

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS  
AND EXECUTIVE OPEN SESSION HELD ON JULY 27, 2022 IN SHREVEPORT,  
LOUISIANA. PRESENT WERE: CHAIRMAN LAMBERT BOISSIERE,  
COMMISSIONER FOSTER CAMPBELL, COMMISSIONER ERIC SKRMETTA,  
COMMISSIONER MIKE FRANCIS, AND COMMISSIONER CRAIG GREENE.**

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2    **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON JULY 27, 2022,**  
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4    **LAMBERT BOISSIERE, COMMISSIONER FOSTER CAMPBELL,**  
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6    **FRANCIS, AND COMMISSIONER CRAIG GREENE.**

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7    **CHAIRMAN LAMBERT BOISSIERE:** Thank you, everybody. Let's start this  
8    meeting off right with a prayer from the Commissioner, Mike Francis. Please rise.

9    **[COMMISSIONER MIKE FRANCIS LEADS IN THE PRAYER]**

10   **CHAIRMAN BOISSIERE:** And Chairman will lead us in the pledge.

11   **[CHAIRMAN BOISSIERE LEADS IN THE PLEDGE OF ALLEGIANCE]**

12   **CHAIRMAN BOISSIERE:** I'd like to start off by saying -- thank all of you for  
13   coming up here to the lovely city of Shreveport. It's always a pleasure to be in  
14   Shreveport; it's always a pleasure to be in north Louisiana. We love it. We were  
15   just here a few months ago at, what is it, Many or yes -- and along the river there  
16   and we had a great time at the resort, but now we're back here in Shreveport. And  
17   I want to say we're here to accommodate our fine Commissioner Campbell who  
18   has had an accident, and we want to accommodate him because he has so much  
19   input to share with us. He doesn't want to ever miss a meeting even for illnesses  
20   so we accommodate him to be here so that we can handle the people's business here  
21   in Shreveport. In addition to that, I hope you can all see us and hear us well as this  
22   new audio and video available, and we're going to try to run through the meeting  
23   as quickly as possible to accommodate everyone and also handle the state's

1 business. We have a few extra things on the -- items on the agenda that we're going  
2 to call in and we have a few thing passing. I'm sure Ms. Kathryn Bowman's going  
3 to explain those to us as we get started, but in addition to that, we expect a few  
4 consumers to show up because of the high bills. So although it's a little odd to see  
5 the plastic between us, I think it was put up for COVID, but based upon the high  
6 bills, I hope it also gives us some protection from the consumers who may want to  
7 hurl something at -- towards us just out of frustration. But anyway, I think it's just  
8 plastic and not bullet proof so we'll be okay. At this time, I'll turn it over to our  
9 Secretary and our attorney, Ms. Bowman.

10 **MS. BOWMAN:** Good morning, Commissioners. So we have 25 agenda items  
11 today. Exhibit items 10 through 14 -- so 10 through 14 will be deferred and also,  
12 just for everyone looking at -- through the live stream, we've been asked to not  
13 touch the microphones. When we do touch them, there is some splicing and  
14 popping noises for the feed, so if we can try to refrain from touching the  
15 microphones, we would appreciate that. We are going to take one agenda item up  
16 out of order and it's under Exhibit Number 20, which is the report from Staff on  
17 the high electricity bills at the request of Chairman Boissiere and Vice Chairman  
18 Francis, and Secretary Frey is going to give that presentation.

19 **CHAIRMAN BOISSIERE:** Thank you. Before we actually move on with that,  
20 and Brandon, you can prepare, I'd like to give the microphone to Foster Campbell  
21 who wants to say a few words.

