     were going by our rules.

3     **MR. SISUNG:** The MBM only allows Staff to provide advice and comments. It  
4     does not give us any authority to require how they conduct their RFP.

5     **CHAIRMAN CAMPBELL:** So if we had a rule that said that you had to check  
6     this then you would have got a quote, correct?

7     **MR. SISUNG:** If the rule required PPAs not to be excluded, we would have gotten  
8     -- at least known what the results of the PPAs would have been. It may or not have  
9     been more beneficial, but we would have known.

10    **CHAIRMAN CAMPBELL:** Right. It doesn't mean it would have been cheaper,  
11    you just would have known what the price was.

12    **MR. SISUNG:** That's correct.

13    **CHAIRMAN CAMPBELL:** And I represent this area up there. And SWEPCO  
14    is a good company. They pay their employees well, they do well, they make a lot  
15    of money. But without knowing what all prices are, I don't know that -- I can't  
16    support this either because there's -- if there would have been cheaper utilities  
17    available, I would have like to have known about it because that's the one we would  
18    have used. But SWEPCO chose not to do that. They'd rather build their own  
19    plants, right?

20    **MR. SISUNG:** That's the way they structured their RFP to have only self --

21    **CHAIRMAN CAMPBELL:** Okay. So --

22    **MR. SISUNG:** -- to only have options that they would own.

1     **CHAIRMAN CAMPBELL:** And how much do these plants cost they're going to  
2     build? Do you know?

3     **MR. SISUNG:** That's why Mr. Bourg's here.

4     **MR. JONATHAN BOURG:** The total -- the total cost, Commissioners, \$2.1  
5     billion.

6     **CHAIRMAN CAMPBELL:** How much?

7     **MR. BOURG:** \$2.1 billion.

8     **CHAIRMAN CAMPBELL:** Would that 2.1 billion go in the rate base?

9     **MR. BOURG:** Correct.

10    **CHAIRMAN CAMPBELL:** If this passes?

11    **MR. BOURG:** And that's total company, so that's not just the Louisiana portion.  
12    The Louisiana portion would be about 33 percent of that, but it's 2.1 billion for total  
13    SWEPCO.

14    **CHAIRMAN CAMPBELL:** Okay. And so they get paid a rate of return on that,  
15    don't they?

16    **MR. BOURG:** They would, yes.

17    **CHAIRMAN CAMPBELL:** And how much is that rate of return?

18    **MR. BOURG:** It would be at their WACC of 8.6 percent, so.

19    **CHAIRMAN CAMPBELL:** So look, I'm not -- I'm not saying they're doing this  
20    as a scheme. I'm just saying as a company, they're -- would rather build these  
21    plants and put it on the rate base and get 8 percent on their money than check all  
22    the other availabilities of electricity prices that they could buy it for; is that correct?

23    **MR. SISUNG:** That is the -- how they structured their RFP for sure.

1 **CHAIRMAN CAMPBELL:** Yeah.

2 **VICE CHAIRMAN FRANCIS:** Mr. Chairman, can I ask something?

3 **CHAIRMAN CAMPBELL:** Mr. Francis.

4 **VICE CHAIRMAN FRANCIS:** We got the head guy with SWEPCO here. Why  
5 isn't he up here defending himself? I'd like for him to come up. Maybe bring his  
6 bodyguards with him, you know.

7 **COMMISSIONER SKRMETTA:** I got a question.

8 **VICE CHAIRMAN FRANCIS:** I think if -- as a former business person, I'd like  
9 to at least be able to defend myself here. And to have the head guy for SWEPCO  
10 here, that's --

11 **CHAIRMAN CAMPBELL:** We asked him and we were going to get to him. Mr.  
12 Skrmetta.

13 **COMMISSIONER SKRMETTA:** Yeah. Question for Staff for, I guess, Lane or  
14 for you. So what you're saying is the Commission had a published rule?

15 **MR. SISUNG:** The Commission has a rule. It's called the Marked Based  
16 Mechanism.

17 **COMMISSIONER SKRMETTA:** Right. And the company followed the rule?

18 **MR. SISUNG:** The company did follow the rule.

19 **COMMISSIONER SKRMETTA:** Okay. So are we supposed to expect the  
20 companies to follow the rules?

21 **MR. SISUNG:** Well, the company follow the Market Based Mechanism rule. The  
22 certification rule allows the conduct of the RFP to be included as part of the  
23 certification rule.

1 **COMMISSIONER SKRMETTA:** Which rule are they supposed to follow?

2 **MR. SISUNG:** Both.

3 **COMMISSIONER SKRMETTA:** And did they -- are they allowed to select

4 between the rules?

5 **MR. SISUNG:** No. They have to follow both rules.

6 **COMMISSIONER SKRMETTA:** They have to follow both?

7 **MR. SISUNG:** Yeah.

8 **COMMISSIONER SKRMETTA:** And so is it that they failed to follow one?

9 **MR. SISUNG:** Well, the certification rule is where the --

10 **COMMISSIONER SKRMETTA:** Does that take place at a different time or does

11 one take place before --

12 **MR. SISUNG:** Yeah. Well, the MBM rule takes place first.

13 **COMMISSIONER SKRMETTA:** Okay.

14 **MR. SISUNG:** And that is where Staff gets to observe their request for proposals.

15 **COMMISSIONER SKRMETTA:** Uh-huh.

16 **MR. SISUNG:** Once they make their selection, they file for a certification, under

17 the certification rule.

18 **COMMISSIONER SKRMETTA:** Right.

19 **MR. SISUNG:** The certification rules specifically say that you can look at how

20 the RFP was conducted in determining whether or not you think the project should

21 be approved or not.

22 **COMMISSIONER SKRMETTA:** Okay.



1 **MR. SISUNG:** So when we wrote our testimony, we did say that we had an issue  
2 that they didn't include PPAs and we could not say that it was the lowest and  
3 reasonable cost and we -- our testimony recommended against the projects but  
4 provided conditions that if the Commission wanted to approve it, protections. We  
5 have -- where we are today is we have -- they have -- they gave all of those  
6 protections. There is a new increased need for capacity.

7 **COMMISSIONER SKRMETTA:** Well, that was my next question for you. Is  
8 there a value for the company to actually create new capacity in its control versus  
9 having a purchase power agreement which would likely be outside of its control to  
10 ensure resource adequacy?

11 **MR. SISUNG:** I don't know that there's a necessary benefit between ownership  
12 and PPAs. You know, many utilities are entering into renewable PPAs. Right now  
13 I wouldn't say that there's a definitive advantage.

14 **COMMISSIONER SKRMETTA:** Well, we're going to hear about some  
15 disadvantage of that soon because of the MISO winter rule changes on that --

16 **MR. SISUNG:** Yes.

17 **COMMISSIONER SKRMETTA:** -- and some shift on that, you know, as we  
18 move forward. So I would disagree with you on that part.

19 **MR. SISUNG:** Okay.

20 **COMMISSIONER SKRMETTA:** But the other element is for my -- I guess,  
21 where I'm kind of on this is you said that the total price of this is about 2.1 billion  
22 and SWEPSCO Louisiana is about 30 percent of that, so it's about 800 million?

23 **MR. BOURG:** Yeah. It's about 33, yes, sir.

1 **COMMISSIONER SKRMETTA:** Okay. So about 33?

2 **MR. BOURG:** Yes.

3 **COMMISSIONER SKRMETTA:** And so where is that -- is that going to be built

4 in Louisiana?

5 **MR. BOURG:** The one in -- I mean, SWEPCO's here. They could answer just as

6 well as me.

7 **MR. MATTISON:** Mooringsport, 200 megawatts is in Louisiana.

8 **COMMISSIONER SKRMETTA:** And 200 megawatts of, what, solar?

9 **MR. MATTISON:** Yes, sir.

10 **COMMISSIONER SKRMETTA:** Okay. So if we approve this plan, there would

11 actually be capacity built in Louisiana, tax base built in Louisiana, employment

12 built in Louisiana, and jobs in Louisiana, the whole aspect. And if we relied more

13 on PPAs, there's no general assurance that that would take place in Louisiana.

14 **CHAIRMAN CAMPBELL:** Correct.

15 **MR. MATTISON:** That's correct. A PPA can be anywhere.

16 **COMMISSIONER SKRMETTA:** It could be Oklahoma, Arkansas, or Texas

17 wherever and just the value proposition would be considered versus the social

18 propositions? Okay. All right. All right. I don't have any more questions.

19 **CHAIRMAN CAMPBELL:** Mr. Sisung, I'm going to ask you a question. I'll

20 get right to y'all. Is this true? Staff recommended to SWEPCO to include PPAs in

21 its RFP and SWEPCO decided on its own to ignore that recommendation and

22 proceed with the RFP that only evaluates the project would add to SWEPCO's rate

23 base; is that true?

1 **MR. SISUNG:** That's true.

2 **CHAIRMAN CAMPBELL:** Look, look, I hope this never happens again,  
3 Brandon. This is not right. And I'm not say -- SWEPCO went by the rules, but we  
4 should never let this happen again. We need a rule or whatever but full on RFPs,  
5 you ought to have -- that ought to be where they search everything possible. They  
6 went by the rules and they didn't have to do it.

7 **SECRETARY FREY:** That's correct. And to echo what Lane said --

8 **CHAIRMAN CAMPBELL:** This is going to cost -- this is going to cost people  
9 in north Louisiana a bunch of money -- maybe, maybe. It might be the best deal,  
10 and if it's the best deal, we ought to go with it. But we don't know if it's the best  
11 deal or not. That's the problem. Tom.

12 **MR. TOM BRICE:** Yes, sir. Mr. Chairman, I just wanted to point out that the  
13 company did three different analyses --

14 **CHAIRMAN CAMPBELL:** Speaker a little closer.

15 **MR. BRICE:** We did three different analyses that selected these types of  
16 resources. We first did what we called Quarter 1 IRP like analysis and then we did  
17 an actual IRP. And then after we got the bids back in, we did a confirmation  
18 analysis. And all three indicated that these resources were the best option for  
19 customers. And the actual levelized cost of energy for the three facilities is 4.3  
20 cents per kilowatt hour for the life. That's less than many utilities' fuel bill -- just  
21 their fuel bill, 4.3 cents a kilowatt hour.

1     **CHAIRMAN CAMPBELL:** Tom, let me ask you a question. Did they ever ask  
2     you specifically -- did Mr. Sisung ever lean on you or the Staff lean on you that  
3     they want some PPA estimates and what did you tell them?

4     **MR. BRICE:** Yes, sir. They did indicate it was their preference that we include  
5     PPAs, but on the other hand, many times the company will issue RFPs where we  
6     don't look at ownership at all. It really is a function of what --

7     **CHAIRMAN CAMPBELL:** But on this specific case here, this specific case  
8     we're talking about, they told you -- the Staff told you they wanted a quote from  
9     PPAs and you didn't do it.

10    **MR. BRICE:** I don't remember the exact language. I just remember they pressed  
11    us for PPAs and that's been an issue for them. But as I said earlier, there are many  
12    times we issue RFPs where we don't look at ownership. What's important to us  
13    are two things: Lowest cost resources for customers and resource diversity. And  
14    if you look at our fleet today, we use PPAs to serve about 20 percent of our load.  
15    We think that's a reasonable mix and that adding these owned resources today is  
16    the right thing for customers. It will save them money. All three projects combined  
17    are expected to produce net benefits and I think Staff would agree with that as well.

18    **CHAIRMAN CAMPBELL:** How hard did you push, Mr. -- Lane, how hard did  
19    you push to get PPAs included in this?

20    **MR. SISUNG:** We had a meeting where we discussed it and Ms. Watson was the  
21    -- or Ms. Frey, Melissa Frey, was the Staff attorney at the time, and she provided a  
22    -- either a letter or an email to them stating Staff's concerns. And that -- I mean,

1 that's the process. We're allowed to provide our input and it was in providing our  
2 input.

3 **MR. MATTISON:** And Commissioner Campbell, Chairman, I think it's  
4 important to note that even at that, we came to a unanimous settlement with Staff,  
5 with consultants, everyone.

6 **CHAIRMAN CAMPBELL:** Look, I like you. We're friends, okay. But that's a  
7 little slick for me.

8 **MR. MATTISON:** That's not slick. That's just -- I'm just stating a fact.

9 **CHAIRMAN CAMPBELL:** Well, if it ain't slick, it's first cousin to it.

10 **MR. BOBBY GILLIAM:** If I can go back a little bit on the rules --

11 **CHAIRMAN CAMPBELL:** What you did was, you agreed to what you wanted,  
12 but you didn't agree to what they asked you to put in there. That's the record. But  
13 anyway.

14 **MR. GILLIAM:** If I can, I'm going to go back a little bit because some things  
15 have been said and I want to --

16 **MS. BOWMAN:** Bobby, introduce yourself, please.

17 **CHAIRMAN CAMPBELL:** Okay. Go ahead.

18 **MR. GILLIAM:** First of all -- first of all, the capacity need is significant. This is  
19 not one made up. Plants have been closed. Dolet Hills have been closed. Pirkey  
20 has been closed. Some older gas plants have been closed. We needed it. The SPP  
21 is requiring the increased capacity reserves and is going up. We have to move. We  
22 don't have time to sit around. This is not just okay, let's look at this. We got to get  
23 the capacity out to the people. We have an obligation to serve, and we're trying to

1 meet that obligation. Everybody sitting at this table stipulated that this capacity  
2 need was present, it was real, and Staff testified in their testimony as such, we had  
3 to move forward. Now, we've got over 900 megawatts of PPAs right now. Now,  
4 that's not all. What we did is in this very process we took on more -- we took on  
5 more capacity PPAs that were gas. And we did that so that we could diversify our  
6 fuel mix. So we have gas, we have solar, and we had wind, so that is in this mix.

7 **COMMISSIONER GREENE:** Can I interrupt you for a second? I'm okay with  
8 the gas part of this. But why would you -- why would you do PPAs for the gas but  
9 not the renewables?

10 **MR. GILLIAM:** Well, we're doing a capacity PPA. They're shorter term and  
11 they're actually going to provide capacity [INAUDIBLE] they're fueled by gas.  
12 They are going to sell us that because we need it -- we needed it on a short-term  
13 basis and until we can get the other assets built and generating. That's --

14 **COMMISSIONER GREENE:** What I'm hearing from you is that there was an  
15 urgency to hurry up and get capacity --

16 **MR. GILLIAM:** Correct.

17 **COMMISSIONER GREENE:** -- but how much would have a PPA slowed that  
18 process down if you issued PPAs for the gas side but not the renewable side?

19 **MR. BRICE:** Commissioner Greene, could I also add to Mr. Gilliam's answer on  
20 why we looked at ownership? Before this RFP, about 40 percent, maybe a little bit  
21 less than that, of our renewables were taken in the form of PPAs and about 60  
22 percent through ownership. We believe, we made the management decision, that  
23 it was in the best interest to balance that diversity through ownership. We've got

1 the obligation to serve. That's critically important. We know we're going to put  
2 the right types of equipment on those facilities to ensure that they will be there  
3 when needed. And that was the most important thing to us. We don't get some of  
4 those protections and benefits in the PPA, candidly, but it was more about that  
5 diversity and balance for us internally.

6 **COMMISSIONER GREENE:** But don't you think there could have been a cost  
7 discrepancy between what the product that you get with or without a PPA on the  
8 renewable side?

9 **MR. GILLIAM:** I'll say this, I mean, we do have a lot of PPAs to look at. We  
10 know what pricing is, and AEP is out there all the time looking. We know what  
11 the pricing is. You're not going to get a better price than that 4.3 cents we just  
12 mentioned. I know y'all were talking, you might not have got a chance to hear that.  
13 Tell them the price again, Tom.

14 **MR. BRICE:** Well, the average of the three through ownership is about 20 percent  
15 lower than the long-term PPA that the Commission approved last year --

16 **COMMISSIONER GREENE:** And I'm sorry, are you referring to the whole  
17 package or just the renewable side?

18 **MR. BRICE:** The whole -- well, thank you for that clarifying question. So for the  
19 three facilities in 999, the average price of those three is about 20 percent lower  
20 than the contract that you -- the PPA contract that you had approved for SWEPCO  
21 last year.

1 **COMMISSIONER GREENE:** And I guess what I'm saying is that's awesome,  
2 but how do we know that it can't be even lower? We don't because there weren't  
3 PPAs on that side.

4 **CHAIRMAN CAMPBELL:** That's exactly right.

5 **MR. BRICE:** Well, I understand, Commissioner. I think the last RFP where we  
6 signed that the renewable contract that I just referenced, there's no better test or  
7 comparison than that. The average price of these facilities is about 20 percent  
8 lower.

9 **COMMISSIONER GREENE:** What would it look like if we separated these two  
10 and said I'm okay with the gas, but just redo the renewables with PPA?

11 **MR. GILLIAM:** We wouldn't be meeting our capacity needs. We wouldn't be  
12 able to do it. This isn't something we can turn around and do over night, that's the  
13 problem.

14 **COMMISSIONER GREENE:** Yeah, but any time a utility threatens us with an  
15 urgency, I just think that y'all -- this is a plot or a scheme.

16 **MR. GILLIAM:** It's not a plot. Let me -- we already had the 900 megawatts of  
17 PPAs. Now -- wait, I hadn't finished. In addition to the capacity PPAs, but also  
18 one of the solar facilities, and it came up during the COVID and we worked a long  
19 time on it, but it's also in Caddo Parish, it's another 72 megawatts of PPAs along  
20 I-49, Commissioner Campbell is familiar with it. We also made it a PPA. So we  
21 have a very healthy mix of PPAs and we know the market. And what happened  
22 here, with the urgency and the SPP and closure of plants, we got the pricing, but  
23 we did it through the MBM Order, which required absolute transparency on



1 everything we were doing. When we got bids in, and in fact, I think, Katherine  
2 King and Gordon's represent of Entergy and they got some of these bids. We had  
3 to turn all that information over to Staff and Staff was watching everything closely.  
4 They were sending discovery, they were sitting the technical conferences, and  
5 everything we got, we turned over to Staff. It wasn't like SWEPCO was out here  
6 running loose just trying to do something. Yeah, they were trying to meet a capacity  
7 need. That's important. And in today's world, by the way, I want to say this and  
8 then I want to hear your question, but we're limiting fuels now. As you know,  
9 nuc's not really been a favorable option. Coal has been not -- getting knocked out,  
10 and right now I hope it doesn't, but there's talk about environmental regulations as  
11 to gas. And so we're looking at options, we're trying to look ahead, we're trying  
12 to move quickly, and we're keeping it in the mix. And Staff addressed that and not  
13 only was the 1983 Order met, which meant we had a real lead, but the MBM Order  
14 was complied with from top to bottom. And everything we're supposed to do and  
15 all the disclosures and all the confidential information that we turned over to Staff  
16 was provided. So it was all given, and Staff and us ultimately reached an  
17 agreement, a settlement that everybody looked at, hard negotiated, every issue  
18 turned over, every piece of paper turned over that they wanted, and these are very  
19 -- these are excellent pricing. And I can tell you this, Staff imposed -- we have a  
20 cap, a price cap, that's going to be gone. If we don't do it, we're going to lose it,  
21 and prices are going to be 25 percent or so higher, that's an estimate, obviously.  
22 They're going to be higher if we don't do it because the price cap is part of the deal  
23 that Staff negotiated with us and we agreed to it.

1 **COMMISSIONER GREENE:** But, and I'd ask you and Lane to both answer this  
2 question. I'm catching from you, and if I can clarify that, had y'all taken on  
3 consideration of PPAs on the renewable side, that you could not have met the  
4 capacity need in time, which I find that very hard to believe.

5 **MR. BRICE:** So Commissioner Greene, before addressing that question, if I could  
6 add to Mr. Gilliam's response to your last question. And I'm sorry, I'm the business  
7 guy and accounting guy, I like to talk numbers, so bear with me. So in looking at  
8 the levelized net cost of energy, the three selected facilities, combined and  
9 individually, will produce net benefits for customers. Collectively and  
10 individually, all three, based on the condition that Staff required in the settlement  
11 agreement on the solar. That might have been the one project that was questionable  
12 and Staff made the company agree to a number that would result in a revenue  
13 requirement that would produce that net benefit, so I wanted to point that out, so I  
14 thought that was important and relevant to your last question.

15 **COMMISSIONER GREENE:** Yeah, and look, I want to point out, I don't think  
16 y'all did anything wrong. If I was in y'all's shoes, I'd have tried to do the same  
17 thing. You've got to maximize the shareholder return. If y'all abided by the order,  
18 you know, they say the law is the ethical minimum. Well, it's on us to adjust that  
19 if we don't like the way y'all did that, and that's what we do when we vote and  
20 that's what we do when we update orders, so we're in the process of that. This is  
21 strictly driven for me by if you had considered other alternatives, could this have  
22 been cheaper, and we don't know that.

1 **MR. MATTISON:** I think, Commissioner Greene, its three-fold, too. Its customer  
2 cost, capacity, and then, of course, shareholder return comes into play, but that's  
3 not the main focus. We're seeing PPA prices now that are 20 to 25 percent higher  
4 today. An RFP, and I think it's important to note, too, in the SPP, there's not much  
5 market out there in the commercial market when you put an RFP for capacity,  
6 you're not getting many bids to come back.

7 **COMMISSIONER GREENE:** It seems like if y'all had done the PPA, you could  
8 have just proved that y'all were right and showing what you're doing right now.

9 **CHAIRMAN CAMPBELL:** Yeah, Mr. --

10 **COMMISSIONER SKRMETTA:** Mr. Chairman.

11 **CHAIRMAN CAMPBELL:** Just a second. Mr. Lewis and then you can go.

12 **COMMISSIONER SKRMETTA:** Okay.

13 **CHAIRMAN CAMPBELL:** Go ahead.

14 **COMMISSIONER LEWIS:** Are you done, Commissioner Greene? I didn't  
15 mean to cut you off. No, I was just making sure Commissioner Greene was done.  
16 I just want to -- I hear you and I'm following along and I just want to make sure I  
17 get some questions answered. So you are saying, and Lane, you can correct me if  
18 I'm wrong, that there will be a net savings to customers later on in years?

19 **MR. SISUNG:** That's correct. The projects are structured in a way that they will  
20 use net economic benefits to customers over their life.

21 **COMMISSIONER LEWIS:** And what would that be? How significant would  
22 that be?

1 **MR. BOURG:** I don't have the number on me, but -- and that, I just want to be  
2 clear, Commissioner, the reason that we've confirmed that they will provide net  
3 economic benefits over their life is the conditions that we've placed in this  
4 settlement, which includes the cost caps that Mr. Brice mentioned and the  
5 production guarantees that we've also [INAUDIBLE].

6 **COMMISSIONER LEWIS:** Thank you. Look, I'm extremely supportive of  
7 renewables, I think I've made that very clear, but one of the things that I'm also  
8 very keen on is making sure we protect customers. And I know we went through  
9 the customer cost capacity and then shareholders, but I want to make sure that when  
10 we are not doing a competitive process, that this is not a way of saying, well, this  
11 is still good for our customers because there will be a net savings, but there could  
12 have been a more -- an even better net saving, had we actually looked outside of  
13 the typical old way of doing business that we have done, which is the investor  
14 owned utility wants to own it all. And so I'm battling right now and I want to hear  
15 from you the justification because I've heard where we're at right now. I've heard  
16 your plea on capacity. What I have not heard is what was the determining factor  
17 not to use a purchase power agreement and look competitively outside of yourself.  
18 What was that thinking, what drove you to do that?

19 **MR. GILLIAM:** And I'll say that, Mr. Brice can certainly jump in, but I want to  
20 say again, one of the things is there's an assumption here. Again, we already had  
21 the 900 megawatts of PPAs. We were looking at pricing and we still know today  
22 about pricing of PPAs, but we did also include the capacity PPAs in the deal as a  
23 part of the mix and that is in the mix and is in the mix now for the short-term

1 because we have to have it. That was approved in part of the deal. And so then  
2 once we included that in the mix, and then I also mentioned the other Rocking R is  
3 a PPA, that's another solar project being built, so that's in addition to the 900 that  
4 I'm talking about, both of those numbers. Its 350 on the gas PPAs and it's about  
5 72 megawatts on the Rocking R. So we did have that healthy mix in. Now, we  
6 were trying to -- since I wanted to answer that question, and also, Commissioner  
7 Greene. I'm sorry.

8 **COMMISSIONER SKRMETTA:** I'm just waiting. You go ahead and finish.  
9 I've got a question when you're done.

10 **MR. BRICE:** Could I add to Mr. Gilliam's answer, Commissioner Lewis, if that's  
11 all right, Commissioner Skrmetta?

12 **COMMISSIONER SKRMETTA:** Go ahead. I'll wait until you finish with  
13 Commissioner Lewis.

14 **MR. BRICE:** So we did follow, to the T, the Market Based Mechanism Order of  
15 the Louisiana Public Service Commission. We're required to give notice of the  
16 RFP, required to issue a draft, hold technical conferences, and issue the final. All  
17 of that was done, completely consistent with the rules of the Louisiana Public  
18 Service Commission. The second item of your question on why we chose  
19 ownership, it had to do about what we believe, as management, the most important  
20 balance of these resources. As I said earlier, we've got about 40 percent through  
21 PPAs and about 60 through ownership. We believe there should be a bit more  
22 heavily weighted to ownership. And the third point, at that time we had evidence  
23 that -- we knew what a PPA would cost, and in fact, these facilities, in the end, will

1 cost about 20 percent less than a PPA that we signed last year and the Commission  
2 approved last year.

3 **COMMISSIONER LEWIS:** And thank you, I appreciate it. And I think my  
4 challenges, and I agree with Commissioner Greene, is that I think we're balancing  
5 this rush to, I think, beat some of the other work that we are talking about on this  
6 Commission, if I'm being honest, about whether or not generation should only be  
7 by an investor owned utility. And what I'm looking at is to make sure that  
8 consumers are getting the best deal. When I talk to people, when we talk about  
9 extra capacity in the terms, I like to bring it back to what we're really talking about  
10 here is whether or not people's lights come on in a storm -- after a storm and  
11 whether they can afford to pay that bill after the storm. And so when I'm thinking  
12 about this, I want to -- I appreciate and I am very much interested in all of the fine  
13 details that we're talking about, but I want to bring us back to the stark reality of  
14 what is at stake, and I'm looking at whether or not this additional charge is the best  
15 for your customers in what we know is an economic downturn is where I'm making  
16 that determination. And so I want us to really start to think and not just kind of  
17 assume what has happened and what has been happening is the way it needs to  
18 continue to happen and I -- but I think you have some comments, so I'll stop there.

19 **MR. GILLIAM:** And I think those are great points that you made and the  
20 questions Commission Greene's asked. Remember this: Yes, we had a capacity  
21 need. Yes, we're looking at the fuels and the resources that are going to be available  
22 in the light of the market, the signals we're receiving from environmental issues  
23 and otherwise. But also, we're living in real life. We all lived through the Uri ice

1 storm. I've never seen anything like it. I want to be sure everybody can hear it  
2 because I'm making this point in part for you and Commissioner Greene. All right.  
3 Uri, the ice storm Uri. We all lived it. I've never experienced anything like that in  
4 my lifetime there, I never have. Now, we had almost six inches of ice on the streets.  
5 I was the only one who went to work that morning because I had a four-wheel drive  
6 and I picked up somebody, we went down to the building. We had no water when  
7 we got there because you couldn't make the water go up, everything was frozen.  
8 There was a lot of failures and breaches of contracts during Uri. Just check Texas  
9 out, it doesn't take long. A PPA is -- they got -- it depends on provisions, but there  
10 were provisions in there that said force majeure, and they said they can't do it.  
11 What we need is a mix, and a healthy mix, so that we do have some steel in the  
12 ground. Reliability does make a difference, and I'm going to suggest to you, in the  
13 years going forward, we're going to see it maybe quicker than we like, we're going  
14 to learn about reliability even being more of an issue than any of us envision sitting  
15 right here today. I mean, blackouts and all are being discussed. We don't want that  
16 to happen. We followed the rules and we do have the healthy mix and we're going  
17 to maintain a healthy mix. And even this, what Staff did in our negotiations to  
18 make sure there was no gaps, we negotiated that -- we got another one we're  
19 working on right now. We're going to be coming back with additional generation  
20 because when you start closing things, you've got to replace that capacity. We've  
21 agreed the next time, we're going to bid -- take any bids for PPAs as a part of the  
22 process. It wasn't in the prior MBM rule. We've engaged in that and acquired  
23 PPAs and we even did it in that process, but we're going to do it next time we're in

1 front of you again. Just by our agreement, irrespective of the rule because it wasn't  
2 in the rule at the time, but we're agreeing to it now.

3 **COMMISSIONER LEWIS:** And I appreciate that. I mean, I think the challenge,  
4 though, is our rules take time, and as you mentioned Uri, you mentioned blackouts,  
5 we know they are coming. And so what I'm saying is that just because the rule  
6 hasn't caught up with society and the systems that we exist in now doesn't mean  
7 our proposals should not. And I think that's the balance, is I am urging and I'm  
8 appreciative that you said you will do that and I'm urging you and everyone else.  
9 We're in a different situation here and I think it requires us to do things differently  
10 and then not just use the rules because we haven't caught up to that. And using  
11 inertia, in my opinion, as the justification for continuing to do the same things that  
12 are proving not to truly work for our people, and that is where my concern is. But  
13 I know some of my other colleagues have some questions and comments, so I'm  
14 going to leave it there.

15 **VICE CHAIRMAN FRANCIS:** And I'd like to say, I agree with Commissioner  
16 Lewis that our job is to get the best deal for our customers. Safe, reliable,  
17 affordable. Okay. I've got a question for Secretary Frey. Did SWEPCO follow  
18 the rules in working on this particular little project we're talking about? Did they  
19 follow the rules, yes or no?

20 **SECRETARY FREY:** I'm deferring to Staff, but it's my appreciation they did.  
21 The MBM Order sets forth the process.

22 **VICE CHAIRMAN FRANCIS:** Lane, did SWEPCO follow the rules and put this  
23 process before us?



1 **MR. SISUNG:** As I stated, the rules did not require them to include PPAs, so yes,  
2 they followed the rules.

3 **VICE CHAIRMAN FRANCIS:** All right. Okay. Let's get this straight. So they  
4 can't guess at what kind of rule change we might dream up. This 1983 rule, is that  
5 the rules we're working under, 1983 rules?

6 **SECRETARY FREY:** And that's part of it. So you've got two orders that govern  
7 this process.

8 **VICE CHAIRMAN FRANCIS:** All right.

9 **SECRETARY FREY:** And I know Lane touched on it, but just to make sure we're  
10 all on the same page, the 1983 is the certification order. Any project that is going  
11 to be certified by the Commission, that's the year it was adopted. Everyone refers  
12 to it as the '83 Order, it's been modified since then. But after the adoption of the  
13 '83 Order, I think it was in the late '90s --

14 **MR. SISUNG:** '94.

15 **SECRETARY FREY:** -- '94, so early 90s, pre-dates me, but the Commission  
16 adopted what they call the Market Based Mechanism, or MMB Order, that says you  
17 have to test the market if you're going to issue a request for proposals for over a  
18 certain capacity and over a certain term. So that's the order, they issue a draft, Staff  
19 comments on it. So yes, they followed the rule, but also to Lane and Jonathan's  
20 point, as part of Staff's comments, they said we think you should do this, and the  
21 rule does provide for that as well, for Staff to have input into the RFP process. We  
22 can't tell them what they can and can't do, but when they ultimately come in, then,  
23 to certify under the '83 Order, we can raise those issues. Did I sum that up?

1 **MR. SISUNG:** That's correct.

2 **VICE CHAIRMAN FRANCIS:** Well, how can we -- if we don't have rules for  
3 these guys to follow, so what keeps this from happening every time we have a  
4 project like this?

5 **SECRETARY FREY:** It's not the norm. I mean, Lane's probably worked on  
6 more of these than I have, but it's typical that when a utility follows the MBM  
7 Order, they're asking for a broad range of projects, whether it's self-builds, whether  
8 it's build-to-own, whether it's tolling agreements, whether it's PPAs, whether it's  
9 a combination. The ones I worked on, that's typically what I would see. But I'll  
10 defer to Lane on that.

11 **VICE CHAIRMAN FRANCIS:** These guys have a business to run, and we  
12 represent the people to tell them what the people want, and they need to go out and  
13 do that. But we've got a kind of a gap in here on what we really want to do at the  
14 end of the day and I don't know how, other than to follow the rules that we write  
15 for you guys to follow.

16 **MR. GILLIAM:** And if I may add, so we're clear, we followed the 1983 Order  
17 and everybody agrees there is a dire capacity need. We need it.

18 **COMMISSIONER GREENE:** I have a question, on that note. And I know  
19 Commissioner Skrmetta is ahead of me, but on that note, and I was going to ask  
20 Jonathan, could you comment on SWEPCO's capacity needs and how each element  
21 would fit into that?

22 **MR. BOURG:** Yeah, sure. So the renewable resources come in in '26 timeframe,  
23 right? But I agree, there is a long process to get those because those are actually --

1 you're building something new. The capacity contracts, the natural gas PPAs, fill  
2 in the interim between now and then. And so I -- based on my analysis and  
3 everything I've been through, they do have a need in the interim to meet SPP's  
4 requirements. And the natural gas contracts fill that need between now and  
5 basically '26. The renewables would start filling that need in '26 and beyond. But  
6 again, that's new, steel in the ground, so that takes time.

7 **COMMISSIONER GREENE:** So if we pass the gas portion, they would still  
8 have time to do a PPA in order -- for now until 2026.

9 **MR. BOURG:** I would say that would be up to them. It does take time to get  
10 through that process. I mean, '26 isn't that far away and you'd have to go through  
11 a whole new RFP and build something and so, I would leave that to Tom.

12 **COMMISSIONER SKRMETTA:** Okay. A couple of different questions. The  
13 first question to you is aren't PPAs now listed on accountancy as debt now?

14 **MR. BRICE:** They can be, is my understanding.

15 **COMMISSIONER SKRMETTA:** You need to use the microphone a little bit  
16 better for me.

17 **MR. BRICE:** Sorry, Commissioner. They can be. You're speaking from a credit  
18 perspective?

19 **COMMISSIONER SKRMETTA:** Yeah, current.

20 **MR. BRICE:** They can be.

21 **COMMISSIONER SKRMETTA:** Okay.

22 **MR. BRICE:** I'm not as familiar with those rules as I once was, but they can be.

1 **COMMISSIONER SKRMETTA:** Yeah, I'm understanding that it's been shifted  
2 to where the PPAs affect how companies interact on their overall profile by PPAs  
3 now having to be listed on their books as debt versus an obligation -- natural  
4 obligation of a current account.

5 **MR. BRICE:** It's my understanding, from a credit standpoint, they would be  
6 reflected on the books from a credit perspective, not necessarily on the accounting  
7 records.

8 **COMMISSIONER SKRMETTA:** Okay. One of the things, and I think is, you  
9 know, as a Commission, I think some -- a couple of very important things got said  
10 today and I've heard some other people in other venues say this. That, you know,  
11 we have to accept the fact that we could start having blackouts, and it's because of  
12 our sort of natural acceptance that we're going to have to build more renewable  
13 energy that's outside of the availability of baseload energy. That's because of --  
14 that must be the clock tower, Lane. He's hearing bells and he's hoping it doesn't  
15 have wings and he's on the way out. But, you know, baseload is going to keep the  
16 lights on, spinning steel is going to keep the lights on. Renewables are going to  
17 provide value in some degree. But what we've got to look at is maintaining a  
18 balance of energy profiles. And if we don't put steel in the ground that does both,  
19 which means we're going to have to start looking at, you know, nukes, whether  
20 they're modular or small modular nukes or whatever we're going to have to do,  
21 we're going to have to keep a real, solid open mind to this. And we can have  
22 renewables, but renewables are not baseload electricity and will lead us closer to a  
23 trip to a black start provision which will be a bigger problem for the citizens of this

1 state and the industry of this state and the economy of this state. So we've got to  
2 be very careful about what we commit to on how we proportion off what  
3 percentages of what we do and how we commit to what you guys want to create as  
4 your energy profile. So the other -- I need a pen, if you don't mind, if I could  
5 borrow one, I just have a pencil. The second issue is, and we're talking about you  
6 guys creating your own vertically integrated profile or project versus doing a PPA.  
7 And I think we're about -- I wish we would have done the 1803 presentation first  
8 because we're going to learn and we're going to talk about this 1803 problem with  
9 the Bayou Galion solar project, which was a PPA which has failed, and it's failed  
10 because costs have gone up. And whether it's through the Inflation Reduction Act,  
11 new and federal investigations, the cost of panels, whatever it is, the costs and  
12 inflation in general, these costs through these PPAs are not going down, they are  
13 going up. And so Bayou Galion has failed and they canceled the contract on 1803.

14 **MR. BRICE:** Commissioner Skrmetta, if I could make a few remarks in response  
15 to your statements. I agree completely with your first comment about diversity --

16 **COMMISSIONER SKRMETTA:** Well, let me tell you, I'm not done. 1803 is  
17 having a meeting with its board members in May with the other two PPA solar  
18 facilities to figure out what they're going to do because they've got to be being  
19 affected by the same economic factors that are affecting the PPA solar facilities.  
20 So I can understand when you guys look at what you know to be a solar PPA profile  
21 that you look at and says its 20 percent higher because we know it's been affected  
22 by these factors and you can work yourself into your own vertically integrated  
23 profile to save the ratepayers 20 percent. My concerns are that if we don't approve

1 this that we end up with having to go back out to the market, be affected by the  
2 same considerations that affected 1803, and have a 20 percent or greater increase,  
3 and a questionable viability of the projects that could affect the ratepayers at a  
4 higher rate than what we know we have now. It is quite literally a bird in the hand  
5 moment, and that's my concern about that element because, you know, we have to  
6 look at, you know, this by, you know, if we'd have just had this moment of looking  
7 at it. We're going to hear about all this 1803 later, but, you know, if you're out the  
8 gate and you get this in the wrong way and then we find out later that we learn that  
9 solar PPAs are failing because of these elements of cost around them and then you  
10 have a vote against you and then this Commission goes, oh, man, I wish we would  
11 have thought about that before because this would have changed the dynamic in  
12 this vote. But we're going to find out very clearly that we had a program that we  
13 voted on, which was virtually all purchase power agreements and looks like it is in  
14 a changing dynamic on that one. So for me, where I see this is, even though you  
15 chose to work your own way, you did the analysis of outside PPAs to look at the  
16 value and you made your own determinative value that you could save money for  
17 the ratepayers by doing it the way you've done it, and I understand that. And so  
18 for me, I know right now that we can save the ratepayers 20 percent and we can  
19 have security and deliverable energy for the ratepayers. We can have that security  
20 of money, we can have the security of deliverability, and if we go to what we're  
21 doing, we have to go back to the drawing board and we lose the economic security  
22 and the use of the utility security and we don't know what we're going to get, but  
23 all the economic indicators that are around out there and what we're about to hear

1 in a little bit are indicating that there are problems at foot with PPAs, particularly  
2 of questionable providers. So that's my concerns with this and why I'm making a  
3 motion to accept your proposal and why I think we should do it.

4 **MR. BRICE:** Commissioner Skrmetta, if I could add a story for you that's right  
5 on point to your commentary. This particular project was recommended during the  
6 pendency of the development of the Inflation Reduction Act, and through our  
7 purchase and sale agreement, we're going to acquire the entity that owns -- the  
8 special purpose entity that owns the project, so by doing so, we were able to lock  
9 in 100 percent of the additional benefits of the IRA without any change in the price.  
10 And had we been in the market for a PPA, I guarantee you that would not have  
11 happened.

12 **COMMISSIONER SKRMETTA:** Had you not purchased that entity, would it  
13 have been a PPA with that entity?

14 **MR. BRICE:** I'm sorry, ask your question again, please.

15 **COMMISSIONER SKRMETTA:** Had you not purchased that entity, would it  
16 have been a de facto PPA with that entity?

17 **MR. BRICE:** It could have been, yes, sir.

18 **COMMISSIONER SKRMETTA:** So you basically streamlined the process of  
19 something that would have been a PPA by including it in your own vertical  
20 integration.

21 **MR. BRICE:** Some respects, yes, sir.

22 **COMMISSIONER SKRMETTA:** Okay.

1     **CHAIRMAN CAMPBELL:** Can we -- let me see if I can wrap this up and be  
2     okay since it's in my area.

3     **MR. GILLIAM:** Yeah, I want to hear your comments.

4     **MS. BOWMAN:** Bobby, use the mic. Bobby, mic.

5     **COMMISSIONER SKRMETTA:** Bobby, microphone.

6     **MR. GILLIAM:** I'm sorry.

7     **CHAIRMAN CAMPBELL:** What is it, Bobby?