22 **COMMISSIONER CAMPBELL:** Thanks for -- everybody for coming up here.  
23 I remember when I ran 20 years ago, the Public Service Commission only met in

1 Baton Rouge. And I didn't think that was a good idea because a lot of times, people  
2 need input that can't travel to Baton Rouge, so we moved them around the state.  
3 And when I had this accident, Mr. Greene called me who's a surgeon, and he said,  
4 you know, you probably ought to have the meeting in Shreveport. And as rough as  
5 the roads are, I really appreciate it because -- so I'm living a little bit different than  
6 I was three or four weeks ago. I had an accident on a four wheeler. And I know a  
7 lot of people have serious accidents, but I was actually only going about two or  
8 three miles an hour. But I was in weeds taller than the handlebars were on a four  
9 wheeler, so I was just puttin' along, literally, and all of a sudden, the road just went  
10 straight down. It was a ditch, and I flipped it over. But anyway, my son is a  
11 surgeon, and he operated on me. And he has a hell of a lot of patience with his  
12 patients. He came in to see me right before the surgery, and he said, yep, I said,  
13 you fixing up to go up here in about a minute or two. I said, well, glad to see you.  
14 He said -- he patted me on the knee, he said, yeah, I'll see you in about 10 minutes.  
15 That was about it. But anyway, I'm doing better, and I was real lucky. Mr. Greene  
16 is an orthopedic surgeon. When I fell off the thing, I couldn't move my right hand  
17 and I said, oh, Lord, I've got a problem and then my left hand came to again. So  
18 I'm expected to have full recovery, but I'm blessed because a lot of people that  
19 have four wheeler accidents are killed or a lot of them become paralyzed. So if you  
20 have one -- we have one we use on the farm every day. And we had some cattle  
21 get out, and I was just going to ride around the fence but I didn't see the hole. So  
22 if you ride these things like everybody does, be careful because you can have  
23 serious problems real quick. I want to thank -- the mayor up here is a nice young

1 mayor, Mr. Perkins. He made this place available. He's a nice fellow, and we  
2 appreciate being in Shreveport. I'll tell you a little story. I probably told this before,  
3 but it sort of lets you know what people in south Louisiana think about us in north  
4 Louisiana. One time, Notre Dame played LSU in Shreveport, hadn't been that long,  
5 your daddy was there, Mr. Greene. I was setting behind your daddy. It was freezing  
6 cold. So anyway, I said, you know, it's a hell of a note that we go to Baton Rouge  
7 every weekend and we just trying -- I tried to pass a bill that let LSU play in  
8 Shreveport one time a year. It seems logical. Arkansas played some games in Little  
9 Rock, Ole Miss plays Mississippi State in Jackson, so I said, well, we ought to have  
10 a game where LSU plays in Shreveport. Well, anyway, this lady called me on Jim  
11 Engster's show, and she said, Mr. Campbell, you know how far it is from  
12 Shreveport to Baton Rouge? I said, yes, ma'am about the distance that it is from  
13 Baton Rouge to Shreveport. She started laughing, she said all you want is one  
14 game? I said, that's right. Y'all come down here every weekend? I said that's  
15 right. She said well, you know, you're right. I said I'm glad you think about that.  
16 But we go to Baton Rouge every weekend and y'all have to come up here this time  
17 so you see north Louisiana, south Louisiana, it's 240 miles to make a trip and so  
18 it's good for us to get around the Monroe and we've had them in Lake Charles and  
19 we've had them in Lafayette, Crowley, we've been all around the state and people  
20 have a chance to come express their concerns especially now with these bills being  
21 as high as they are and we're trying to do something -- not just trying, we've got to  
22 do something about it because it's hurting a lot of people. But anyway, thanks for  
23 coming to Shreveport. Shreveport's a great community in north Louisiana. So

1 thank you for coming and I have -- a lot of you called and checked on me, I  
2 appreciate it. I'll be up and around in a few weeks and glad to see y'all here today.  
3 Thank you.

4 **CHAIRMAN BOISSIERE:** Thank you, Foster. Brandon --

5 **EXECUTIVE SECRETARY BRANDON FREY:** You ready to go?

6 **CHAIRMAN BOISSIERE:** Commissioner -- Secretary Frey.

7 **SECRETARY FREY:** Good morning, Mr. Chairman, Commissioners, and I just  
8 want to follow up on something Foster said when he referred to that game. I was  
9 actually fresh out of law school and was clerking in Bossier Parish.

10 **COMMISSIONER CAMPBELL:** Freezing.

11 **SECRETARY FREY:** You undersold it. That is, without a doubt, the coldest  
12 football game I've ever sat through in my life. It sleeted, it was awful, but it was a  
13 great game.

14 **COMMISSIONER FRANCIS:** Who did they play?

15 **SECRETARY FREY:** Notre Dame.

16 **COMMISSIONER CAMPBELL:** Notre Dame here.

17 **COMMISSIONER FRANCIS:** Oh, I remember that, okay.

18 **SECRETARY FREY:** 1997, it was cold.

19 **COMMISSIONER FRANCIS:** Mr. Chairman, can I say something?

20 **CHAIRMAN BOISSIERE:** Commissioner Francis.

21 **COMMISSIONER FRANCIS:** I want to recognize an executive here from  
22 MISO, Daryl Brown. Daryl, thank you for coming down from Little Rock, and this  
23 is really SPP country, you're kind of getting out crossing the line. Anybody here

1 from SPP, any representative of SPP? Well, thank you for coming, Daryl. And  
2 one other point, Mr. Chairman, this is a -- Shreveport is a historical town. I'll  
3 remind you about a special piece of history. You know, this is where the republican  
4 party of Louisiana started here in Shreveport, in a phone booth, okay, but this is --  
5 it's a real special place for republicans, so thank you.

6 **CHAIRMAN BOISSIERE:** All right. Before we get rolling, any other  
7 Commissioners, Commissioner Greene, Commissioner Skrmetta, any other  
8 comments to get us started?

9 **COMMISSIONER GREENE:** No.

10 **CHAIRMAN BOISSIERE:** All right. At that, Secretary Frey, please.

11 **SECRETARY FREY:** Okay. Good morning, Commissioners. And when I start  
12 this, I'm going to try my best to talk slow, which is not in my nature. I'm going to  
13 try my best to not use acronyms. I can't promise I will, but if anyone has any  
14 questions on anything, don't hesitate to stop me. The presentation is going to be  
15 on our website after the meeting's over with so if anyone in the public's listening  
16 wants to see it, you can see it. Obviously, as you all know, we've gotten a ton of  
17 complaints recently about bill prices on the electric side in particular, both with our  
18 general office and your offices as well. So at the request of the chairman and vice  
19 chair, I've put together some information pretty quickly so if there's any errors in  
20 here, I apologize. But when I get started, there's a few parameters I want to go over  
21 that we focused on. One, we focus on residential bills only, and the reason, that's  
22 where the bulk of our complaints are coming for. They're the simplistic form of  
23 bills and I know that's not going to sound simple to the general public, but when

1 you compare it to a commercial customer that's got demand rate or an industrial  
2 customers that has different load factors, this is the most simple bill to look at. That  
3 being said, trends you're going to see on these bills will be no different on a  
4 commercial or industrial customer. They might be different factors, but you're  
5 going to see similar trends going upward based on what we found here. The charts  
6 that you're going to see almost all use the kilowatt hour so everything you see is  
7 going to be measured in cents per kilowatt hour. That's how it's reflected on the  
8 residential bill, so we figured that would be the best way to present it, not an average  
9 customer of a thousand kilowatt just the per kilowatt hour charge. And the standard  
10 disclaimer, we put this on the all the monthly reports we normally publish that are  
11 available on our website, the data's being provided for informational purposes only  
12 and was created through a compilation of information that we get from the  
13 individual utilities and publicly available data. It should be no way construed as  
14 ratification of these rates. Okay. So one overwhelming trend with some of the  
15 complaints we're seeing, and I think this is kind of standard any time you see a  
16 spike in bill prices, is that people start looking at their bills more closely. And that  
17 brings up questions, and I've gotten the questions personally from family members,  
18 y'all've gotten them as well. I don't know what this bill means, what are these parts  
19 of the bill, and then you see social media run with some confusion as to what a  
20 portion of the bill means so I thought it'd be important to kind of talk a little bit  
21 about the major components of an electric bill before we go into the bill examples  
22 and what the charts are showing. So you essentially got three basic parts to a bill.  
23 There's obviously going to be more charges to that, but the main ones are the energy