8     **MR. GILLIAM:** I just wanted to close, so we got it all together and I can do it  
9     after your comments and I was going to let you hear them so you can say -- make  
10    sure you cover whatever. I think Tom just said it well, but I wanted to also focus a  
11    little bit at the end on the settlement. In addition to all the rules, we complied with  
12    every rule, the '83 Order, the MBM Order, and the 1994 Order, which has 18  
13    factors. You know, Staff said that rule, it didn't really apply, but we went ahead  
14    and applied all 18 factors and put it in our testimony. We complied with that rule  
15    also. So I think that's important that we do have some rules to address, but here's  
16    where I think we really are. Staff negotiated with us and they had all the  
17    information and they did a good job and we all went back and forth to try to make  
18    this work. I'm just looking at the terms they put in here. We got the cost cap, and  
19    I would put -- you can always estimate and guess. I'd put all the money I got in my  
20    billfold right here on the desk to bet we're not going to see these prices ever again  
21    if we let them go. It's going to hurt ratepayers. I think that's where we really are  
22    today. Now, next time, and we've got PPAs, we've got a lot of them, over 21  
23    percent and they will be included next time because Staff has put it in the term



1 sheet. We've agreed to a settlement. It's been vetted. It's been vetted extensively,  
2 and we went to the hearing on it.

3 **CHAIRMAN CAMPBELL:** Let me ask you a question. Let me ask you a  
4 question. You keep talking about next time, next time, next time. How big is this  
5 deal? Two billion?

6 **MR. GILLIAM:** Yes, sir.

7 **CHAIRMAN CAMPBELL:** What's the next one?

8 **MR. GILLIAM:** For all three states.

9 **CHAIRMAN CAMPBELL:** Okay. It's 2 billion, but it's for the same company,  
10 it's your company. It's 2 billion and --

11 **MR. GILLIAM:** [INAUDIBLE].

12 **CHAIRMAN CAMPBELL:** -- you're going to make 9 percent on the 2 billion,  
13 your company, that's true.

14 **MR. GILLIAM:** Foster, no, that's not correct.

15 **CHAIRMAN CAMPBELL:** Next thing -- wait a minute, hold on.

16 **MR. GILLIAM:** That's not correct, that's not correct.

17 **CHAIRMAN CAMPBELL:** Your rate of return --

18 **MR. BRICE:** We would not earn our return on equity on the full 2 billion. We  
19 finance it -- our capital structure essentially 50/50 with debt and equity, so equity  
20 would be [INAUDIBLE].

21 **CHAIRMAN CAMPBELL:** Okay, okay. Here we go. How much is your next  
22 request, Bobby? This is a big one here. What is the next one that you're willing to  
23 go to power purchase agreement, how much is it? Come on, now, let's hear it.

1 **MR. BRICE:** Well, we -- I don't know the exact numbers on need, Foster, but we  
2 have committed --

3 **CHAIRMAN CAMPBELL:** Look, I don't want -- tell me what you think it is.

4 **MR. MATTISON:** If it's 20 percent more, Foster, it'd be \$400 million more,  
5 minimum.

6 **CHAIRMAN CAMPBELL:** 400 million. But this one is 2 billion.

7 **MR. GILLIAM:** [INAUDIBLE] next round of [INAUDIBLE].

8 **CHAIRMAN CAMPBELL:** No, what I'm saying is, you don't want to use PPA  
9 on this one, it's 2 billion, and Bobby keeps telling me that they next one, we're  
10 willing to do it. How much is the next one?

11 **MR. BRICE:** Mr. Chairman, I --

12 **MR. MATTISON:** The reason I said the 20 percent is and Tom, Mr. Brice's  
13 talking earlier said that the one that this Commission approved just some time ago  
14 was 20 percent higher in cost than what we've got now.

15 **CHAIRMAN CAMPBELL:** No, I'm -- I'm not -- that's not -- you don't  
16 understand. Maybe I'm not -- I apologize to you guys. You're not listening to me.  
17 I want to know, this one is a \$2 billion deal and you don't want any PPAs involved.  
18 You keep saying the next one we'll okay the PPA. How much is the next one?

19 **COMMISSIONER GREENE:** I think he means the next one, if this gets voted  
20 down and they have to redo it; is that right?

21 **CHAIRMAN CAMPBELL:** Right, the next project. What is it, that Bobby says  
22 he's willing to do?

23 **COMMISSIONER SKRMETTA:** [INAUDIBLE].

1     **CHAIRMAN CAMPBELL:** I understand that's what he's saying. Yeah. I'm not  
2     talking about how much you think it's going to cost more. Bobby keeps saying the  
3     next project we got, we're going to -- and I know I'm right, I'm not losing my mind.  
4     He says the next one we got, we're going to agree for a PPA. Now, how much is  
5     the next one?

6     **MR. BRICE:** We would need to replace the megawatts from this project and add  
7     more, so we intend to issue what I would call --

8     **CHAIRMAN CAMPBELL:** How much money, Tom?

9     **MR. BRICE:** Well, I don't -- I can't answer that, Foster.

10    **CHAIRMAN CAMPBELL:** Well, this one's -- you agree this is a big one?

11    **MR. BRICE:** Yes, sir.

12    **CHAIRMAN CAMPBELL:** Do you agree that this is a big project, 2 billion?

13    **MR. BRICE:** Yes, sir.

14    **CHAIRMAN CAMPBELL:** You do?

15    **MR. BRICE:** It's an important project, yes, sir.

16    **CHAIRMAN CAMPBELL:** Okay. I got you. Well, you keep telling me the next  
17    one you're going to comply by the new rules. That's the next one, but not this one.  
18    Let me just say this. I think everybody's had a chance to talk and y'all are all --  
19    we're all friends here, puts us in a different spot. Here's the problem. And Mr.  
20    Sisung, I want to ask you a few questions. If we approve this proposal, do you  
21    know how much that number will increase, 2.1 billion, roughly 25 percent; is that  
22    right? Of how much they're building on to. Is it also true that this is going to cost  
23    the average consumer about \$10 a month more; is that true?

1 **MR. SISUNG:** Mr. Bourg will give you those numbers.

2 **MR. BOURG:** On 1,000 kilowatt hour customer, Commissioner, that's offset by  
3 savings.

4 **CHAIRMAN CAMPBELL:** Yeah.

5 **MR. BOURG:** So the net would be 4.70.

6 **CHAIRMAN CAMPBELL:** How much?

7 **MR. BOURG:** \$4.70.

8 **CHAIRMAN CAMPBELL:** No, the savings is 4.70 --

9 **MR. BOURG:** In the first year. In the first year.

10 **CHAIRMAN CAMPBELL:** -- but the total is -- how much is the total?

11 **MR. BOURG:** The cost would be 10.16, offset by a net savings of 5.46.

12 **CHAIRMAN CAMPBELL:** So what's the bottom line, then?

13 **MR. BOURG:** \$4.70.

14 **CHAIRMAN CAMPBELL:** 4.70 a month?

15 **MR. BOURG:** Correct. In the first year.

16 **CHAIRMAN CAMPBELL:** Per thousand --

17 **MR. BOURG:** Correct.

18 **CHAIRMAN CAMPBELL:** And then what does it do?

19 **MR. BOURG:** It declines.

20 **CHAIRMAN CAMPBELL:** Okay. I want to ask you something else. Here's  
21 what gives me the real problems. I'm not voting for this, I'm just going to tell you.  
22 When you know the rules and you say you go by the rules and they say we'd really  
23 like for you to do this and you tell them, no, we're not going to do it, we're not

1 going to do it, knowing full well that if you went by the rules, you might have a  
2 savings, but you didn't want to know that. You want to build this plant, 2.1 billion.  
3 That's what you want to do. You want to build it. But you've got me in a tough  
4 situation. I live in the same place y'all do. I live in the very same place you do and  
5 all my neighbors is fixing to pay \$4 a month more; is that right?

6 **MR. BOURG:** 4.70, yes, is the estimate.

7 **CHAIRMAN CAMPBELL:** They're going to pay more, higher utility bills, but  
8 that's not what gets it. Its 4.70, I mean, you know, they probably can pay it. Then  
9 you're going to come now right on down the road, you want some more money for  
10 storm recovery, too. That's coming today, too, in about 10 minutes. But when they  
11 -- when the Staff tells you that we want you to do this and you say, no, we're not  
12 doing it because this is the rules. This is the rules, we're going by the rules. And  
13 when you drafted this proposal, what did the Staff take regarding what the  
14 SWEPCO should include purchase power agreement. And Staff recommended to  
15 SWEPCO to include PPAs and you turned it down. So from the very get go, when  
16 y'all came down here and filed this, they recommended this and you said we're not  
17 doing it. So how much truer could they be, saying we think you need to do this to  
18 make sure that people are getting the cheapest cost. And you said, no, we're not  
19 doing it. So now you're going to make me, that I represent all of your customers,  
20 you're going to make me look them in the eye and say, did you give us the cheapest  
21 cost? No. Why? Well, we just didn't do it. You mean, you could -- maybe it is,  
22 maybe it isn't. Your Staff said, hey, they ought to include purchase power  
23 agreements. That's not the rules. We're going by the rules. And I'm telling you,

1 that rule deal has given me fits. It has nothing to do with y'all, but I remember  
2 when we stopped that rule, where you slip it under the door and a rate increase  
3 without any testimony. That happened at this place right here. So when you  
4 mention rules to me and you're going to go by the rules and somebody who's on  
5 the other side that works for us saying include this. No, were going by the rules.  
6 So, look, I like all of y'all. I know y'all are fine people. I think SWEPCO's a good  
7 company. This gives me great concern when our Staff tells you what they'd like  
8 for you to do and you intentionally told them no, we're going to go by the rules.  
9 And you knew exactly what you were doing and I know exactly what I'm doing  
10 today, too. I'm not voting for this. So I make a motion -- is there a motion up  
11 there?

12 **MS. BOWMAN:** There is a motion by Commissioner --

13 **MR. GILLIAM:** Can I make one more, one more in closing?

14 **MS. BOWMAN:** Wait. Bobby, please use the microphone.

15 **MR. GILLIAM:** And that is, yeah, we did abide by the rules. And when we're  
16 negotiating with Staff, there's all kinds of negotiations. Yeah, we'd like for y'all  
17 to do that, but we've also got this contract over there that's really a good deal. And  
18 then, Staff, also, we worked on the Mooringsport project, it'll be right there in  
19 Caddo Parish, which as stands, will be. It may not be after this, depending what  
20 happens, but we're going to do our best. But Mooringsport, they wanted us to work  
21 on certain elements of the contract to try to make them better, so we took on more  
22 risk. We did it and we brought the price down. I don't think that last price reduction  
23 is built into these rates. But when we look at rates on a projected basis and look at

1 costs on a projected basis, they're going up everywhere. Can anybody tell me what  
2 prices are going down, anywhere we look? They're going up and we're trying to  
3 combat that. That's what we're trying to do here. And yeah, we're going to put  
4 PPAs in there. We put them in this. We're ignoring the fact that these capacity  
5 contracts are PPAs. We're ignoring the fact that Rocking R was a PPA and we've  
6 got 900 megawatts of PPAs out there. We know what PPAs are. They're not  
7 magic. In fact, they've got some weaknesses, we saw it in Texas. But these  
8 contracts right here, Staff has other provisions about the cost cap, minimum  
9 productions guarantees, the flowback of PTCs. They've got all this built in where  
10 we're getting -- ratepayers, in our view, are getting the best deal they're ever going  
11 to see. If this goes away, they will not get this deal again. It's not going to be  
12 available in the market. That's our view.

13 **CHAIRMAN CAMPBELL:** Well, I understand that, Bobby. I hear what y'all  
14 are saying. And look, I hear what you're saying. I trust y'all. But the problem  
15 with me is the Staff asked you and asked you and asked you to include PPAs and  
16 you didn't want to do it for some reason because you wanted to do what you wanted  
17 to do. Now I've got to represent all those people up there and I can't tell them did  
18 I get them the cheapest rate. I can say I got you the cheapest rate. Well, how do  
19 you know that? Because SWEPCO told me that. SWEPCO told me I got the  
20 cheapest rates. I'm not doing that.

21 **MR. MATTISON:** Commissioner Campbell, could I --

22 **CHAIRMAN CAMPBELL:** Let me get through, please. Mr. Sisung -- but I want  
23 to make sure that everyone hears this, this is what the Staff says. Including PPAs

1 in a RFP evaluation would provide a utility and its regulator the ability to identify  
2 the differences and benefits and risks associated with the two types of options.  
3 Excluding PPAs from the RFP process, however, prevents market based testing and  
4 leaves all interested party unable to discern the relative benefits in costs. I want to  
5 make a motion.

6 **VICE CHAIRMAN FRANCIS:** Whose opinion was that?

7 **CHAIRMAN CAMPBELL:** That's Mr. Sisung's.

8 **COMMISSIONER SKRMETTA:** Actually, I made a motion --

9 **MR. MATTISON:** Chairman Campbell, could I --

10 **CHAIRMAN CAMPBELL:** You got a motion?

11 **COMMISSIONER SKRMETTA:** I motioned to accept it, the Staff  
12 recommendation.

13 **MS. BOWMAN:** There's a motion --

14 **VICE CHAIRMAN FRANCIS:** And I would second the Staff's recommendation  
15 and let me tell you why. This is a very complex issues and for the five  
16 Commissioners, we need help from experts like Lane and different ones from  
17 SWEPCO. And our Staff worked hard and deep on this. We have been  
18 recommended by our Staff, it says as there are no unresolved issues, Staff  
19 recommends that the Commission approve the uncontested stipulation of this  
20 settlement and it is backed up by Chief ALJ -- how you say that?

21 **SECRETARY FREY:** Verzwyvelt.

22 **MS. BOWMAN:** Verzwyvelt.



1 **VICE CHAIRMAN FRANCIS:** Verzwyvelt, okay. So we got a full boat here  
2 saying they're approving this, okay. So Commissioner Skrmetta, he made the  
3 motion and Francis seconded it, so let's vote on what the hell we want to do. Okay.  
4 **MS. BOWMAN:** So there's a motion by Commissioner Skrmetta, a second by  
5 Commissioner Francis.  
6 **COMMISSIONER GREENE:** Objection.  
7 **MS. BOWMAN:** There's an objection on the floor by Commissioner Greene, so  
8 there will be a roll call vote.  
9 **VICE CHAIRMAN FRANCIS:** Amen. I'm good with that.  
10 **CHAIRMAN CAMPBELL:** This is a yes or no --  
11 **MS. BOWMAN:** This is a yes or no vote.  
12 **CHAIRMAN CAMPBELL:** There's no substitute motion.  
13 **COMMISSIONER SKRMETTA:** They don't need a substitute motion.  
14 **CHAIRMAN CAMPBELL:** Right.  
15 **COMMISSIONER SKRMETTA:** They just need a roll call vote.  
16 **MS. BOWMAN:** Yeah, so we just need to do a roll call vote. Would you like me  
17 to call the roll or would you like to?  
18 **CHAIRMAN CAMPBELL:** Call the roll.  
19 **MS. BOWMAN:** All right.  
20 **CHAIRMAN CAMPBELL:** Yes or no on this proposal, correct? For everybody  
21 --  
22 **SECRETARY FREY:** Correct.

1 **MS. BOWMAN:** Correct. Yes or no on the stipulated settlement, which approves  
2 SWEPCO's portfolio.

3 **SECRETARY FREY:** Yeah, that's the motion on the floor.

4 **CHAIRMAN CAMPBELL:** To approve, yes.

5 **MS. BOWMAN:** Correct.

6 **CHAIRMAN CAMPBELL:** No, not approved.

7 **MS. BOWMAN:** Correct. Correct.

8 **SECRETARY FREY:** Correct.

9 **CHAIRMAN CAMPBELL:** So everybody knows everybody, now.

10 **MS. BOWMAN:** Commissioner Skrmetta.

11 **COMMISSIONER SKRMETTA:** Start at that end.

12 **MS. BOWMAN:** Commissioner Lewis.

13 **COMMISSIONER LEWIS:** No.

14 **MS. BOWMAN:** Commissioner Francis.

15 **VICE CHAIRMAN FRANCIS:** Yes.

16 **MR. MATTISON:** Commissioner Chair Campbell, could I ask you a question?  
17 If you're going to reject this, could we defer this?

18 **CHAIRMAN CAMPBELL:** Can you defer it?

19 **MR. MATTISON:** Yes.

20 **CHAIRMAN CAMPBELL:** No, I'm going to -- we got to --

21 **MS. BOWMAN:** We're in the middle of a roll call vote in the pending motion.  
22 So Commissioner Greene.

23 **COMMISSIONER GREENE:** No.

1 **MS. BOWMAN:** Commissioner Skrmetta.

2 **COMMISSIONER SKRMETTA:** For preserving my ability to bring this up  
3 later, I'm going to vote no.

4 **MS. BOWMAN:** And Commissioner Campbell.

5 **CHAIRMAN CAMPBELL:** No.

6 **SECRETARY FREY:** Yeah, since you made the motion, do you want to  
7 withdraw that motion since you voted no?

8 **COMMISSIONER SKRMETTA:** No. I can vote the way I want.

9 **COMMISSIONER LEWIS:** You voted that way to bring it back for  
10 reconsideration, correct, Commissioner?

11 **CHAIRMAN CAMPBELL:** Do what?

12 **COMMISSIONER LEWIS:** I said that was to [INAUDIBLE].

13 **MS. BOWMAN:** Yes, that's correct.

14 **COMMISSIONER SKRMETTA:** So we can bring it up next time if we want to  
15 reconsider it, I can bring it back up for reconsideration if things change next month.

16 **CHAIRMAN CAMPBELL:** Wait a minute. Hold on a second. This vote  
17 occurred, it was three noes and two yeses.

18 **COMMISSIONER SKRMETTA:** No, no.

19 **CHAIRMAN CAMPBELL:** Right?

20 **SECRETARY FREY:** No, four noes.

21 **COMMISSIONER SKRMETTA:** Four noes, one yes.

22 **CHAIRMAN CAMPBELL:** So basically what does that -- Robert's Rules, what  
23 does that do, it lets you bring it up when you want to bring it up?

1 **SECRETARY FREY:** So --

2 **COMMISSIONER LEWIS:** Mr. Chairman, if you vote no, you have the right to  
3 recommend reconsidering the vote. So I think, if I appreciate what Commissioner  
4 Skrmetta is saying, he wants to us maybe reconsider this.

5 **COMMISSIONER SKRMETTA:** Not now.

6 **COMMISSIONER LEWIS:** He needed to be in --

7 **CHAIRMAN CAMPBELL:** Not now.

8 **COMMISSIONER SKRMETTA:** Not now.

9 **COMMISSIONER LEWIS:** He couldn't vote for it because he can't reconsider  
10 it if it -- he failed.

11 **COMMISSIONER SKRMETTA:** Correct.

12 **SECRETARY FREY:** And just to be clear, too. I know we had this discussion  
13 about 8 or 10 years ago about Robert's Rules and reconsideration. The Commission  
14 also has its own rule on rehearing that doesn't state you have to be in the majority.  
15 So the Commission on its own motion can rehear a matter, irrespective of the  
16 winning or losing side.

17 **COMMISSIONER SKRMETTA:** Right. Well, let's put it this way, I'm for it,  
18 but I'm preserving the right to [INAUDIBLE].

19 **CHAIRMAN CAMPBELL:** We never were clear if we use Robert's Rule or not.

20 **SECRETARY FREY:** And we're not. Mr. Chairman, we defer to Robert's Rules,  
21 but no, we haven't formally adopted it. We have our own rules of practice and  
22 procedure used for voting purposes typically follow Robert's, but we haven't  
23 formally adopted it.

1 **COMMISSIONER SKRMETTA:** I think that there is a lot of information that  
2 SWEPCO can bring to show -- first thing. I think the mere fact that they acquired  
3 a PPA as their ownership shows that they engaged with a PPA in the first place, so  
4 they did have a PPA but they made it their own property. So they established the  
5 fact that they engaged with a PPA. I think that wipes out the argument that they  
6 didn't engage with a PPA. I think that wipes out the argument that they didn't  
7 engage with a PPA.

8 **CHAIRMAN CAMPBELL:** What --

9 **COMMISSIONER SKRMETTA:** Hold on.

10 **CHAIRMAN CAMPBELL:** Let me ask this.

11 **COMMISSIONER SKRMETTA:** Well --

12 **CHAIRMAN CAMPBELL:** What difference would it make -- you've got to have  
13 three votes to bring it back up, right?

14 **SECRETARY FREY:** Correct.

15 **COMMISSIONER SKRMETTA:** Yes.

16 **SECRETARY FREY:** Correct, right. Regardless of whether you're following  
17 Robert's Rules or our rules for rehearing, you need three votes to bring it back up.