1 charge or the usage charge. And in simple terms, that's the portion of the bill that  
2 the Commission regulates the rates on, that's where the utility if it's an investor  
3 owned utility earns a profit, that's where the margin is on a co-op, it's to maintain  
4 the system, et cetera. The second major component, and the one that we're going  
5 to focus on a lot today, is the fuel adjustment charge which you'll see referenced as  
6 a FAC, or FAC we'll use, and that's going to be Cleco, Entergy, and SWEPCO  
7 because they own their own generation or the power cost adjustment and that's  
8 going to apply to an electric co-op. In simple terms, this is the cost of the fuel to  
9 run the power plant. And that's get confused sometimes, but this is not a surcharge  
10 for gasoline. This is the cost to run the fuel so when we're talking about fuel, we're  
11 typically talking about natural gas and coal. But there's another portion that goes  
12 through those same charges and that's actually the cost of wholesale power. So if  
13 the investor owned utility buys power on market or through a contract, that's also  
14 going to flow through that FAC or PCA charge as well. It's a direct flow through  
15 to the customers and the utility owns no profit. The third component and this is  
16 going to be Entergy specific right now, but we're going to see this more is a storm  
17 restoration charge or storm surcharge and we've talked about that many times, and  
18 we can go into some more detail later, but in a simple terms, it's the financial  
19 mechanism in lieu of traditional rate recovery to recover storm losses. And we've  
20 got the charts that we've presented over years that shows the tremendous amount  
21 of savings, even though you see it as a line item, that the customers ultimately  
22 achieve as a result of this mechanism. As I said earlier, there's miscellaneous other  
23 charges but this is the -- going to be the bulk. So what I've got following is -- we've

1 got some bills from some typical usage customers, some non-typical usage  
2 customers, and I want to walk through the bills for each company to show these  
3 trends we're seeing. We've got Entergy, Cleco, SWEPCO, and DEMCO bills so  
4 the three IOUs, and when I say IOU, that's investor owned utility, that's the for-  
5 profit utilities and then one co-op. The first bill, it's not a coincidence. This  
6 Brandon is me. I've deleted my personal data. I apologize for the black lines. The  
7 tool that I used wasn't the straightest, but that's to get my customer data out so no  
8 one comes after me. But what I've got on the left -- and this is the first portion of  
9 the bill is my July 2021 bill, what I've got on the right is my July 2022 bill. One  
10 thing I want to point out on my bill that's going to be different for Entergy than  
11 you'll see for any of the other ones is I'm actually also an Entergy gas customer, so  
12 I get natural gas service as well. That's this gas charge in the green so we're not  
13 going to focus on that, but you'll see the same trends with the gas charge as you do  
14 for the electric service. So a couple things to point out when looking at this bill,  
15 and this is a little bit hard to read, but with Entergy's bill, it'll show you the current  
16 year and the prior year. So my 2021 bill will show my 2020 usage. It's going to  
17 show you the billing days, the amount of kilowatt hours of electricity used, your  
18 average per day. This is the first part of the bill, and you see the same thing for  
19 2022. So what we see on this first page is 30 day billing cycle in 2021, a 31 day  
20 billing cycle in 2022. Pretty much apples to apples right there. The big difference  
21 you're going to see on my bill on this first page is in 2021, I used 2,503 kilowatt  
22 hours, which is a not insubstantial number, but for a 1,200 kilowatt customer,  
23 you're going to use larger amounts during the summer than you will. So probably