18 **COMMISSIONER SKRMETTA:** Correct.

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

20 **COMMISSIONER LEWIS:** The rule just lets somebody who votes no make the  
21 motion to reconsider it.

22 **COMMISSIONER SKRMETTA:** Yeah. Right. Yes, correct.

23 **CHAIRMAN CAMPBELL:** That's what I'm saying, you got to have a vote.

1 **COMMISSIONER LEWIS:** [INAUDIBLE] still have to take a vote, but he has  
2 the right to now call it back [INAUDIBLE].  
3 **COMMISSIONER SKRMETTA:** Correct. Yeah.  
4 **MS. BOWMAN:** So Commissioner Skrmetta's motion fails.  
5 **COMMISSIONER SKRMETTA:** This is not the first rodeo.  
6 **MS. BOWMAN:** Thank you, gentlemen. It fails.  
7 **COMMISSIONER SKRMETTA:** All right. Sorry.  
8 **CHAIRMAN CAMPBELL:** So the vote was three --  
9 **MS. BOWMAN:** Four to one.  
10 **SECRETARY FREY:** Four-one.  
11 **COMMISSIONER LEWIS:** Mr. Chairman, you're bringing me back to my high  
12 school and college debate days as an accredited parliamentarian here, so.  
13 **COMMISSIONER SKRMETTA:** Brace yourself.  
14 **COMMISSIONER LEWIS:** I'm going to have to freshen up my memory of  
15 Robert's Rules of Order here.  
16 **MS. BOWMAN:** It's not official.  
17 **MR. GILLIAM:** [INAUDIBLE].  
18 **CHAIRMAN CAMPBELL:** Do what now?  
19 **MS. BOWMAN:** Well, Bobby, you have the right to also request a rehearing on  
20 this.  
21 **MR. GILLIAM:** We reserve the right to do so and any other rights because we  
22 did comply with every rule. We've demonstrated ratepayer savings beyond any  
23 doubt and I do not understand the ruling [INAUDIBLE].

1 **COMMISSIONER SKRMETTA:** I agree with you.

2 **VICE CHAIRMAN FRANCIS:** Thank you for following the rules.

3 **COMMISSIONER SKRMETTA:** And I would suggest that there's some visits  
4 you need to make before next month.

5 **MS. BOWMAN:** Moving on to Exhibit Number 7, which is Docket Number U-  
6 36399. This is Washington-St. Tammany's application for approval of a formula  
7 rate plan and modifications to base rates. It's a discussion and possible vote on an  
8 uncontested stipulated settlement. On June 21, 2022, Washington-St. Tammany filed  
9 its application with the Commission and it was published in the Official Bulletin with  
10 no interventions. Following discovery, Staff filed its report and recommendation on  
11 January 11, 2023, and on February 10, 2023, WST filed correspondence indicating its  
12 acceptance of Staff's recommendations. As such, the parties filed a joint motion to  
13 convert to the uncontested stipulated hearing on March 8<sup>th</sup> and a joint motion to replace  
14 testimony and a supplement motion to -- I'm sorry, y'all's mics, you can hear. Hot  
15 mics. And supplement to convert, which contained an uncontested stipulated  
16 settlement which was filed into the record on March 10, 2023. The major terms of the  
17 settlements are: That the parties agree to the adoption of a Formula Rate Plan for a  
18 four year term, with 2022 being the first test year. That the bandwidth TIER will  
19 include a lower band of a 1.4 and an upper band of 1.6, with a midpoint TIER of 1.5,  
20 with an additional lower limit check of OTIER of 1.2 and modified debt service  
21 coverage of 1.4. The parties agree that WST is allowed to modify its base rates in a  
22 revenue neutral manner by increasing its monthly service charge for residential  
23 customers by \$3 and its non-residential customers by \$5. A reduction of energy  
24 charges and various tariffs for both residential and commercial customers, and the

1 removal of the demand ratchet provision for its large power rate customers with an  
2 accompanying demand charge. As there are no unresolved issues, Staff recommends  
3 that the Commission approve the uncontested stipulated settlement filed into the record  
4 on March 10, 2023.

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

6 **COMMISSIONER GREENE:** Second.

7 **CHAIRMAN CAMPBELL:** There was a motion to accept Staff recommendation  
8 and a second. Hearing no objection [NONE HEARD], it's accepted.

9 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-36659. This is the  
10 Commission's notification by the North American Numbering Plan Administrator of  
11 the need for relief for the 318 numbering plan area code. It's a discussion and possible  
12 vote on Staff proposed final recommendation. On January 24, 2023, the North  
13 American Numbering Plan Administrator notified the Commission Staff of the need  
14 for relief in the 318 numbering plan. Subsequently, NANPA submitted a letter that the  
15 318 area code is projected to exhaust the first quarter of 2026 if relief planning is not  
16 granted, and outlined a plan of action should the Commission not act on its own. Per  
17 NANPA's letter, relief planning generally needs to begin 36 months prior to the  
18 exhaust of the NPA, and based on this timeframe, Staff issued a notice of proceeding  
19 that included a proposed recommendation on February 1, 2023, wherein staff  
20 recommended that the Commission approve the overlay method for the 318 area code  
21 relief. Notice of the proceeding was published in the Commission's Official Bulletin,  
22 with several parties intervening. And in the proposed recommendation, Staff requested  
23 comments from the telecommunication industry, as well as the public on or before  
24 March 20, 2023. Comments were received from the LTA and the Joint  
25 Telecommunication carriers, who indicated support for Staff's proposal. There were



1 no comments filed in opposition to Staff's proposed recommendation. As there was  
2 no opposition to Staff's proposed recommendation, Staff filed its final proposed  
3 recommendation into the record on April 13, 2023 recommending that the Commission  
4 approve the overlay method for the 318 area code relief. Staff recommends that the  
5 Commission adopt Staff's proposed final recommendation filed into the record on  
6 April 13, 2023 approving an overlay plan for 318 area code relief over the alternative  
7 of geographic split and direct the NANPA to begin the process to conduct that overlay.

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

9 **VICE CHAIRMAN FRANCIS:** Second.

10 **CHAIRMAN CAMPBELL:** I want to ask a few questions. Go ahead. It's a motion  
11 to accept Staff recommendation, second by Mr. Greene.

12 **MS. BOWMAN:** Seconded by Commissioner Francis.

13 **CHAIRMAN CAMPBELL:** Oh, Mr. Francis?

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

15 **CHAIRMAN CAMPBELL:** Okay. Well, Mr. Campbell wants to know what the hell  
16 we're doing.

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

18 **CHAIRMAN CAMPBELL:** No, I want to know about 318. Tell me about it.

19 **MS. BOWMAN:** Okay. So the NANPA is the association that is under the FCC that  
20 is to handle and administer all area codes within the United States. They monitor the  
21 area codes, they look to see when the numbers are going to exhaust, meaning you do  
22 not have any more numbers within a particular area code. They reached out to us at  
23 the beginning of this year indicating that 318 area code would exhaust in first quarter  
24 of 2026. It takes a long time, approximately 36 months, to get the process in place for  
25 the telecommunication industry to do whatever we need to do to make sure that the

1 area code is not exhausted. The easiest, most efficient way to do that is doing an  
2 overlay, which just simply means you go to 10 digit dialing. So now, in 318, if this is  
3 approved, you would have to dial 318 plus the number instead of doing a geographical  
4 split, meaning you would take the entire 318 area code and divide it between 318 area  
5 code and a new area code. That hasn't happened since 2007 and it is more costly, so  
6 NANPA supports our position as well as the telecommunication industry. All this does  
7 is direct NANPA to start the process and work with the telecommunications industry  
8 to put the 10-digit dialing in place for 318.

9 **CHAIRMAN CAMPBELL:** Is our deal, 318, which would be north Louisiana,  
10 basically all of north Louisiana.

11 **MS. BOWMAN:** Yes.

12 **CHAIRMAN CAMPBELL:** It talks about first quarter of 2026; is that correct?

13 **MS. BOWMAN:** Yes. If we do nothing, then first quarter of 2026, you will no longer  
14 have new telephone numbers to provide to people in 318.

15 **COMMISSIONER GREENE:** Is this cellular and --

16 **MS. BOWMAN:** Yes.

17 **CHAIRMAN CAMPBELL:** It doesn't affect anybody else? 504s, 337?

18 **COMMISSIONER GREENE:** No.

19 **MS. BOWMAN:** No. It would -- so we've already done a geographical -- excuse me.  
20 We've already done an overlay in 337 and 504 for the 988 suicide prevention hotline.  
21 It went off with no issues, without a hitch, so there's already 10 digit dialing.

22 **CHAIRMAN CAMPBELL:** Not a lot of complaints?

23 **MS. BOWMAN:** No complaints whatsoever. It was very smooth.

24 **CHAIRMAN CAMPBELL:** So what do you do -- like 337, you still dial 337 or  
25 what?

1 **MS. BOWMAN:** So, yes, sir. So if you were dialing a 337 number, you would have  
2 to dial 337-123-4567.

3 **CHAIRMAN CAMPBELL:** Okay. Okay. Well, that can be confusing to a lot of  
4 people. Thank you. There's a motion and a second here. No objections? [NONE  
5 HEARD] Passed.

6 **MS. BOWMAN:** So Exhibit 9 is deferred.

7 **CHAIRMAN CAMPBELL:** This is Number 9?

8 **MS. BOWMAN:** Exhibit 9 is deferred, yes, sir. So we'll move on to Exhibit Number  
9 10, which is Docket Number U-36697. This is Entergy's application for approval of  
10 an alternative market-based mechanism process seeking to secure up to 3,000  
11 megawatts of solar resources, including certification of those resources, expansion of  
12 the Geaux Green Option Rider, and approval of a new renewable tariff. It's a  
13 discussion and possible vote to retain an outside consultant. We received two bids  
14 from an RFP. The first is London Economics of \$54,835 in fees and \$1,991 in expenses  
15 for a total budget not to exceed of \$56,826. And then the second is United  
16 Professionals Company of 79,200 in fees and \$750 in expenses for a total budget not  
17 to exceed of \$79,950. As both are qualified, Staff makes no formal recommendation.

18 **COMMISSIONER GREENE:** Mr. Chairman, I motion to accept the bid of United  
19 Professionals. While I trust that London Economics would do a good job, there are  
20 several reasons I think spending an extra \$15,000 to hire UPC is warranted. First, this  
21 filing has already gained notoriety in the papers and throughout the state, as Entergy's  
22 filing will vastly increase the renewable footprint in Louisiana. At a time where  
23 capacity accreditations in MISO are changing and ensuring cost effective reliability is  
24 at the forefront of the Commission's resource adequacy concerns, it's important to  
25 ensure that we look at this filing under a holistic lens. UPC is our active watchdog

1 within MISO and I know they will consider these elements. Secondly, Entergy's filing  
2 is not just for solar resources, Entergy's filing requests an exception to the competitive  
3 processes this Commission requires when evaluating resource additions. Given the  
4 importance of ensuring companies are evaluating all options when they procure  
5 resources and the work UPC is doing for the Commission to ensure that our customers  
6 centered options docket, I believe UPC is further qualified to address these specific  
7 requests within this filing and ensure the Commission's goal to evaluate resource  
8 options for what is most beneficial to customers, not based on the shareholder ESG  
9 goals, is accomplished. This filing cannot be siloed and looked at as just the way  
10 Entergy is bringing solar to Louisiana. The implications for Entergy customers are  
11 much greater than that. The end result could be great for the state, but I believe hiring  
12 UPC will be better to ensure the best outcome.

13 **COMMISSIONER SKRMETTA:** Mr. Chairman, I'll second the motion. Only make  
14 the comment that the hourly rate is significantly different and we will get 30 percent  
15 more work out of UPI for a lot less money. So second the motion.

16 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Greene, second by Mr.  
17 Skrmetta. Any objections? [NONE HEARD] Hearing no objections, accepted.

18 **MS. BOWMAN:** Moving on --

19 **CHAIRMAN CAMPBELL:** Wait a minute. Hold on.

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

21 **CHAIRMAN CAMPBELL:** I need to bring up something, and I didn't tell you  
22 before, but I want to bring the one on the SWEPCO's storm damages up now.

23 **SECRETARY FREY:** You want to take that one up now?

24 **CHAIRMAN CAMPBELL:** Yeah.

25 **SECRETARY FREY:** Okay.

1 **MS. BOWMAN:** Take it up out of order, so we're moving --

2 **CHAIRMAN CAMPBELL:** What number is that?

3 **MS. BOWMAN:** Exhibit 14.

4 **CHAIRMAN CAMPBELL:** What?

5 **MS. BOWMAN:** 14.

6 **SECRETARY FREY:** 14.

7 **CHAIRMAN CAMPBELL:** 14, bring it up now. Please.

8 **MS. BOWMAN:** Exhibit Number 14 is SWEPCO's application for recovery of

9 certain storm damage costs incurred as a result of Hurricane Laura and Delta and the

10 February 2021 winter storm event. It's a discussion and possible vote on an

11 uncontested stipulated settlement at the request of Chairman Campbell. On October

12 18, 2021, SWEPCO filed an application for authorization of its recovery of certain

13 extraordinary storm damage costs incurred due to Hurricanes Laura and Delta and

14 Winter Storm Uri. The application is the first phase of SWEPCO's recovery and it

15 only seeks interim recovery of carrying costs on its operation and maintenance costs

16 attributable to the damage caused by the storms. Notice of the application was

17 published in the Commission's Bulletin, with no parties intervening. Following

18 discovery on SWEPCO's application and accompanying testimony, SWEPCO and

19 Staff reached an agreement, and executed an uncontested stipulated settlement, which

20 was filed into the record on March 30, 2023. \$180,225,338 for the distribution and

21 transmission O&M portion of SWEPCO's LPSC jurisdictional costs associated with

22 Hurricanes Laura and Delta and Winter Storm Uri are reasonable, prudent, and eligible

23 for recovery, subject to certain conditions. Upon issuance of a Commission order

24 approving Phase I settlement, SWEPCO is to submit an application to the Commission

25 for Phase II of this proceeding regarding the prudence of all of the Louisiana-

1 jurisdictional transmission and distribution capital costs associated with the storms.  
2 The Phase II application also requires an inclusion of an analysis comparing  
3 securitization versus traditional rate recovery of all Louisiana distribution and allocated  
4 transmission O&M expenses and capital costs. SWEPCO's carrying costs on the storm  
5 damage costs shall be calculated at 3.125 percent. And as there are no unresolved  
6 issues, Staff recommends that the Commission approve the uncontested stipulated  
7 settlement filed into the record on March 30, 2023.

8 **CHAIRMAN CAMPBELL:** I want to say something here today. This is me talking.  
9 I didn't vote for Entergy's because they put up a little bit, but I think these companies  
10 ought to put up some money. Here's SWEPCO getting 180 million. Entergy got --  
11 how much did they get? Five billion, wasn't it? Five billion. They didn't put up a  
12 dime. Put up a little bit. They tried to do a little bit. But anyway, people put it all up.  
13 These people have these storms, y'all know that, don't you? Now, they're going to tell  
14 me they didn't get to sell electricity during the storms and stuff like that, so they had  
15 some economic hard times. They didn't get to sell electricity when all the poles were  
16 down. But anyway, I think that these companies ought to put up some money when  
17 they have it, just rather than being scot free. There's a big argument there. Some  
18 people say it's not legal. That's what I heard from all the lawyers. Oh, it wasn't legal.  
19 But somehow, Entergy put up some money last time when it wasn't legal, but they  
20 found a way to do it. So I would ask SWEPCO to look at this real hard. I'm not voting  
21 for this today, this is me. I'm not voting to give them \$180 million that goes right on  
22 the ratepayers and they're not putting up any money at all. That's just my opinion and  
23 I would be a straight hypocrite if I raised hell against Entergy and I said, okay,  
24 SWEPCO's in my backyard so I'm going to go ahead with it today, so I'm going to try  
25 and be consistent.

1 **COMMISSIONER SKRMETTA:** Mr. Chairman, I'm going to move to accept the  
2 Staff's recommendation.

3 **COMMISSIONER LEWIS:** Mr. Chairman, I have some questions.

4 **CHAIRMAN CAMPBELL:** Mr. Lewis.

5 **COMMISSIONER LEWIS:** Can either our consultant or SWEPCO come to the  
6 table, please?

7 **COMMISSIONER GREENE:** In the meantime, Brandon, can you explain the Phase  
8 I, Phase II, and talk about some of the numbers?

9 **SECRETARY FREY:** Sure. Yeah, I'll take a shot at it, and I know Lane and Jonathan  
10 will correct me if I'm wrong. But Phase I is just dealing with the interim recovery.  
11 Phase II will be the actual, full recovery like we saw. We didn't do the Entergy dockets  
12 in two phases, we did essentially what would be Phase I and II as one filing for Entergy.  
13 So this is looking at the interim storm costs that SWEPCO recovered and the treatment  
14 of that.

15 **COMMISSIONER GREENE:** And so Phase I is 180 million. Do you know how  
16 much Phase II will be?

17 **SECRETARY FREY:** The Phase II amount, I don't know off the top of my head.  
18 Jonathan, you want to get that. What's the Phase II amount?

19 **MS. BOWMAN:** Are we aware of what the Phase II dollars would be?

20 **MR. BOURG:** The Phase II, as far as total dollars?

21 **COMMISSIONER GREENE:** Yes.

22 **MR. BOURG:** It would be the 180 million securitized.

23 **COMMISSIONER GREENE:** Securitized? So how much --

24 **MR. BOURG:** This is just for the interim recovery.

25 **COMMISSIONER SKRMETTA:** That's the carrying cost.

1 **COMMISSIONER GREENE:** The carrying costs.

2 **MR. BOURG:** Of O&M.

3 **COMMISSIONER GREENE:** So how much?

4 **MR. BOURG:** For what?

5 **COMMISSIONER GREENE:** Phase I.

6 **MR. BOURG:** Phase I for a typical customer?

7 **COMMISSIONER GREENE:** No, no. How much total?

8 **MR. BOURG:** \$150 million is what is in this proceeding, O&M.

9 **MR. PAUL ZIMMERING:** It is just the carrying cost on the --

10 **MR. BOURG:** Just the carrying cost.

11 **COMMISSIONER GREENE:** So the carrying cost on 180 million is 150 million?

12 **MS. BOWMAN:** No.

13 **MR. BOURG:** No, no. Okay. So its \$150 million that was at issue in this proceeding

14 for the O&M related to the three storms. And it's the carrying cost on that at 3.125

15 percent, just the carrying cost, until securitization.

16 **COMMISSIONER GREENE:** And the securitization will be to securitize how

17 much?

18 **MR. BOURG:** 180 is the capital will be brought in.

19 **COMMISSIONER GREENE:** Then 150 million is the carrying cost on 180 million?

20 **MR. BOURG:** 150 is the corpus of it. It's the -- it's what they're getting carrying

21 cost on until then they securitize that amount.

22 **COMMISSIONER SKRMETTA:** Can you calculate --

23 **MS. BOWMAN:** So it's roughly -- it's, I think --

24 **MR. ZIMMERING:** Slightly more than \$16 million.

25 **COMMISSIONER GREENE:** So it's 3-something percent of the 150 million?



1 **MR. BOURG:** Correct. And what Mr. Zimmering just said, it's about \$16 million in  
2 carrying cost.

3 **CHAIRMAN CAMPBELL:** Mr. Skrmetta. Excuse me.

4 **COMMISSIONER LEWIS:** That's kind of bringing my question because there's  
5 several aspects of the settlement that differ from the direct rebuttal and testimony and  
6 I'm not -- I'm not explaining the filing, I'm trying to follow along. So in the settlement,  
7 it states the distribution and transmission O&M portion of SWEPCO's jurisdiction is  
8 180 million of costs associated with Hurricane Laura, Delta, and Winter Storm Uri,  
9 and are reasonable and prudent and eligible for recovery. However, I do not see the  
10 180 million, it does not appear anywhere in the record of the O&M costs, so I'm trying  
11 to understand and follow along. The settlement doesn't explain to me where this 180  
12 is coming from, so can you clarify that for me?

13 **MR. ZIMMERING:** I will try to. It was a total amount of damage of \$180 million.  
14 About \$150 million represents operation and maintenance costs. The other \$30 million  
15 represents the capital costs for both distribution and transmission. Staff has not looked  
16 at that last \$30 million yet because the company didn't ask for it and they didn't support  
17 it in their application. They said they would file for it in Phase II. So all we're looking  
18 at now is the carrying costs on the \$150 million. Not the \$150 million itself, just the  
19 carrying costs, which represents just over \$16 million.

20 **COMMISSIONER LEWIS:** Okay. And thank you for that. I mean, I think there's  
21 another place where I have some heartburn on this and this is the area of double  
22 recovery. I mean, just to be honest, the rebuttal testimony was extremely weak on  
23 double recovery. I don't think you clearly explained how the costs were separate. Your  
24 testimony, to me, appeared to just justify double recovery because labor costs were  
25 based on rate cases several years prior. So I'm -- I would like you to explain to me

1 more how you do not view this as double recovery because I did not find your answers  
2 to be satisfactory.

3 **MR. BRICE:** Yes, sir. So Tom Brice of SWEPCO. Our last rate change was, prior  
4 to this settlement, was for our 2017 test year. So the labor costs that we actually  
5 incurred were far in excess of what was in the test year, so the Staff and the company  
6 were comfortable that that component was not double recovery.

7 **COMMISSIONER LEWIS:** I see that, but I just think plugging a potential gap by  
8 including already recovered labor costs in a storm recovery of regulatory asset is, to  
9 me and the research that I've done, it's generally not considered an appropriate use of  
10 this. I mean, I think in the context of this, the settlement amount, labors are likely low,  
11 but the general concern about double recovery, I think, is existing in the costs of base  
12 rates. I mean, I think our witness brings this issue up in direct testimony, and your  
13 rebuttal did not directly respond to that at all. You just didn't. And so it begs the  
14 question to me of how much additional costs, potentially, overlap within existing rates,  
15 and so it's very difficult for me to draw a clear line when staff departments have  
16 multiple overlapping roles and they are called on for storm responses. I mean, I am  
17 very, very concerned about the way that we have been doing storm recovery, I'm just  
18 going to be honest with you. As Commissioner Campbell said, I didn't vote for  
19 Entergy's and I'm going to hold a very strict scrutiny to everyone, and so I think there  
20 are some improvements, not just in your filing, but in general that we need to do on  
21 this. But I would like you to at least address some of those issues in double recovery  
22 that your rebuttal didn't actually directly respond to at all.

23 **MR. BRICE:** Yes, sir, Commissioner. So in the 150 million of deferred O&M, there  
24 was a little over a million dollars of straight time labor. Traditionally in a storm, we  
25 would just seek the overtime and not include any straight time, but in light of the fact

1 that the company had not had a rate change for a number of years, our straight time  
2 labor amounts were far in excess of what was in rates; therefore, we recommended  
3 recovery of the million dollars of straight time that we otherwise were not collecting.

4 **COMMISSIONER LEWIS:** Thank you.

5 **CHAIRMAN CAMPBELL:** All right. Mr. Greene.

6 **COMMISSIONER GREENE:** So I have a question for Mr. Zimmering and then I  
7 just have something to convey to y'all. How did you get them from 44 million to 16?

8 **MR. ZIMMERING:** Principally, the difference between 8.665 percent, which is what  
9 the company was asking for as their carrying charge, which was their overall weighted  
10 average cost of capital, and the Staff recommended and the company eventually bought  
11 into 3.125 percent.

12 **COMMISSIONER GREENE:** That's a hell of deal, so if -- does this benefit  
13 shareholders at all? Or is this only, I mean who gets the benefit of this? I granted  
14 they are being reimbursed.

15 **MR. ZIMMERING:** The 3.125 percent does not provide an equity return to the  
16 shareholders. It's below the company's weighed average cost of debt. So there is  
17 no return to shareholders.

18 **COMMISSIONER GREENE:** Well, I'll tell y'all, I want to --I beat y'all up on  
19 the last issue. That's great on y'all's part to show preference for the ratepayer. So  
20 I thank y'all for doing that. And on that note, and this is consistent with what we  
21 did with Entergy and other IOU's, we want y'all to have some skin the game. If  
22 we look at your SAIDI and SAIFI scores from 2004 -- 2014 and 2021 they're F's,  
23 throughout, with or without storms. And so I think where we are going to be  
24 moving is if you do a good job, you'll get fully reimbursed. But if we can't fully

1 reimburse you for doing a poor job on SAIDI and SAIFI scores. So when it comes  
2 around to Phase II, I would like for y'all to be creative like we asked Entergy to do,  
3 to how y'all could have -- shareholders can have some skin in this game, especially  
4 when their performance scores was so poor.

5 **MR. GILLIAM:** Listen, we did calculate the 3.125 to 8.60 at the Staff's request.  
6 We got a range little bit different numbers, but from -- I think y'all had 24 million,  
7 Staff, and we had 28 to 30. So there is -- there is a substantial contribution, is the  
8 way we were meaning it to be presented by the company.

9 **COMMISSIONER GREENE:** I think this one is good, but when you come for  
10 round two, know that I'm going to looking for what shareholder skin in the game  
11 is there, so.

12 **MS. BOWMAN:** Okay. So we have a --

13 **CHAIRMAN CAMPBELL:** Anybody got any other questions? I got something  
14 I want to ask.

15 **MR. GILLIAM:** And this vote is on Phase I, is that [INAUDIBLE] --

16 **COMMISSIONER GREENE:** Phase I alone I think, yeah. Is that right?

17 **MS. BOWMAN:** Yes.

18 **CHAIRMAN CAMPBELL:** This has a lot to do with the last thing we talked  
19 about. I asked you why y'all can't put up some money. And you tell me the rules  
20 say, you don't have to put up any money, y'all like the rules here. The rules say,  
21 the law says. I asked you in the last one, and you told me the rules say we didn't  
22 have to include PPAs, the rules say. I remember when -- I'm the one that put you  
23 back under this Commission right here. Foster Campbell, I put you back under this

1 Commission. You got out from under this Commission, and I'm the one  
2 responsible to put you back. Y'all didn't want to go back, you back under now for  
3 rate regulation. It's always, always something -- that's a fact.

4 **MR. GILLIAM:** Commissioner, SWEPCO's never been not under the  
5 Commission.

6 **CHAIRMAN CAMPBELL:** Oh, absolutely, Mr. -- you're a better lawyer than  
7 that.

8 **MR. GILLIAM:** Wait, you talking about Valley not SWEPCO.

9 **CHAIRMAN CAMPBELL:** No, no. Valley -- all the co-ops I'm talking about  
10 put them back under, that you owned, okay.

11 **MR. GILLIAM:** Yeah. Yeah, right.

12 **CHAIRMAN CAMPBELL:** That you own. Okay. All right.

13 **MR. GILLIAM:** But not SWEPCO.

14 **CHAIRMAN CAMPBELL:** I understand. That you own.

15 **VICE CHAIRMAN FRANCIS:** I thought you said SWEPCO.

16 **MR. GILLIAM:** Yeah.

17 **CHAIRMAN CAMPBELL:** But anyway, y'all always -- the rules are always the  
18 rules, there's nobody making an exception to the rules, nobody wants to try to  
19 squeeze anything for consumers. It's always the rules, it's our stockholders that  
20 we're worried about, stockholders that we're worried about. You know, I don't  
21 know and these guys -- how much more does this cost a month? You know how  
22 much more it cost, Paul?

23 **MR. ZIMMERING:** Yes. It will be right at --

1    **SECRETARY FREY:** Make sure you get the mic, Paul.

2    **MR. ZIMMERING:** Sorry. For a 1,250 kWh customer, it would be \$4.15.

3    **CHAIRMAN CAMPBELL:** For storm restoration?

4    **MR. ZIMMERING:** For the storm restoration carrying charge Phase I.

5    **MR. BRICE:** Mr. Chairman?

6    **CHAIRMAN CAMPBELL:** And what about Phase II?

7    **MR. ZIMMERING:** Phase II, the way we're looking at it, is the -- if interest rates

8    are near what we think they will be on securitization, the 4.15 will fall off the

9    customer's bill at the end of December 2023 --

10   **CHAIRMAN CAMPBELL:** I got that.

11   **MR. ZIMMERING:** -- and will be replaced by a charge of about 4.75. So for the

12   customer they'll see net change of about 60 cents.

13   **MR. BRICE:** Mr. Chairman, so these storms date back to September of 2020, for

14   Hurricane Laura and then Delta followed about a month and a half later. And then

15   Winter Storm Uri in February of 2021, so just a couple comments. One, the

16   company hasn't collected a dollar of carrying costs from customers at this point.

17   And we've carried -- you know, secondly, we've carried that obligation now for

18   almost pushing three years for Hurricane Laura, which is the largest of the three

19   events for us. And as Mr. Zimmering and Mr. Gilliam said earlier, the actual

20   carrying cost for this period of time, based on our cost to capital, is right at \$44

21   million. And we've agreed to take on 16 through the settlement.

22   **CHAIRMAN CAMPBELL:** Listen, I think we've had a real good discussion

23   today, and I think everybody realizes that we're trying to get to the bottom line to

1 help people. But, I'm not voting for this, it could just be me, I'm not voting till  
2 y'all start putting up some money. And I know the rule says you don't have to, and  
3 you probably won't till somebody makes you put up some money. So I'm not  
4 supporting this, but that's just me.

5 **COMMISSIONER FRANCIS:** Bobby I wanted to ask -- make it clear. You have  
6 not always been under the jurisdiction of the Public Service Commission? Is that  
7 true?

8 **MR. GILLIAM:** SWEPCO has been under the jurisdiction of Public Service  
9 Commission, yes.

10 **COMMISSIONER FRANCIS:** SWEPCO has been under the jurisdiction?

11 **MR. GILLIAM:** Yes, yes.

12 **COMMISSIONER FRANCIS:** Okay.

13 **MR. GILLIAM:** And some of the co-ops didn't and we acquired Valley.

14 **COMMISSIONER FRANCIS:** No, but I'm talking about SWEPCO --

15 **MR. GILLIAM:** No. SWEPCO has always been.

16 **VICE CHAIRMAN FRANCIS:** This is not about a co-op, it's about SWEPCO.  
17 You've always been under the 's jurisdiction, right?

18 **MR. GILLIAM:** Yes, sir.

19 **VICE CHAIRMAN FRANCIS:** Okay.

20 **MR. GILLIAM:** Yes, sir, we have. And I would also say Valley, we acquired  
21 them in 2010, Commissioner. And that's the area heavily wooded --

22 **CHAIRMAN CAMPBELL:** That's what I [INAUDIBLE] to.

23 **MR. GILLIAM:** -- and it wasn't kept up, and SWEPCO has inherited that and has

1 spent a whole a lot money in tree trimming and replacing poles and much, much  
2 more hardening. And so that's where you're -- I assume the SAIDI/SAIFI numbers  
3 are coming from.

4 **COMMISSIONER GREENE:** I second the motion on the table.

5 **CHAIRMAN CAMPBELL:** Is there a motion?

6 **MS. BOWMAN:** There is. There's a motion by Commissioner Skrmetta and a  
7 second by Commissioner Greene to adopt the Staff's recommendation to adopt the  
8 uncontested stipulated settlement.

9 **CHAIRMAN CAMPBELL:** I object.

10 **COMMISSIONER SKRMETTA:** Roll call vote, please.

11 **MS. BOWMAN:** So Chairman Campbell objects, so we need a roll call vote.  
12 Commissioner Lewis, how do vote?

13 **COMMISSIONER LEWIS:** No.

14 **MS. BOWMAN:** Commissioner Francis, how do vote?

15 **COMMISSIONER FRANCIS:** Yes.

16 **MS. BOWMAN:** Commissioner Greene?

17 **COMMISSIONER GREENE:** Yes.

18 **MS. BOWMAN:** Commissioner Skrmetta?

19 **COMMISSIONER SKRMETTA:** Yes.

20 **MS. BOWMAN:** Commissioner Campbell?

21 **CHAIRMAN CAMPBELL:** No.

22 **MR. GILLIAM:** If I may, I wanted to correct -- add one thing. This is really on  
23 the prior docket, but we signed a term sheet with Staff that said we'd keep



1 everybody advised of other rulings from other states. So I am going to submit that  
2 Texas has ruled on the renewal docket, and 100 percent really in favor of SWEPCO,  
3 found it to be reasonable and we'll be submitting that ruling.

4 **MS. BOWMAN:** Okay. Bobby, if I can just -- you can meet with the  
5 Commissioners after and have some --

6 **MR. GILLIAM:** Okay. Well, I'm going to submit it to Staff.

7 **MS. BOWMAN:** That's fine. You can do that as well.

8 **CHAIRMAN CAMPBELL:** Mr. Gilliam, let me ask you a question. On the other  
9 situation, how fast do y'all think that y'all can get a quote from some renewable  
10 sources of electricity? It's to your advantage to get it as fast as possible.

11 **MS. BOWMAN:** And please speak into the mic, Bobby.

12 **CHAIRMAN CAMPBELL:** Do you have any idea?

13 **MR. GILLIAM:** It took a long time to put this one together, Commissioner, I can  
14 tell you that.

15 **CHAIRMAN CAMPBELL:** So it might take a year, two years, three years, four  
16 years, five years?

17 **MR. GILLIAM:** Let me ask Mr. Brice, if I can, please?

18 **CHAIRMAN CAMPBELL:** He asked for a [INAUDIBLE]?

19 **MR. GILLIAM:** Yeah.

20 **MR. BRICE:** Hello, again, Mr. Chairman.

21 **CHAIRMAN CAMPBELL:** Realistically, if you get on it and you tried like you  
22 see an emergency here today. Big deal, you had to have it, blah, blah, blah, blah.  
23 You got to have it, so got to have it. How fast can you get this done?

1 **MR. BRICE:** So if we do like we did with the one we're talking about today where  
2 we follow the MBM order and its requirements, it will take about six months to get  
3 the bid.

4 **CHAIRMAN CAMPBELL:** You can't do any faster than six months?

5 **MR. BRICE:** Not unless we don't follow the MBM Order, the Commission order.

6 **CHAIRMAN CAMPBELL:** Unless what?

7 **MR. BRICE:** The only way we could get it quicker would be if we don't follow  
8 the MBM Order.

9 **VICE CHAIRMAN FRANCIS:** Wow.

10 **CHAIRMAN CAMPBELL:** Okie-doke.

11 **MR. GILLIAM:** Are you talking about PPAs or?

12 **CHAIRMAN CAMPBELL:** Yeah.

13 **MR. GILLIAM:** Just PPAs?

14 **CHAIRMAN CAMPBELL:** I'm talking about the whole deal. If your other is  
15 staying still, they're good. You go to the PPA market, see what they do then you  
16 come back and if your other company -- it's like you say, you'll be able to do it real  
17 quick, because you think you got the cheapest price. We are fixing to see if you  
18 have the cheapest price.

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

20 **CHAIRMAN CAMPBELL:** It's going to be real test. We going to see real quick  
21 if you've got the cheapest price.

22 **MR. BRICE:** Yes, sir. So if we wanted to do that, if we wanted to acquire more  
23 than 50 megawatts for three years or more, we would have to follow MBM, and

1 that process would take about six months from start to end, just to get the bids in.  
2 And then we would do the evaluation and come back to you with a  
3 recommendation.

4 **CHAIRMAN CAMPBELL:** Well, it could be cheaper, couldn't it?

5 **MR. BRICE:** It is true it could be. It's also true it could be more like that the one  
6 we just signed.

7 **CHAIRMAN CAMPBELL:** Yeah. Well, that's what we're going to find out.

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

9 **CHAIRMAN CAMPBELL:** Commissioner Francis.

10 **VICE CHAIRMAN FRANCIS:** What's MBA? For the sake of the public here.

11 **MR. BRICE:** Chairman -- or Commissioner Francis, I'm sorry. If I said MBA, I  
12 was in error.

13 **VICE CHAIRMAN FRANCIS:** I'm sorry, MBM.

14 **MR. BRICE:** I should have said MBM.

15 **VICE CHAIRMAN FRANCIS:** I'm sorry MBM. Call corrected.

16 **SECRETARY FREY:** Market Based Mechanism, that's what I --

17 **VICE CHAIRMAN FRANCIS:** What?

18 **SECRETARY FREY:** Market Based --

19 **VICE CHAIRMAN FRANCIS:** Market Based Mechanism.

20 **SECRETARY FREY:** -- Mechanism Order, that's what I was talking about.

21 **VICE CHAIRMAN FRANCIS:** And that's a written rule that we follow.

22 **SECRETARY FREY:** Right. Correct.

23 **VICE CHAIRMAN FRANCIS:** And so we would have to jump that one or

1 amend that one?

2 **SECRETARY FREY:** There are exceptions or alternative in there.

3 **VICE CHAIRMAN FRANCIS:** Oh, political alternatives to the rule?

4 **SECRETARY FREY:** I don't know -- I wouldn't call them political alternatives.  
5 There's an unsolicited offer portion and there's also an emergency procurement  
6 portion, but there's certain parameters around that.

7 **VICE CHAIRMAN FRANCIS:** These guys are don't want to come back here  
8 and have another discussion like we just had. We need to know what rules are they  
9 going to follow to serve the public, okay. Good luck, man, good luck, okay.

10 **MR. GILLIAM:** One thing I would say, and I reserved our rights while ago,  
11 because we got to all options with this ruling.

12 **COMMISSIONER FRANCIS:** Yeah.

13 **MR. GILLIAM:** And I -- because I -- anyway, but following up on this, looking  
14 at the MBM order, they can possibly be granted an exception so we could do it  
15 quicker, but it would take an exception, I'm sure, to do that. And are there the  
16 grounds to do it? I don't know, but that's the only way we couldn't because these  
17 other deals, they got time limits on them. They're going to go away, and that's  
18 what I was trying to emphasize earlier. So if we can test the market again by getting  
19 some exception from Staff, that's what we would need and I can't say any more  
20 than that as to -- we'd have to look at all this. But that's what we'd have to request.

21 **CHAIRMAN CAMPBELL:** Not beating a dead horse, but if you would have  
22 tested the market before you came here, we'd have never had this discussion today.

23 **MR. GILLIAM:** And I would suggest that we did test it.

1     **CHAIRMAN CAMPBELL:** You suggested that they did -- they didn't want to  
2     do it?

3     **MR. GILLIAM:** I think we did test it a lot, that's why we got all these PPAs.

4     **CHAIRMAN CAMPBELL:** No, but I'm saying, if you'd gone by our Staff  
5     recommendation, that you would test PPAs, we wouldn't be here today.

6     **MR. BRICE:** Well, Mr. Chairman, in our management view, the best resource and  
7     option for our customers was ownership. We already have a significant percentage  
8     of our renewable fleet from PPAs. It made business sense, it made economic sense  
9     for us to go down that path.

10    **CHAIRMAN CAMPBELL:** You know, I hear you. It's the best for your  
11    customers -- it's best for your stockholders of your company. I'm not sure if it's  
12    best for your customers. We just went through a deal and somebody's going to say  
13    it was about co-ops, but I'm okay with the co-ops. They came in and y'all didn't  
14    like it, you didn't like it right off the bat, neither did Entergy, y'all was singing the  
15    blues, co-ops this was a terrible situation. Terrible, what about reliability,  
16    reliability. We're going to see. But they came in with a big savings for people.  
17    And you were against it, and so was Entergy against it. I don't know if I heard  
18    from Cleco, but all the investor owned companies were against all the co-ops  
19    because they're daring to go out in the market and test and save people money.  
20    How dare you do that? You need to buy that stuff from us; you can trust us. Well,  
21    I think it's pretty well-known now that getting out in the market, seeing what you  
22    can buy it for, if you can make a savings, you pass it on to the people, the people  
23    are better off. I didn't say the companies were better off; I said the people are better

1 off. Your argument is that we are going to have a big blackout, it's not going to be  
2 any electricity, all that's going to -- the sky's going to fall. I'm not buying all that.

3 **MR. GILLIAM:** Commissioner, let me say this [INAUDIBLE] productive, you  
4 know, I would say 4.3 cents is about as good as you're ever going to see. But with  
5 that said, to try to see if we could do something to salvage this deal, I'm trying to  
6 do it because I think we're going to look back and regret it if we don't. And so on  
7 the PPAs, I don't know how fast this can be done, and I'm not committing because  
8 I don't know, but it would take an exception from the MBM Order.

9 **CHAIRMAN CAMPBELL:** I bet it could be done a lot faster than you think. But  
10 anyway, and if I'm wrong, Bobby, I'll be glad to tell you, hey, I'm wrong, you were  
11 right, Bobby.

12 **MR. GILLIAM:** But we will confirm with Staff on that, see what can be done and  
13 maybe input from Commissioners on that because we would like salvage this deal.  
14 I promise it's worth saving.