1 a little bit higher than a typical customer but not a ton. In 2022, this past year, I  
2 used over 3,000 kilowatt hours so about a 500 -- well, actually a little bit more than  
3 a 500 kilowatt hour jump in one month, which means my meter turned a lot more.  
4 Why is that? Well, you're going to see in slides later it was really hot this year and  
5 it's -- well, it's been really hot. Driving up here and Foster and I have talked about  
6 how dry it's been up here. When I got north of Natchitoches, I could feel the heat  
7 coming through the window. It's been an abnormally warm summer in just about  
8 every major city in Louisiana, and I'll have some data on that later. So let me go  
9 to the next page of the bill. This is actually the breakdown of the billing charges  
10 on the bill. And if you remember the -- the overview I gave were the main parts of  
11 the bill so we're going to focus on these current charges in blue, which is, again,  
12 the electric portion of my bill. Total bill went from 250.91 to 408.74. A really  
13 large jump. But let's look at the different portions. So the energy charge went from  
14 168.64 to 217.27. Again, that's the regulated rate, that jump of about \$50 is likely  
15 as a result of me using 500 more kilowatts of electricity for the month. Where  
16 we're seeing the huge jump on the Entergy bill is on the fuel adjustment, that's the  
17 cost, remember, to buy fuel to run the power plants. The fuel adjustment was 3.2  
18 cent in 2021. It's 6.1 cent in 2022. So almost a double in the fuel adjustment  
19 clause, and that's where you see the giant jump on the bill, from 80 to 190 right  
20 there. I actually did a back of the envelope calculation, and I'm not a math guy,  
21 but if my numbers are right, if the fuel adjustment clause would have been the same  
22 as it was in 2021, in other words, if the price of natural gas and other fuels would  
23 have stayed consistent, my bill would have been reduced by about \$90 just on that

1 portion. The last thing, and we talked about the storm restoration charge, that's at  
2 the bottom down here. It was 6.47 in 2021 and that was the Legacy Gustav/Ike  
3 cost, and then obviously, we've got the new storm securitizations here. So 33.57  
4 and if you remember right, we talked about the average customer getting about a  
5 \$15 increase in the storm surcharge. Well, that's a 1,200 kilowatt. I used 3,000 so  
6 there you go. You see how the math kind of figures out there. All right. So we're  
7 in Shreveport, I wanted to get a SWEPCO bill as well. You'll see the bills are all  
8 a little bit different, but you're going to see similar information. So the SWEPCO  
9 bill, this customer, 2021 again on the left, 2022 on the right. On the 2021 bill, much  
10 like you saw with mine, 2,160 kilowatt hours of usage, how much the meter turned  
11 in '21, a pretty substantial jump in 2022. Again, usage is up. And you can see it  
12 on this customer, too, where you've got a usage history. 2021, 2,100 in August  
13 usage, 1,900 in July and actually, I should say that we weren't able to get a July bill  
14 so this is August. If you actually did July to July, this jump would be much bigger.  
15 It was 1,900 in July and 2,400. So almost a 500 kilowatt hour jump just like you  
16 saw on my bill. We'll go to the second page and like the Entergy bill, you're going  
17 to see a similar breakdown here. It's not called the energy charge for SWEPCO;  
18 it's called the rate billing, but again, that's the regulated portion of the rate, 176 in  
19 '21, 201 in 2022. Twenty-five dollar jump but again, 500 kilowatts more of  
20 electricity used, pretty easy to explain that. We're seeing a similar jump with  
21 SWEPCO with the fuel. From a 3.6 cents per kWh cost of fuel to a 6.2. Again, a  
22 doubling of fuel. So there's your big jump in the bill, an \$80 jump right there based  
23 on the fuel costs. This is a Cleco bill. Cleco's got a few different rate schedules