15 **COMMISSIONER GREENE:** And look, I agree with him. If there is a quick  
16 way to get some PPA offers, just data, I hope y'all are right. I'm happy to switch  
17 my vote. I just -- not considering it is a problem for me, so.

18 **CHAIRMAN CAMPBELL:** Number 11.

19 **MS. BOWMAN:** All right. Thank you, gentleman.

20 **MR. GILLIAM:** Thank you.

21 **MS. BOWMAN:** Exhibit Number 11 is undocketed. Its reports, resolution,  
22 discussions, and votes. First, under reports, there's a report from Staff on the  
23 Martha Wright-Reed Just and Reasonable Communications Act of 2022 that Ms.

1 Evans will give.

2 **MS. EVANS:** All right. Lauren Evans on behalf of Staff. On January 5, 2023

3 President Biden signed into law the Martha Wright- Reed Just and Reasonable

4 Communications Act of 2022. The act addresses the persistent problem of high

5 rates and charges incarcerated people and their families pay for communication

6 services. The act explicitly enables the FCC to require that rates for incarcerated

7 people's communication services be just and reasonable irrespective of the calling

8 device used. On March 16, 2023, the FCC held its open meeting agenda which

9 included a proposed rulemaking that would invite comment on how the FCC should

10 interpret and implement the Martha Reed Wright Act. The FCC adopted this

11 rulemaking on March 16<sup>th</sup> and published it in the Federal Register on March 17<sup>th</sup>.

12 Comments are due 30 days after publication in the Federal Register, so that would

13 be April 17<sup>th</sup>, and reply comments are due 60 days after the publication, which

14 would be May 16<sup>th</sup>. Staff will continue to monitor the FCC's activity on this. I

15 also want to provide a quick comparison of rates with a few nearby states. We've

16 got Louisiana, which is ranked 43<sup>rd</sup>, we're at 21 cents per minute, so a 15 minute

17 call would be \$3.15. Mississippi is ranked 5<sup>th</sup>, and they are about 4 cents per

18 minute, so a 15 minute call is 58 cents. Alabama is 44<sup>th</sup>, 25 cent collect, 21 prepaid,

19 so a 15 minute collect call is 3.75 and a 15 minute prepaid call is \$3.15. Arkansas

20 is 48<sup>th</sup>, and they do it a little differently. It's \$3.12 for the first minute and then 12

21 cents per additional minute, so a 15 minute call would be \$4.80. And then Texas

22 is ranked 14 with 6 cents per minute, a 15 call totaling 90 cents per minute. So that

23 is my brief summary.

1 **CHAIRMAN CAMPBELL:** Does anybody got anything to say, any discussions?

2 **MS. BOWMAN:** Any questions?

3 **CHAIRMAN CAMPBELL:** So you want to accept?

4 **MS. BOWMAN:** It's just a report.

5 **SECRETARY FREY:** It's just a report.

6 **CHAIRMAN CAMPBELL:** Don't need a vote?

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

8 **CHAIRMAN CAMPBELL:** Twelve?

9 **MS. BOWMAN:** No, sir. There's a couple more under Exhibit 11. So also under

10 Exhibit 11 there's a resolution. It's a resolution in support of Entergy Louisiana's

11 grant application before United States Department of Energy and requesting

12 Department of Energy Secretary Jennifer Granholm to approve Entergy

13 Louisiana's grant application to assist in funding Entergy's line hardening and

14 micro grid project in Baton Rouge, Louisiana. I'm not going to read the whole

15 resolution, but high just level is Entergy has proposed increasing grid resilience by

16 hardening distribution surface in two areas in Baton Rouge, for a combined cost of

17 \$110 million including a 50 percent cost sharing. And in order to help fund this

18 project and move it further along, Entergy has applied to the United States

19 Department of Energy to accelerate the delivery of these benefits and this grid

20 hardening. So the resolution would be sent to the Department of Energy urging and

21 requesting them to consider the issues addressed in this resolution and approve

22 Entergy's application for funding. So this funding would be paid for by Department

23 of Energy. It would be no funding to -- no cost to the ratepayers at this point if



1 Department of Energy supports the resolution.

2 **COMMISSIONER LEWIS:** Mr. Chairman, I authored this resolution in support  
3 of -- in my district, the two substations that they have requested in this application.  
4 The Hazel Substation and the 72<sup>nd</sup> Substation. These are two very disadvantaged  
5 climate and economic justice screening locations by -- that were identified by the  
6 Council on Environmental Quality. This project will harden 38.6 miles of circuits  
7 within my district, looking at pole structures, cross arms, installator rates for higher  
8 winds, existing structures as well as a micro grid. I just want to emphasize why  
9 this is extremely important to the people of North Baton Rouge. This would serve  
10 4,937 residential customers in my district, 441 small commercial and industrial  
11 customers, and 5 large commercial industrial customers and 1 critical customer that  
12 we regulate here, Baton Rouge Water. This includes two fire stations, the city of  
13 Baton Rouge's emergency medical services, and the Department of Homeland  
14 Security. When we look at the 72<sup>nd</sup> Street, we also see that this would help the  
15 Baton Rouge airport as well as Southern University. And so this is extremely  
16 important, we have worked significantly hard with community partners, the Baton  
17 Rouge Community College, the United Way of the Capital Region, our legislative  
18 delegation, our Mayor-President Sharon Weston Broome, our metro council  
19 members. And so this is extremely important, this would be money to help people  
20 in North Baton Rouge that would be at no cost, no cost of a single ratepayer. And  
21 so the city of Baton Rouge stands with Entergy Louisiana and I'm proud and  
22 hopeful that this Commission will also tell the Department of Energy that we would  
23 like to make those investments here in the state of Louisiana. Thank you.

1     **CHAIRMAN CAMPBELL:** Is there any discussion?

2     **MS. BOWMAN:** If there's no discussion, there's no objection, it's treated like a  
3     directive and we can move on to the next agenda item.

4     **CHAIRMAN CAMPBELL:** What are you saying?

5     **MS. BOWMAN:** If there is no discussion or objection, it's treated like a directive  
6     and we can just move on to the next item.

7     **CHAIRMAN CAMPBELL:** No other discussion?

8     **MS. BOWMAN:** Great. So we also --

9     **COMMISSIONER GREENE:** May I just interject, I'm going to have to slip out  
10    in a few minutes to get to federal court, but I'm going to sit for a little longer. Thank  
11    y'all.

12    **MS. BOWMAN:** Thank you. So also under Exhibit Number 11, there's a  
13    discussion and possible vote to ratify a vote taken by Commissioner Greene acting  
14    as this Commission's representative on the Board of Director of the Organization  
15    of MISO states. Staff followed the protocol set forth in Special Order 17-2019 to  
16    consult with the Executive Secretary and the Chairman and to make a  
17    recommendation to Commissioner Greene prior to the vote. The protocols also  
18    require that the votes taken be ratified at a following B&E. The OMS sought  
19    approval of file comments in FERC Docket Number AD22-7, which is a proceeding  
20    designed to gather input from interested parties regarding perceived inadequacies  
21    in the RTO processes related to local transmission planning issues. The OMS  
22    comments identified a lack of oversight transparency and expertise on the local  
23    transmission bottom-up process that some states would need to effectively analyze

1 and approve the project. And in addition the comments endorsed a FERC proposal  
2 to create a new independent transmission monitor if that role is merely advisory  
3 and does not impinge on state authority. Based on Staff's recommendation, the  
4 Commission -- Commissioner Greene voted to support the OMS comments, so  
5 Staff recommends that the Commission ratify Commissioner Greene's vote taken  
6 on March 23, 2023 as the Commission's representative on the OMS Board of  
7 Directors.

8 **VICE CHAIRMAN FRANCIS:** Make a motion.

9 **COMMISSIONER LEWIS:** I'll second.

10 **CHAIRMAN CAMPBELL:** A motion by Mr. Francis. To approve?

11 **MS. BOWMAN:** Yes.

12 **CHAIRMAN CAMPBELL:** Second by Mr. Lewis. Hearing no objections  
13 [NONE HEARD]. Approved.

14 **MS. BOWMAN:** For the record, Commissioner Greene is abstaining.

15 **CHAIRMAN CAMPBELL:** Right.

16 **MS. BOWMAN:** Also under Exhibit Number 11, there's a discussion and possible  
17 vote to ratify interventions of the Commission and RTO or ERSC related or other  
18 FERC regulatory proceedings. Due to the short deadlines allowed for the  
19 interventions if advanced Commission approval is not possible, the Executive  
20 Secretary, on the recommendation of UPC or Stone Pigman or on his determination  
21 alone, may authorize the initial interventions, comments, or protest subject to  
22 ratification at a following B&E. Interventions were filed on the Commission's  
23 behalf in the following FERC Dockets: ER23-1216, ER23-1218, ER23-1223,

1 ER23-1228, and EL23-46. These interventions were filed for the purposes of  
2 monitoring issues related to MISO and/or SPP, ERSC, or other FERC related  
3 proceedings. Staff recommends that Commission ratify these actions.

4 **VICE CHAIRMAN FRANCIS:** Motion.

5 **MS. BOWMAN:** Motion by Commissioner Francis.

6 **CHAIRMAN CAMPBELL:** I'll second.

7 **MS. BOWMAN:** Second by Chairman Campbell. Any opposition?

8 **CHAIRMAN CAMPBELL:** No objections? [NONE HEARD] Passed.

9 **MS. BOWMAN:** Moving on.

10 **CHAIRMAN CAMPBELL:** Where we at?

11 **MS. BOWMAN:** Exhibit Number 12.

12 **CHAIRMAN CAMPBELL:** 12?

13 **MS. BOWMAN:** Exhibit Number 12 is Docket Number R-36131. It's the  
14 Commission's determination of a Commission jurisdiction over the various  
15 methods of providing electricity to electric vehicles and the infrastructure  
16 associated therewith. It's a discussion and possible vote on Staff's final  
17 recommendation at the request of Vice Chairman Francis. Pursuant to an  
18 unopposed directive issued at the Commission's July 14, 2021 B&E, the Staff  
19 opened a rulemaking proceeding to determine the Commission's jurisdiction over  
20 electric vehicle charging stations or any other method of providing electricity to  
21 electric vehicles and whether non-jurisdictional entities that owned or operated the  
22 charging stations was subject to the Commission's jurisdiction. Notice of the  
23 docket was published in the Commission's Official Bulletin, with several parties

1 intervening, and an interested party status was requested by an attorney with the  
2 Policy Service Division of the Louisiana Department of Revenue. After research  
3 and review of the responses to request for information, Staff filed its proposed  
4 recommendation on February 23, 2023, wherein Staff recommended the adoption  
5 of the definition of EV charging stations and that the Commission decline to exert  
6 its jurisdiction over EV charging stations. Also, that a Phase II review occur to  
7 potentially issue additional rules related to topics raised in interveners comments.  
8 In response to the proposed recommendation, comments were filed by Entergy, The  
9 American for Affordable Clean Energy, the Auto Dealer Association, Cleco Power,  
10 SWEPCO, and ChargePoint and Tesla, jointly. On April 21, 2023, Staff issued its  
11 final recommendation, wherein Staff recommended that the Commission decline to  
12 exert its jurisdiction over electric vehicle charging stations and adopt the proposed  
13 definition that was in Staff's final recommendation. Commission Staff also  
14 recommended that the docket remain open for Phase II, review of other topics  
15 raised in the dockets surrounding EV charging stations, and to allow for  
16 consideration of additional rules. Some of the concerns that would be considered  
17 in Phase II, would include the potential of cyber security issues arising from the  
18 [INAUDIBLE] of EV charging stations and biometric versus time based for EV  
19 charging pricing and whether there should be consistency between public utility  
20 pricing and EV charging pricing. Consistent with the notice of Staff's intent to  
21 proceed and the fourth request of comments dated March 28, 2023 filed in Docket  
22 Number R-35462, the second phase of this rulemaking will consider and  
23 incorporate Staff's proposal filed in Phase I report of that docket. And I do have a

1 motion by Vice Chairman Francis.

2 **VICE CHAIRMAN FRANCIS:** Yeah, Mr. Chairman, I'd like to request a further  
3 add-on to this at least. Would you read that for me?

4 **MS. BOWMAN:** Sorry, I thought I had it. So Vice Chairman motion -- Vice  
5 Chairman Francis' motion is: I move that the Commission adopt Staff's final  
6 recommendation issued April 21, 2023. And further require that Staff establish a  
7 procedural schedule in the docket for determination on Phase II, including a best  
8 efforts deadline of July 31, 2023; for Staff to provide a report and proposed rules  
9 on Phase II, as addressed by Staff in Docket Number R-35462, including on the  
10 topic the circumstances under which a regulated electric utility can own, lease,  
11 operate, or control an EV charging station. This best efforts deadline is consistent  
12 with Staff's estimate provided in the notice of intent filed in Docket Number R-  
13 35462 regarding electric service to electric vehicles and any changes made to the  
14 estimated deadline in that docket will apply to the deadline in this docket, with an  
15 update on the changes provided to Commissioners.

16 **VICE CHAIRMAN FRANCIS:** Thank you for the consideration. Just in respect  
17 for the people working in the real world out there who work on deadlines and I just  
18 want to put this one on there. It's an important issue, just so we could hopefully  
19 make that deadline and get it done. Okay.

20 **COMMISSIONER LEWIS:** Mr. Chairman, can I ask you a question? Can Staff  
21 reach out to the Department of Transportation and see what their timeline is,  
22 especially on the NEVI Formula Program as well as their state plans for EVs. I  
23 mean, I think this is important for us. As we listen to Commissioner Francis, his

1 timeline, I want to see exactly what the state agency is doing to see whether or not  
2 any of our timeline is -- I don't want to say out of compliance, but if we're moving  
3 faster or slower than what the Department of Transportation may need to pull down  
4 some of the federal dollars that we know EV charging and cars are in the Inflation  
5 Reduction Act. So I just would like to get some updates from where the Department  
6 of Transportation and Development stand on some of those programs, if possible.

7 **COMMISSIONER SKRMETTA:** Brandon, it's my understanding that we're  
8 doing this because the state has us positioning this, so they can provide the money  
9 by August. Is that my understanding that we're getting this --

10 **SECRETARY FREY:** I'll have to verify that.

11 **COMMISSIONER SKRMETTA:** Yeah. I think that's why we were scheduling  
12 it for a creation by the July mechanism, so that the state could be in a position to  
13 release the money to the applicants by -- the preliminary applicants by August.

14 **SECRETARY FREY:** We'll double check that --

15 **COMMISSIONER SKRMETTA:** So that was the timeline.

16 **CHAIRMAN CAMPBELL:** For the sake of everything, why don't we clarify  
17 this? This is really important for everybody to know what exactly we're doing here  
18 because, you know, what are we really doing here? Break it down where everybody  
19 will under -- exactly what's happening here. Because everybody, they're talking  
20 about electric cars, how much it costs, where you can charge them at, who can have  
21 them, can a little guy with a service station get one or if he has the money to do it  
22 or is it all going to be owned by the big truck stops? What's the deal here?

23 **SECRETARY FREY:** The only thing we've done in Phase I, and y'all jump in

1 and tell me if I'm wrong, was define that electric vehicle charging stations are not  
2 public utilities subject to our jurisdiction. Some of these other issues about pricing,  
3 if the utility wants to own a station, what the rules are for them, whether the pricing  
4 structure should follow regular tariff structures, those issues are all going to be  
5 addressed in that second phase that we're talking about the deadline and  
6 Commissioner Lewis and Commissioner Skrmetta are talking about the federal  
7 dollars that might flow into that is also going to be looked at here. So, the first  
8 thing -- all we're doing here is that first phase right now, with the goal of trying to  
9 get these rules on those other issues out as soon as possible.

10 **CHAIRMAN CAMPBELL:** It's just important for everybody because I can't go  
11 anywhere and people are talking about where am I going to be able to get a charge?  
12 How much does it cost? They ask -- that's the first thing, how much does it cost?  
13 Is it worthwhile or am I going to get stuck out in the -- at Ringgold and I don't have  
14 any electricity for my car? Where's the nearest one? I mean, we got to get that  
15 down to a science because --

16 **SECRETARY FREY:** And some of that is going to be outside our jurisdiction,  
17 I'll be honest, about location of chargers, et cetera. But the pricing is something --

18 **CHAIRMAN CAMPBELL:** But we're right in the mix though, aren't we?

19 **SECRETARY FREY:** We're definitely in the mix along with DOTD, some of  
20 the private companies, et cetera.

21 **CHAIRMAN CAMPBELL:** I appreciate that because I hear that all the time. You  
22 cannot go anywhere without people talking about electric cars. How much does it  
23 cost to fill them up? Does he really save? Are you going to be able to get to one?



1 Are you going to be stranded? And things like that. That's got to come out. Okie-  
2 doke. You made the recommendation, Mr. Francis?

3 **VICE CHAIRMAN FRANCIS:** Yes.

4 **COMMISSIONER LEWIS:** I second.

5 **COMMISSIONER SKRMETTA:** Second. Okay. Go ahead.

6 **CHAIRMAN CAMPBELL:** A motion, a second. No objections? [NONE  
7 HEARD] Accepted. Which one are we on now?

8 **MS. BOWMAN:** We are moving on to Exhibit Number 13.

9 **CHAIRMAN CAMPBELL:** Thirteen?

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

11 **CHAIRMAN CAMPBELL:** When are we getting to the last one?

12 **MS. BOWMAN:** We're almost there, almost.

13 **SECRETARY FREY:** Two more after that.

14 **MS. BOWMAN:** Two more.

15 **SECRETARY FREY:** Three more.

16 **CHAIRMAN CAMPBELL:** We about to wear everybody out today?

17 **COMMISSIONER SKRMETTA:** I would like to have a report from the 1803  
18 attorney and about the Bayou Galion issue.

19 **SECRETARY FREY:** That's what Exhibit 13 is.

20 **MS. BOWMAN:** Yeah. That's what exhibit -- so Exhibit 13 is Docket Number  
21 U-35927, which is 1803 Electric Cooperative's application for approval of power  
22 purchase agreements and for cost recovery. And this is an update from 1803 at the  
23 request of Commissioner Skrmetta. So we'd ask that the company would come up.

1    **SECRETARY FREY:** Kyle and Brian, I don't where y'all are.

2    **MS. BOWMAN:** They're coming.

3    **SECRETARY FREY:** Brian's coming up right now, and there's Kyle right behind  
4    him. There you go, got them. Were y'all sitting in the side orchestra? I was hoping  
5    somebody would use that.

6    **CHAIRMAN CAMPBELL:** This ought to be good.

7    **VICE CHAIRMAN FRANCIS:** Okay. I'm the presiding chairman here right  
8    now, while --

9    **COMMISSIONER SKRMETTA:** Mr. Vice Chairman, can I --

10   **VICE CHAIRMAN FRANCIS:** Yes, sir.

11   **COMMISSIONER SKRMETTA:** Can I ask a couple of questions.

12   **VICE CHAIRMAN FRANCIS:** Chairman recognizes Mr. Skrmetta.

13   **COMMISSIONER SKRMETTA:** We met the other day, and I thought some of  
14   the stuff that you explained to me needed to be explained to the whole Commission.  
15   And my questions all really start with the Bayou Galion solar project that has been  
16   effectively terminated as part of your overall package that you presented to the  
17   Commission for a vote, previously before the Commission. Number one is: Tell  
18   me about how you -- what has transpired with Bayou Galion contract, the  
19   company's name that you were with, tell us first about that.

20   **MR. KYLE MARIONNEAUX:** Your Honor, I mean, Commissioners.

21   **COMMISSIONER SKRMETTA:** That's okay. Go with it.

22   **MR. MARIONNEAUX:** Long day.

23   **MS. BOWMAN:** And please -- thank you.

1 **MR. MARIONNEAUX:** Kyle Marionneaux with Marionneaux Kantrow Law  
2 Firm, counsel for 1803, and with me is the CEO of 1803, Mr. Brian Hobbs, and I'm  
3 going to turn that over to him.

4 **MR. BRIAN HOBBS:** Sure. So thank you for this opportunity. You'll recall that  
5 1803 had asked this Commission to certify a power supply portfolio that was made  
6 up of six purchase agreements. There was a tolling agreement where we have the  
7 rights to about 60 percent, 58 percent of the newly build Magnolia Power Plant.  
8 We have the right to use that plant, 58 percent of it, to generate electricity on behalf  
9 of our members. Constellation is providing a 27 percent of our load on a real time  
10 basis. They will supply 27 percent of the total load.

11 **COMMISSIONER SKRMETTA:** Who is Constellation, and what do they  
12 provide?

13 **MR. HOBBS:** They're a utility. They will provide full service for 27 percent of  
14 load.

15 **COMMISSIONER SKRMETTA:** Of what? What's kind of -- what's their make  
16 up?

17 **MR. HOBBS:** They have nuclear, gas, they have all kinds of generation resources.

18 **COMMISSIONER SKRMETTA:** So they're not coming for any particular  
19 resource?

20 **MR. HOBBS:** They are not. It is not.

21 **COMMISSIONER SKRMETTA:** Okay.

22 **MR. HOBBS:** We are taking 185 megawatts of energy from a Calpine Power Plant  
23 located in --

1 **COMMISSIONER SKRMETTA:** What's the percentage on that?

2 **MR. HOBBS:** Percentage of the unit?

3 **COMMISSIONER SKRMETTA:** The percentage of your consumption?

4 **MR. HOBBS:** Oh, I don't know that number off top of my head and here's why.

5 It's an energy only purchase, we have the right to schedule the quantity of energy

6 we want out of that day ahead.

7 **COMMISSIONER SKRMETTA:** Okay. The only reason I asked is because you

8 said 27 percent from Constellation, so if you're going to -- let's talk apples and

9 apples and not mix this up.

10 **MR. HOBBS:** Well, I can't exactly. Constellation is following the load and

11 supplying 27 percent. We have the right to call on the Calpine unit when we want

12 it and need it.

13 **COMMISSIONER SKRMETTA:** Okay. All right.

14 **MR. HOBBS:** So it will be variable energy amount.

15 **COMMISSIONER SKRMETTA:** Okay.

16 **MR. HOBBS:** And we have the right up to 185 megawatts.

17 **COMMISSIONER SKRMETTA:** Okay.

18 **MR. HOBBS:** Then we have three new-build solar projects that were part of the

19 facility. The first two are being developed by ibV, that's Bayou Teche and Bayou

20 Chicot. They're about a -- not quite 250 megawatts together. And then the

21 Recurrent project is Bayou Galion, it's about 98 megawatts. We signed the

22 purchase agreements in March of 2021. They were not to be commercial until

23 2025, so it's a long lead time. As you've heard today, there have been a lot of

1 changes, in particular around renewables and the Inflation Reduction Act. The  
2 contract with Recurrent for the Bayou Galion project had a provision that if their  
3 cost after March of 2022 changed more than 5 percent, they could offer us a new  
4 price. We could either accept the new price or decline it. If we decline it, then the  
5 issue really goes to dispute resolution. The parties agreed that it didn't make sense  
6 from the time and cost standpoint, so the first step to dispute resolution is  
7 management companies --

8 **COMMISSIONER SKRMETTA:** Let me ask you a question. You had a contract  
9 with this company with -- what's the name of the company?

10 **MR. HOBBS:** Recurrent.

11 **COMMISSIONER SKRMETTA:** Recurrent? So you had a contract with them,  
12 right?

13 **MR. HOBBS:** The contract is really with Bayou Galion, LLC.

14 **COMMISSIONER SKRMETTA:** Okay. But you had a contract then that  
15 required specific actions to be taken if the contract was going into nonperformance,  
16 right?

17 **MR. HOBBS:** Not into nonperformance. Again, all the actions we're taking are  
18 within the contract terms.

19 **COMMISSIONER SKRMETTA:** Right. So if the contract was going to be  
20 terminated, if you want to look at it specific [INAUDIBLE] --

21 **MR. HOBBS:** That was one possible outcome, yes.

22 **COMMISSIONER SKRMETTA:** So your position, as I believe you told me  
23 before, was that it would -- your first action was to go to the manager?

1 **MR. HOBBS:** The senior management of the two companies.

2 **COMMISSIONER SKRMETTA:** Senior management of the two companies  
3 would discuss this. The second action was to do what?

4 **MR. HOBBS:** If the senior management of the companies couldn't decide how to  
5 move forward, then it would go to arbitration.

6 **COMMISSIONER SKRMETTA:** Okay. Wait. Did you go to arbitration?

7 **MR. HOBBS:** No.

8 **COMMISSIONER SKRMETTA:** Okay. So you did not comply with the  
9 contract?

10 **MR. HOBBS:** We did.

11 **COMMISSIONER SKRMETTA:** You did not go to arbitration.

12 **MR. HOBBS:** No. Senior management of both companies agreed on the path  
13 forward.

14 **COMMISSIONER SKRMETTA:** So they agreed on the path forward?

15 **MR. HOBBS:** And so did 1803.

16 **COMMISSIONER SKRMETTA:** And so you settled on this issue?

17 **MR. HOBBS:** Correct.

18 **COMMISSIONER SKRMETTA:** And how much did you settle for?

19 **MR. HOBBS:** That's confidential.

20 **COMMISSIONER SKRMETTA:** Well, you entered into a contract that was  
21 approved by the Public Service Commission, correct?

22 **MR. HOBBS:** Correct.

23 **COMMISSIONER SKRMETTA:** How do you cancel a contract and not have it

1 approved by the Public Service Commission, the cancelation of that contract?

2 **MR. HOBBS:** So again --

3 **COMMISSIONER SKRMETTA:** Where is our attorney, Brandon? Or is that  
4 you Lauren, you're our attorney on this?

5 **MS. EVANS:** Yes, sir.

6 **MR. MARIONNEAUX:** Commissioner, on that front, when we looked at your  
7 applicable orders and conversely -- and the order approving the resources and  
8 certification, and didn't see a requirement for that.

9 **COMMISSIONER SKRMETTA:** Well, seems to me if the Commission giveth  
10 and the Commission taketh away. So if you come to us for approval on it and you  
11 cancel it, then you're changing the entire plan that the Commission approved. So  
12 you would seem -- you would have to come to us for an approval of the cancelation  
13 as oversight.

14 **MR. MARIONNEAUX:** We were ready to proceed, Commissioner, with the  
15 contract as agreed upon, as approved by the Commission, and would be now.

16 **COMMISSIONER SKRMETTA:** Okay. So all right.

17 **MR. HOBBS:** And if could add --

18 **COMMISSIONER SKRMETTA:** Go ahead.

19 **MR. HOBBS:** -- a quick point. The provision that we are dealing with here is in  
20 the approved contract. This was the way the cost dispute was to be resolved.

21 **COMMISSIONER SKRMETTA:** Right.

22 **MR. HOBBS:** We gave notice to the Commission that we were going to terminate  
23 the contract.

1 **COMMISSIONER SKRMETTA:** The mere fact that you're telling the  
2 Commission that you're not going to tell them how much money you received as  
3 settlement --

4 **MR. HOBBS:** That is not what I said.

5 **COMMISSIONER SKRMETTA:** -- is an issue that, I think, the Staff counsel  
6 should be making notes upon.

7 **MR. MARIONNEAUX:** Commissioner --

8 **MR. HOBBS:** That is not what I said.

9 **MR. MARIONNEAUX:** -- we're ready to provide that to you right now, if you  
10 want to go into executive session.

11 **COMMISSIONER SKRMETTA:** No. I don't want to go into executive --

12 **MR. MARIONNEAUX:** We have no reason to keep --

13 **COMMISSIONER SKRMETTA:** Well, you're not in litigation, you've settled it.  
14 So it's an amount that should be available to the Commission to know how rates  
15 should be offset by recovery.

16 **MR. MARIONNEAUX:** And we're ready to provide it.

17 **COMMISSIONER SKRMETTA:** If you're telling me you're not going to tell us  
18 unless we go into executive session, you can have that discussion with Staff counsel  
19 at another time.

20 **MR. MARIONNEAUX:** And we have, Commissioner.

21 **COMMISSIONER SKRMETTA:** Yeah. Well she hasn't [INAUDIBLE] that  
22 information to me, so the answer is it must be enormous or minimal or somebody  
23 just don't want to tell somebody.



1 **MR. MARIONNEAUX:** It is confidentially --

2 **COMMISSIONER SKRMETTA:** Yeah. Well, confidentially, I smell a rat when

3 I don't get told stuff, so.

4 **MR. MARIONNEAUX:** Okay. When we meet with you --

5 **COMMISSIONER SKRMETTA:** You didn't tell me then either.

6 **MR. MARIONNEAUX:** -- I would have been willing to tell you --

7 **COMMISSIONER SKRMETTA:** You didn't tell me then either.

8 **MR. HOBBS:** If you'd asked, I would have told you.

9 **COMMISSIONER SKRMETTA:** I did ask you and you told me confidential. I

10 don't think it's an appropriate time to tell me in a -- three people sitting --four

11 people sitting around a table, and you won't tell me then and you won't tell me

12 now. I can promise you before the sun sets on April, you're going to tell me. Okay.

13 **MR. MARIONNEAUX:** Commissioner, I'm willing to tell you now.

14 **COMMISSIONER SKRMETTA:** No, well, I'm going to tell you -- I'm going to

15 protect your cloak of confidentially, but before the end of April, this entire

16 Commission, all five Commissioners, is going to have the information.

17 **MR. MARIONNEAUX:** If you go into executive session, I'll tell you.

18 **COMMISSIONER SKRMETTA:** No, no, no, no.

19 **MR. MARIONNEAUX:** And then after this meeting, I'll tell you.

20 **COMMISSIONER SKRMETTA:** No, no. We're going to continue.

21 **MR. MARIONNEAUX:** I'm not going to say on the microphone in a public

22 setting.

23 **COMMISSIONER SKRMETTA:** Yeah, yeah. Well, we're going to keep going.

1 Okay.

2 **MR. MARIONNEAUX:** That's fine.

3 **COMMISSIONER SKRMETTA:** So now, let's go on to the fact that you now  
4 have 98 megawatts missing from your original plan, right?

5 **MR. HOBBS:** So, I'd like to address that.

6 **COMMISSIONER SKRMETTA:** Well, no, no. I'm asking you a question. You  
7 now have 98 megawatts of solar missing from your original plan, correct?

8 **MR. HOBBS:** That is correct.

9 **COMMISSIONER SKRMETTA:** Okay. Second question: You're going to  
10 have 250 megawatts of solar from -- is it ibV?

11 **MR. HOBBS:** Yes.

12 **COMMISSIONER SKRMETTA:** Okay. Are there plans and mechanisms for  
13 the development of solar, reasonably along the same lines of development as  
14 Recurrent?

15 **MR. HOBBS:** I'm not sure I understand your question.

16 **COMMISSIONER SKRMETTA:** Well, let me put it in perspective. Do you  
17 think their buy solar panels, contract workers, deal with inflation, finance elements,  
18 do you think they're all sort of in the same world of economy and business as  
19 Recurrent? Or do you think they're universality divergent to unbelievable  
20 standards that they would be separated from the forces of an economy?

21 **MR. HOBBS:** I think the market has fundamentally changed and it is impacting  
22 solar projects nationwide.

23 **COMMISSIONER SKRMETTA:** Okay.

1 **MR. HOBBS:** However, depending how a particular developer manages their  
2 book of business, they may have already have panels committed. They may have  
3 taken -- because they had a big book of projects in front of them. We don't have  
4 that information.

5 **COMMISSIONER SKRMETTA:** So when are you meeting with them?

6 **MR. HOBBS:** They are coming to our May 10<sup>th</sup> board meeting.

7 **COMMISSIONER SKRMETTA:** And, Kathryn, when is our Public Service  
8 Commission meeting in May?

9 **MS. BOWMAN:** May 17<sup>th</sup>.

10 **COMMISSIONER SKRMETTA:** Well, I'm going to invite you to come back  
11 on May 17<sup>th</sup> and report on what the result is of your meeting with them, if they're  
12 going to come to a settlement between you two managers and cancel your contract  
13 or maintain your contract.

14 **MR. HOBBS:** And I would say that the ibV contracts do not have the same price  
15 opener provision.

16 **COMMISSIONER SKRMETTA:** Okay.

17 **MR. HOBBS:** However, any build project typically has a provision that the project  
18 has to financeable.

19 **COMMISSIONER SKRMETTA:** Right. So what are the provisions for  
20 cancelation of your ibV contracts? Are they similar to the Recurrent or are they  
21 different?

22 **MR. HOBBS:** They are different.

23 **COMMISSIONER SKRMETTA:** And how are they different?

1 **MR. HOBBS:** Again, we treated our contracts confidential, so I can't --

2 **COMMISSIONER SKRMETTA:** Well, I think the --

3 **MR. HOBBS:** -- get into the details.

4 **COMMISSIONER SKRMETTA:** -- cancellation element is probably reasonably

5 revealable.

6 **MR. HOBBS:** They don't have the same price opener. They have a cancellation

7 [INAUDIBLE] --

8 **COMMISSIONER SKRMETTA:** Right. Not so much that, but what happens -

9 - what happens if they say we want to cancel? Is it the same kind of one, two, three

10 steps of meetings of the minds, arbitration, or a cash pay or what is the solution?

11 **MR. HOBBS:** Sitting here now as I recall the ibV contracts, the only remaining

12 provision, I believe, that could cancel the project is that they can't get financed.

13 **COMMISSIONER SKRMETTA:** No, but no --

14 **MR. HOBBS:** And as I recall, if they can't get financed, there's a penalty; it's not

15 a huge amount.

16 **COMMISSIONER SKRMETTA:** But it's a liquidated damage provision --

17 **MR. HOBBS:** Yes.

18 **COMMISSIONER SKRMETTA:** -- in cash? Okay. So let's just say for the

19 sake of argument that the three solar devices wash because of the issues of the

20 MISO winter re-certification element, the Inflation Reduction Act, the price of

21 panels, inflation, whatever it is on the economy, what is the plan for 1803 to fill the

22 gaps?

23 **MR. HOBBS:** Okay. I'm going to take just a minute to introduce the plan. So the

1 first thing is the Recurrent contract provides about 6 percent of our total annual  
2 energy needs. Pretty small part of the package, number one.

3 **COMMISSIONER SKRMETTA:** Well, this would be 348 megawatts?

4 **MR. HOBBS:** Megawatts.

5 **COMMISSIONER SKRMETTA:** Right.

6 **MR. HOBBS:** But solar produces at about a 26 percent annual capacity factor, so.

7 **COMMISSIONER SKRMETTA:** Right, I got it.

8 **MR. HOBBS:** So Recurrent's about six percent. The other issue is we, 1803, our  
9 board, considered the new pricing terms. Here's the issue: With the new market  
10 construct, looking at seasonal capacity requirements, the solar projects have lost  
11 value because they bring essentially zero winter capacity.

12 **COMMISSIONER SKRMETTA:** Right.

13 **MR. HOBBS:** The 1803 system is a winter peaking system.

14 **COMMISSIONER SKRMETTA:** Right.

15 **MR. HOBBS:** So what the 1803 board does --

16 **COMMISSIONER SKRMETTA:** As a question, aren't all systems winter  
17 peaking?

18 **MR. HOBBS:** No, not at all.

19 **COMMISSIONER SKRMETTA:** Because, I mean, that most devices draw more  
20 amperage in winter time, I was just --

21 **MR. HOBBS:** And it depends on the heating make up, what type of heating, et  
22 cetera.

23 **COMMISSIONER SKRMETTA:** Right.

1 **MR. HOBBS:** But no, they're not all winter peakers. So even with all three solar  
2 projects in the portfolio, including Recurrent, we had anticipated that they would  
3 be accredited about 40 percent of their nameplate as capacity. With the market  
4 rules change, that goes to nearly zero in the winter, so we would need to be  
5 replacing those resources --

6 **COMMISSIONER SKRMETTA:** What's the percentage you said for solar, you  
7 gave it?

8 **MR. HOBBS:** In the first year about 46 percent, it declines over time, but in the  
9 first year there's about 46 percent capacity.

10 **COMMISSIONER SKRMETTA:** Right, right.

11 **MR. HOBBS:** Because at the time the MISO market rules goes to summer.

12 **COMMISSIONER SKRMETTA:** So for your 348, it was more like --

13 **MR. HOBBS:** About 140.

14 **COMMISSIONER SKRMETTA:** -- 140 megawatts.

15 **MR. HOBBS:** Right.

16 **COMMISSIONER SKRMETTA:** So pay for the megawatts capacity but  
17 actually use less?

18 **MR. HOBBS:** Yes.

19 **COMMISSIONER SKRMETTA:** Right.

20 **MR. HOBBS:** So what the 1803 board was faced with, do we accept the higher  
21 price recognizing that the contract has lost value to us as well because now we're  
22 going to have to go out and replace that winter capacity regardless, do we lock in  
23 the higher solar price for 20 years and get less value out of it. The board

1 determined, since we need to replace winter capacity regardless, we are already a  
2 year almost, 11, 10 months into an IRP docket, we intend to issue a notice of a  
3 request for proposals out of that and we're going to looking for additional capacity.  
4 Because we were already doing that, even if Recurrent was still in the mix, we need  
5 winter capacity. We decided rather than accept the higher cost, we would look at  
6 the market through the RFP process and find the capacity that we need.

7 **COMMISSIONER SKRMETTA:** Can I ask you another question?

8 **MR. HOBBS:** Sure.

9 **COMMISSIONER SKRMETTA:** When you brought the plan to the  
10 Commission, you said that the plan itself was going to provide the power necessary  
11 to serve the co-ops.

12 **MR. HOBBS:** Actually, what we said is even when we brought the plan that it  
13 was short a little bit winter capacity.

14 **COMMISSIONER SKRMETTA:** You know, somehow that doesn't ring --

15 **MR. MARIONNEAUX:** It's in the docket, Commissioner.

16 **COMMISSIONER SKRMETTA:** Well.

17 **MR. HOBBS:** It's in the docket.

18 **MR. MARIONNEAUX:** And I can bring it to you.

19 **COMMISSIONER SKRMETTA:** I'm sure it's well buried.

20 **MR. HOBBS:** No, not all.

21 **MR. MARIONNEAUX:** It's not. It was a --

22 **COMMISSIONER SKRMETTA:** Well.

23 **MR. HOBBS:** It was a feature --

1 **COMMISSIONER SKRMETTA:** I got a entrenching tool in the car, so.

2 **MR. MARIONNEAUX:** Okay.

3 **MR. HOBBS:** But regardless --

4 **COMMISSIONER SKRMETTA:** Yeah, yeah, I get it. So my question is, and

5 I'm trying to think back on this. Looking at the differential of a solar facility that's

6 125 megawatts now and declining at whatever percentage point it is over the years,

7 what was the price differential, since you seem to be factual on this, what was the

8 price differential between your plan that was going to be short that now loses its

9 one solar component that's now effectively 45 megawatts of capacity, is gone, and

10 the other bidders that were out there, whether it was Cleco Cajun or Entergy or

11 whoever was out there? So what was the price differential? Because now you're

12 going to have to make up that price by going -- getting more power from Magnolia,

13 getting more power from Calpine, buying more gas electricity to make up the

14 difference of the loss. I'm just trying to understand equating the differential. You

15 know what I mean?

16 **MR. HOBBS:** Okay. Well number one --

17 **COMMISSIONER SKRMETTA:** Cause you're going to -- if you're losing the

18 solar, you're making up for it by buying traditional sources and having more higher

19 fuel costs, and, you know, costs that we don't know that you're going to pay for,

20 and, you know, that you're going to have to come back and do it. So I want to

21 understand the difference on that.

22 **MR. HOBBS:** So a couple of points there. Number one, regardless of whether the

23 Recurrent project was in the portfolio at its given price, we're going to be out



1 looking for additional capacity.

2 **COMMISSIONER SKRMETTA:** Yes.

3 **MR. HOBBS:** And there's two reasons.

4 **COMMISSIONER SKRMETTA:** I get that, but you're going to be looking for  
5 a lot more now.

6 **MR. HOBBS:** Well, yes, but I'll tell you the two reasons. The first one is at the  
7 time the portfolio was being developed and ultimately certified by the Commission,  
8 capacity requirements were developed based on summer load, and the capacity  
9 accreditation of resources were based on their summer output. Solar was a good fit  
10 then; those rules have changed, and I think generally we would support the rule  
11 change. The devil's in the details always, but they're not reliable resources during  
12 peak load in the winter. Makes perfect sense. The other big change is that as a  
13 MISO load serving entity you are responsible for bringing in resources to serve  
14 your load plus a reserve margin.

15 **COMMISSIONER SKRMETTA:** Right.

16 **MR. HOBBS:** That reserve margin was 9 percent; we had planned for that. Now  
17 the winter reserve margin, and remember we are winter peaker, so before our load  
18 and the margin was based on summer requirements. The solar capacity was based  
19 on summer requirements. What has changed is, now we need to look at our winter  
20 needs, which are higher because we're a winter peaker. The reserve margin has  
21 gone from 9 percent to 26 percent. It's a 15 percent increase. We have to bring  
22 that additional 15 percent capacity and solar lost most, if not all, of its winter  
23 capacity accreditation, so we have to replace it.