1 that will all add up to the energy charge, so I'm going to focus on the fuel in this  
2 one. This is just a one page bill but 2021 again on the left, 2022 on the right. The  
3 fuel surcharge here, 3.5 cents in 2021 and 2,148 kilowatt hours. The fuel surcharge  
4 in 2022 is 7 cents. Again, a doubling in the cost of fuel and 2,100 kilowatts of  
5 usage in '21, 2,600 in 2022. And just to make clear, I asked people I knew who  
6 were in different companies to give me these bills so this \$500 jump in -- a 500  
7 kilowatt jump is really interesting seeing -- because we went across different  
8 customer bases, different usages, clearly, there's a trend here on usage being  
9 increased in 2022 over 2021. Finally, a DEMCO bill. I believe this one's two  
10 pages as well. Let me get on that chart. I'm sorry, this is just one page. So this is  
11 a much lower usage customer who may or may not be sitting at the dais. But so  
12 we're looking at the 2021 bill, it's -- again, it's a little bit harder to see. This is  
13 going to be one that's going to use a power cost adjustment, remember, this is a co-  
14 op so there's no fuel adjustment clause but similar charges are flowing through the  
15 power cost adjustment. Get your energy charge, 1,152 kilowatt hours in 2021,  
16 1,800 in 2022. So almost a 700 kilowatt jump. And I know how hot it's been in  
17 Baton Rouge area, and I think that spills over into Denham Springs, correct? Power  
18 cost adjustment, 3.5 cents in 2021, 7.2 cents in 2022. So you go from 41 to 130.  
19 This bill is staying relatively low but again, the bulk of the jump is from the power  
20 cost adjustment. Okay. So these next three are just kind of comparisons. I'm going  
21 to go through these kind of quickly but top charts are 2021, top bar is green, bottom  
22 bar is 2022. Across all utilities, you see the jump. This is the overall rate so this is  
23 the overall billing rate including everything, storm surcharges, fuel adjustment cost,

1 power costs. The average cost in July in Louisiana was 12 -- roughly, 12.5 cents a  
2 kilowatt hour, up from 10.4 in 2021. That's a difference of 2.08 cents a kilowatt  
3 hour. Here's the fuel adjustment clause and the PCAs for those same companies.  
4 The average cost in 3 -- with 3.41 in '21, 5.45 in 2022. A difference of 2.04 cents.  
5 So the rates, in total, are up on average 2.08 cents. All but 2.04 cents of that -- or  
6 2.04 cents of that, all but 0.4 cents is a result of the fuel adjustment clause and the  
7 PCA going up. This is the percentage increases from year to year on the fuel  
8 adjustment and power cost adjustment clauses. Whoops, let me go back. So what's  
9 driving this fuel adjustment cost and PCA increase? Well, Henry Hub -- and  
10 Kathryn and Lauren told me not to go into much detail on Henry Hub, but I'll  
11 explain it to people if they want to -- to know it and I know some people know it.  
12 But this is the spot price that natural gas trades at. A certain volumetric million  
13 British thermal units, which is the trading mechanism, and I almost want to go into  
14 a Trading Places movie analogy about orange juice, but natural gas -- I'm not --  
15 I'm not going to. But natural gas is a commodity traded on the market. The people,  
16 you might see NYMEX is an index. The NYMEX price is essentially going to track  
17 Henry Hub. Henry Hub actually is physically located in Louisiana, but this is the  
18 nationwide trading rate for natural gas. So we went back to 20 -- 2005 to look at  
19 what natural gas was trading at. And I was working on Staff back then and I know  
20 a couple of Commissioners were and this was pretty brutal at the end of 2005. And  
21 there's a pretty good reason why these prices went up over -- starting at \$9 in  
22 August through the end of the year and there were two major events that impacted  
23 the Gulf of Mexico, Katrina and Rita. And back then, most of the natural gas was