1 **COMMISSIONER SKRMETTA:** So here's the question: Now, that you -- well,  
2 first off, I would have thought you would have looked at a full year of analysis  
3 versus a summer versus winter. And I know it wasn't required at that time, but,  
4 you know, being a guy who wears a belt and suspenders sometimes, I look at the  
5 overall safety element. But here's my thing, versus what you said it was going to  
6 cost the ratepayers in the 1803 world, when you got us to vote for it, what's it going  
7 to cost now or do you even have to know what it's going to cost as you move  
8 forward? Like per kilowatt hour?

9 **MR. HOBBS:** So a couple of things. First, at the time of certification, looking at  
10 our requirements, we knew we were short capacity and said we would be going out  
11 with a RFP, doing an IRP, and looking for that capacity. At that time, we modeled  
12 the cost for that additional capacity. Even though we didn't have our resource  
13 designated yet, we had the cost in the portfolio to supply that. We still have that  
14 cost in there today. What has changed is our requirements have increased because  
15 of the new MISO market construct. We have --

16 **COMMISSIONER SKRMETTA:** And of the loss of 40 megawatts of solar and  
17 having to add that into your increased purchase?

18 **MR. HOBBS:** In the winter.

19 **COMMISSIONER SKRMETTA:** Yeah. Well --

20 **MR. HOBBS:** Solar still provides capacity the rest of the year.

21 **COMMISSIONER SKRMETTA:** But you're not going to have that solar at all  
22 twelve months a year, you still have to fill that gap with something, right?

23 **MR. HOBBS:** The 98 megawatts, yes.

1 **COMMISSIONER SKRMETTA:** So that cost more --

2 **MR. HOBBS:** The 98 megawatts.

3 **COMMISSIONER SKRMETTA:** -- because you have a fuel cost, so it is an

4 increase cost, right?

5 **MR. HOBBS:** We don't know if it cost more or not.

6 **COMMISSIONER SKRMETTA:** You don't? It ain't going to cost less.

7 **MR. HOBBS:** Probably not.

8 **COMMISSIONER SKRMETTA:** Okay.

9 **MR. HOBBS:** But we're buying a different product as well.

10 **COMMISSIONER SKRMETTA:** Right.

11 **MR. HOBBS:** We're buying a winter reliable capacity.

12 **COMMISSIONER SKRMETTA:** It's all money.

13 **MR. HOBBS:** It is all money.

14 **COMMISSIONER SKRMETTA:** Right.

15 **MR. HOBBS:** However, the -- to your -- directly to your point, there will be costs

16 associated with that. I'm not going to tell you there won't be.

17 **COMMISSIONER SKRMETTA:** Costs will go up.

18 **MR. HOBBS:** Costs will go up.

19 **COMMISSIONER SKRMETTA:** The question is, have you contemplated or

20 planned or structured or modeled what those increased costs will be for the 1803

21 [INAUDIBLE] --

22 **MR. HOBBS:** Not yet. We will do that through the IRP and RFP process.

23 **COMMISSIONER SKRMETTA:** Timeline?

1 **MR. HOBBS:** Our first draft report on the IRP is due in a few weeks actually. We  
2 plan to initiate the RFP, give notice of that, literally in the next week or two.

3 **COMMISSIONER SKRMETTA:** When can the Commission look forward to  
4 seeing that?

5 **MR. HOBBS:** Well, you heard the RFP schedule earlier. It's probably about six  
6 months by the time you get the RFP in place and start getting bids in.

7 **COMMISSIONER SKRMETTA:** Right, so.

8 **MR. MARIONNEAUX:** The IRP report will be out in, like he said, in a couple  
9 of weeks, so that will be public.

10 **COMMISSIONER SKRMETTA:** That'll be -- it won't be under a blanket?

11 **MR. MARIONNEAUX:** No.

12 **COMMISSIONER SKRMETTA:** Okay. So we'll -- the Commission will have  
13 that in a few weeks?

14 **MR. MARIONNEAUX:** Sure.

15 **COMMISSIONER SKRMETTA:** End of May?

16 **MR. MARIONNEAUX:** I think that's rights, from the [INAUDIBLE] schedule.

17 **COMMISSIONER SKRMETTA:** Okay. All right. And then what we're  
18 looking at is end of October for the RFP?

19 **MR. HOBBS:** By the time you get bids in, it's probably going be --

20 **COMMISSIONER SKRMETTA:** October, November?

21 **MR. HOBBS:** -- closer to the year end.

22 **MR. MARIONNEAUX:** The notice will be issued shortly and then there's either  
23 30 or 60 day, you know, period between the issuance of the RFP.

1 **COMMISSIONER SKRMETTA:** Question to Staff. Will that -- those RFPs  
2 have to be approved by the Commission?  
3 **MS. EVANS:** Yes.  
4 **VICE CHAIRMAN FRANCIS:** I want to say something.  
5 **MR. HOBBS:** Yes, yes.  
6 **COMMISSIONER SKRMETTA:** All right. So I don't have any more questions.  
7 **MR. HOBBS:** Well, I have one more point I want to make.  
8 **COMMISSIONER SKRMETTA:** Okay.  
9 **MR. HOBBS:** And that is, yes, costs will go up most likely because we're buying  
10 additional capacity due to the market changes.  
11 **COMMISSIONER SKRMETTA:** Right. I just have one comment to make and  
12 I'm done. And I think Commissioner --  
13 **MR. HOBBS:** Well, can I finish mine first?  
14 **COMMISSIONER SKRMETTA:** Yeah, I got it. But I just want to tell  
15 Commissioner Campbell, I'm familiar with the concept of a pig in a poke and I  
16 think this one is one.  
17 **VICE CHAIRMAN FRANCIS:** Pig in a poke.  
18 **COMMISSIONER SKRMETTA:** So I'm done, but you can [INAUDIBLE].  
19 **VICE CHAIRMAN FRANCIS:** North Louisiana.  
20 **COMMISSIONER SKRMETTA:** I think that one goes universal, but I think I'm  
21 -- just go ahead tell them whatever you want to tell them.  
22 **MR. HOBBS:** Okay. The only other comment I was going make is, no matter  
23 what our power supply look like, when the market construct changes, we have to

1 have more capacity to serve our load whether Cleco Cajun was providing it or we  
2 providing it, costs were going up. I still believe our costs can be more effective  
3 than the other options we have.

4 **COMMISSIONER SKRMETTA:** Well, a deal's a deal in my world.

5 **CHAIRMAN CAMPBELL:** Mr. Francis?

6 **VICE CHAIRMAN FRANCIS:** Mr. Hobbs, the 98 megawatts for the Bayou --  
7 what's the name -- Bayou what's the name of it?

8 **MR. HOBBS:** Bayou Galion.

9 **VICE CHAIRMAN FRANCIS:** Galion. It's not Gadon? It's Galion.

10 **MR. MARIONNEAUX:** No, it's G-A-L-I-O-N.

11 **VICE CHAIRMAN FRANCIS:** Where is that located?

12 **MR. MARIONNEAUX:** It's in Mer Rouge of Morehouse Parish.

13 **VICE CHAIRMAN FRANCIS:** Way up there. Okay.

14 **MR. MARIONNEAUX:** Yeah.

15 **VICE CHAIRMAN FRANCIS:** So Mer Rouge is not going to get a solar plant,  
16 okay.

17 **CHAIRMAN CAMPBELL:** Well, they got two already.

18 **VICE CHAIRMAN FRANCIS:** All right. Got too many probably. All right.  
19 Could you go down and buy some more of that Magonlia plant to save this -- save  
20 the deal here?

21 **MR. HOBBS:** So again --

22 **VICE CHAIRMAN FRANCIS:** Just you -- I'm -- maybe you could, you know,  
23 okay.

1 **MR. HOBBS:** Maybe we could. We actually have two unsolicited offers. We're  
2 evaluating those now. If we decide to move forward with those, we will have to  
3 report those offers and our evaluation of those to the Commission, and we will do  
4 so.

5 **VICE CHAIRMAN FRANCIS:** Yes. I went down to see the plant reopening and  
6 it's a real thing [INAUDIBLE] --

7 **MR. HOBBS:** And it's making a big [INAUDIBLE].

8 **VICE CHAIRMAN FRANCIS:** Twenty-four/seven electricity, so I'm just  
9 wondering. Okay.

10 **MR. HOBBS:** But to the point we heard about a lot this morning, we're going to  
11 do it through an RFP so we can really see what --

12 **VICE CHAIRMAN FRANCIS:** All right. Okay.

13 **MR. HOBBS:** -- the market looks like and what's available.

14 **VICE CHAIRMAN FRANCIS:** One last thing. There's lady here who just came  
15 in from the school board, James Etta David, so thank you for coming in. We just  
16 wanted to recognize you, another great public servant here in Crowley.

17 **CHAIRMAN CAMPBELL:** What you're basically saying though, y'all are still  
18 alive and well?

19 **MR. HOBBS:** Absolutely. Yes, yes, sir. I have told the board when we got  
20 certification on our power supply last January, January '22, that was great day. At  
21 the same time, I've told the board many times since then that's just the beginning.  
22 Power supply planning never ends, and this is just one more step in our power  
23 supply plan.

1     **CHAIRMAN CAMPBELL:** You know, there was all kind of reasons not to vote  
2     for y'all. First of all, big deal was that, you know, the supply was going to be gone,  
3     you couldn't keep the lights on. On the other hand, there was a big financial reason  
4     to try you because you were a lot, lot cheaper, you know. So it was -- you had to  
5     make a decision you know. I voted with y'all to let's get together and see how  
6     cheap you could get it. I still hold that philosophy today. We had a big argument  
7     here today, about the same thing, can you buy it cheaper? Or do you have to buy it  
8     from somebody who builds it? Basically, they are the same argument, but we have  
9     rules and regulations checking on y'all all the time, don't we, that you have another  
10    plant goes down or something or you can't supply what we made a deal for. We  
11    have ways that we're notified, right?

12    **MR. MARIONNEAUX:** Yes, sir. We file a quarterly monitoring reports on those  
13    and significant development reports, which is how we reported this and --

14    **CHAIRMAN CAMPBELL:** Who check those?

15    **MR. MARIONNEAUX:** We file them with the Staff and the outside consultant  
16    that you had on it, which is J. Kennedy and Associates, Phil Hayet.

17    **CHAIRMAN CAMPBELL:** Who?

18    **MR. MARIONNEAUX:** J. Kennedy and Associates is the consultant.

19    **CHAIRMAN CAMPBELL:** So he would -- they know if you've got a problem  
20    with supply real quick, right?

21    **MR. MARIONNEAUX:** Yes.

22    **CHAIRMAN CAMPBELL:** Is that right, Brandon? And you'd know  
23    immediately, right?



1     **SECRETARY FREY:** That's correct. They'll notify all the Staff on --

2     **CHAIRMAN CAMPBELL:** So this is something new -- this is something we're

3     trying. It's supposed to save a lot of consumers a lot money, businesses, things like

4     that. Some of those -- when you're talking about saving 20 percent and things like

5     that, it did seem like that was a lot, but I'm still -- I'm not --I'm okay with my vote

6     for the record. Okay. Next one.

7     **COMMISSIONER LEWIS:** Can I --

8     **CHAIRMAN CAMPBELL:** Excuse me, Mr. Lewis.

9     **COMMISSIONER LEWIS:** I just want to make sure -- there was a lot happening,

10    and I just want to make sure I'm very clear because there was a lot of, I felt,

11    confusion on a bunch of parts. This is basically the market change, right? And it

12    just made a deal that we thought may have been great, maybe not be the best at this

13    moment and you are looking at other options.

14    **MR. HOBBS:** That's correct.

15    **COMMISSIONER LEWIS:** That's the frank, straight to the part, I mean, like a

16    baseball hot dog, just right to the point, right?

17    **MR. MARIONNEAUX:** Yes, Commissioner.

18    **COMMISSIONER LEWIS:** Okay. I just wanted to be clear. Thank you.

19    **CHAIRMAN CAMPBELL:** Next one.

20    **MS. BOWMAN:** Exhibit Number 14 -- excuse me. We already voted on Exhibit

21    --

22    **CHAIRMAN CAMPBELL:** Fourteen?

23    **MS. BOWMAN:** No, sir, 15.

1     **CHAIRMAN CAMPBELL:** Fifteen.

2     **MS. BOWMAN:** We already disposed of Exhibit Number 14. Exhibit Number  
3     15 is undocketed. It's an update from Jefferson Davis Electric Cooperative on the  
4     transmission line and is at the request of Vice Chairman Francis.

5     **VICE CHAIRMAN FRANCIS:** Is JDEC here? There she is. Okay.

6     **MS. BOWMAN:** Yes, sir. They're walking up.

7     **SECRETARY FREY:** Yeah. I think the whole board's here, but I don't know  
8     that we need the whole board.

9     **CHAIRMAN CAMPBELL:** Where you been today? We been looking for you  
10    earlier, you decided not to come?

11    **MS. KARA KANTROW:** All right. Good afternoon. We're here just to give a  
12    short update on Jefferson Davis transmission project. I have with me today the  
13    CEO of Jefferson Davis, Mike Heinen. We also brought with us the president of  
14    Rural Engineering, Michael Peel. So I will turn it over to Mr. Heinen.

15    **MR. MICHAEL HEINEN:** I've been informed by everyone here, keep it short.  
16    so that's what I plan on doing. First of all, I'd like to thank my board and all of my  
17    staff and all of my consultants that have worked on this project. Since 2020, the  
18    storm has really -- it's been the worst ever, but we are coming out of it and this is  
19    the report for the 230 line that we're working on. It works better if I had my glass  
20    on. JDEC is excited about the construction cooperative's Loop 230 kV  
21    transmission project in Cameron Parish as it will provide improved reliability and  
22    resiliency across southwest Louisiana, which is vital to the economic livelihood of  
23    the state of Louisiana's future. The entirety of JDEC's system in Cameron Parish

1 south of the intercostal waterway continues to be powered by temporary generation.  
2 This will continue until the 230 system is constructed and is able to be energized.  
3 The current schedules have the system being energized in phases starting in late  
4 2024, with the work completed in the fall of 2025. As way of update, the  
5 cooperative has executed construction contracts with two contractors. One  
6 contractor for the construction of substations, which the substations will now be  
7 elevated to a 500 year flood plain plus one foot. And there's eight or nine of them,  
8 I believe, that is being constructed by EP Breaux Utility Services that was signed  
9 on February 7, 2023. Another contractor for the construction of the transmission  
10 line, Quanta Infrastructure Solutions Group, was signed on March 3<sup>rd</sup>. Both  
11 contractors have moved forward with material procurement and mobilization of  
12 transmission line crews are projected to begin in July of 2023. And the first pole,  
13 good Lord willing, is projected to be installed in August of 2023. The cooperative  
14 continues to work closely with FEMA and GOHSEP on obligations for funding of  
15 JDEC's loop transmission project. Currently 378 million has been approved and is  
16 going through the obligation process and the release of funds are coming down.  
17 Thank you. That completes my report. I thank you for taking the time today to  
18 listen to me.

19 **VICE CHAIRMAN FRANCIS:** That's a good report, good update, will be  
20 exciting to see it moving forward. Just -- if any red flags come up, we expect you  
21 to give us a quick report and let us know what's going on.

22 **MR. HEINEN:** Absolutely. So far we're moving along. It's a lot to do and a lot  
23 to get done in a short amount of time, but we will get there.

1 **VICE CHAIRMAN FRANCIS:** You're going to give us a report every couple of  
2 months, you'll come back.

3 **MR. HEINEN:** Anytime you tell me to, sir.

4 **VICE CHAIRMAN FRANCIS:** Okay. All right. Okay.

5 **CHAIRMAN CAMPBELL:** Any further questions? Thank you.

6 **MR. HEINEN:** Thank you.

7 **COMMISSIONER SKRMETTA:** Brandon, where are we having the executive  
8 session meeting?

9 **SECRETARY FREY:** I'm assuming we'll just go right in the back.

10 **COMMISSIONER SKRMETTA:** Okay.

11 **SECRETARY FREY:** There's plenty of space back there where the little break  
12 room is, we can go in there. And I think we're outside of earshot.

13 **MS. BOWMAN:** And so let me just read the in re into the record and then we'll  
14 go --

15 **CHAIRMAN CAMPBELL:** Where we at? Sixteen?

16 **MS. BOWMAN:** Exhibit 16. Yes sir. So its FERC Docket Numbers ER22-736  
17 and EL21-156, the System Energy Resources, Inc. for the 22-736 and the other is  
18 Commission versus System Energy Resources, Inc., et al. It's a possible executive  
19 session to discuss litigation strategy pursuant to Revised Statutes 42:16, et seq. And  
20 it's at the request of Commissioner Skrmetta. So I'll entertain a motion to enter  
21 executive session, and then we can walk to the back.

22 **VICE CHAIRMAN FRANCIS:** I'll make a motion.

23 **MS. BOWMAN:** Commissioner Francis makes a motion to enter executive

1 session.

2 **COMMISSIONER SKRMETTA:** Second.

3 **MS. BOWMAN:** Seconded by Commissioner Skrmetta. So we can walk to the

4 back and then Mike and Dana, I'm sure --

5 **SECRETARY FREY:** Mike and Dana, if y'all want to -- yeah.

6 **[OFF THE RECORD]**

7 **[BACK ON THE RECORD]**

8 **COMMISSIONER SKRMETTA:** I move to come out of executive session.

9 **COMMISSIONER LEWIS:** I'll second.

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

11 **CHAIRMAN CAMPBELL:** We're out. Make a motion.

12 **MS. BOWMAN:** No. Wait, wait. I need a microphone. We need to read a motion

13 real quick.

14 **COMMISSIONER SKRMETTA:** Oh, you got to do the motion. That's right.

15 **MS. BOWMAN:** Is your microphone on?

16 **COMMISSIONER LEWIS:** Is my mic on? Can you hear me?

17 **MS. BOWMAN:** We need a microphone.

18 **COMMISSIONER SKRMETTA:** Got a hot mic somewhere?

19 **COMMISSIONER LEWIS:** Is one of these?

20 **MS. BOWMAN:** There we go.

21 **COMMISSIONER SKRMETTA:** There we go.

22 **COMMISSIONER LEWIS:** Mr. Chairman, I move that we approve the proposed

23 settlement in the principle in the FERC Docket ER22-736 which will reduce

1 depreciation rates filed by Assistance Energy Resources for the Grand Gulf Nuclear  
2 Plant. The settlement will reduce depreciation rates from 2.99 percent to 2.29  
3 percent and produce approximately \$37 million in refunds and \$32 million in going  
4 forward rate reductions for all impacted retail jurisdictions and save Louisiana  
5 ratepayers approximately \$60 million over four years. I further move that we  
6 authorize our outside counsel and Executive Counsel to negotiate the terms to  
7 effectuate this settlement consistent with the settlement in principle approved  
8 today.

9 **MS. BOWMAN:** We need to entertain a second motion for that -- or a second for  
10 that motion?

11 **CHAIRMAN CAMPBELL:** To adjourn?

12 **MS. BOWMAN:** No. A second to Commissioner Lewis' motion. Second by the  
13 Chair. And then we will entertain a motion to adjourn.

14 **COMMISSIONER LEWIS:** So moved. I move to adjourn.

15 **MS. BOWMAN:** And then we need a second to adjourn.

16 **VICE CHAIRMAN FRANCIS:** Second.

17 **MS. BOWMAN:** Second by Francis. We are adjourned.

18


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


20


1 I certify that the forgoing pages 1 through 139 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 26, 2023 in Crowley, Louisiana.

4 \*\*\*\*\*

5 **Rough Draft prepared by:**

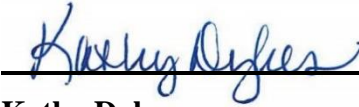
6  May 15, 2023  
7 **Precious Cummings,** **Date**  
8 **Court Reporter**

9  May 15, 2023  
10 **Kathy Dykes,** **Date**  
11 **Court Reporter**

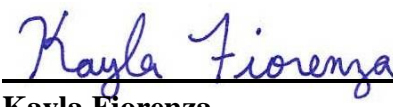
12  May 15, 2023  
13 **Kayla Fiorenza,** **Date**  
14 **Court Reporter**

15 \*\*\*\*\*

16 **Proofed by:**

17  May 15, 2023  
18 **Kathy Dykes,** **Date**  
19 **Court Reporter**

20 **Finalized by:**

21  May 15, 2023  
22 **Kayla Fiorenza,** **Date**  
23 **Court Reporter**