1 produced in the Gulf of Mexico, so the wells were shut in, you see what happens to  
2 natural gas prices. We see a similar jump back in 2008 and I've highlight August  
3 of 2008 for one reason. August 2008 was the last time, prior to April of 2022, that  
4 natural gas traded for a month over \$8. You see the gas started dropped pretty  
5 substantially in 2009 and those that don't remember, something pretty important  
6 happened in 2009 and we started finding a lot of natural gas in the US. So you see  
7 prices started dropping tremendously. Fuel spikes here and there in blips, usually  
8 in the winter months and those were tied to cold weather events, but prices start  
9 getting really low on a consistent basis, you know, averaging about \$2 for the year.  
10 And then we start seeing an uptick in September, culminating with May of 8.14.  
11 Why is May important? July bills and the fuel included in July bills, it's a two  
12 month lag, it's May fuel prices. Some additional information we gathered from  
13 other sources, and you can read through this, all kind of make the same point. The  
14 research we've done over multiple sources, whether it be the energy information,  
15 administration with the federal government, MISO, trading platforms are all saying  
16 the same things. The price of natural gas, in particular, is driving not only the  
17 electric rates but the wholesale power costs across the nation in particular. One  
18 other thing, too, is -- and I think I highlighted this a little bit, but May and June --  
19 so June would be July bills weather and again, we saw the spikes in usage. We're  
20 top ten warmest months on record at multiple Louisiana National Weather Service  
21 sites, so that's the New Orleans, Baton Rouge, National Weather Service. The  
22 Shreveport, the Monroe, the Lake Charles, they do top tens. A couple of these sites,  
23 it was the number one warmest June on record, but most sites in the top ten, and we

1 actually saw that in May as well. Are we unique in this situation? The Entergy  
2 Information Administration, EIA, I think I'm saying that acronym right, compiles  
3 data state by state. These are residential rates, so looking in our charts, there's a  
4 little bit of a lag so it will only go through April. But if you see, this is per kilowatt  
5 hour for residential customers consistent with the charts I've showed you before.  
6 Nineteen, Louisiana was third, below 10 cents; 2020, we were third, barely over 9  
7 cents; '21, we were 6, still 9.5 cents. So actually, a lower rate than '19 but the  
8 ranking affected, and then we're 11.98 in 2022. Now, remember, April for 2021 -  
9 - I'm sorry, for 2021, the entire year was below 10 cents, almost 9.5, yet we saw an  
10 April number of 11 cents. So there were a lot of months pretty low to get this  
11 average in 2021. That puts us at 12th in rates, but if you look at this chart, everyone  
12 from 5 down is over 11 cents. And if we compare some of our peers, and I'm trying  
13 to draw a line here, but Arkansas was 9.42 in 2021. They're 11.75 in April of 2022.  
14 Let's see, what were the other ones I was looking at? Mississippi, next door, 10.88  
15 in '16 and 16<sup>th</sup> in 2021, they're at 13.14 in April of 2022. Oklahoma, we're in SPP,  
16 8.92 in 2021, they're down at 12.38 in 2022. Texas, 11.39 in 20 -- ranked 22<sup>nd</sup> in  
17 '21, 13.08, moved up in rankings a little bit but again, about a cent and half to two  
18 cent jump. Florida, 11.65 -- to get out of MISO and SPP, Florida, 11.65, so they  
19 were pretty high last year in 2021, they're at 13.69, so over two cent jump as well.  
20 So we're seeing a similar trend all across the country. I could speculate why these  
21 two are still so low, but I don't know enough about their generation mix, but I  
22 believe it has a lot to do with the hydro power there. And that's the bulk of their

1 power at all times. Yeah, this only goes through 2021, but I think you're going to  
2 see -- oh, go ahead, Commissioner.

3 **CHAIRMAN BOISSIERE:** Let me pause for a second. Commissioner Campbell  
4 has a question.

5 **SECRETARY FREY:** Sure.

6 **COMMISSIONER CAMPBELL:** We know all about natural gas in north  
7 Louisiana because so many wells are being drilled here. They're wide open now.  
8 It's good for the economy. It's bad for utility breaks. Puts a lot of people to work,  
9 et cetera. Would you ask these companies, SWEPCO and Entergy, how much of  
10 their load is from natural gas?

11 **SECRETARY FREY:** Sure. We can -- I know Entergy is going to be up later  
12 and SWEPCO's here as well. We can definitely ask them that. Now, I can tell you  
13 for MISO as a whole, I've got the -- I think I have the chart somewhere, but I'm just  
14 going to guesstimate so don't quote me if these are particularly accurate. But I want  
15 to say for MISO in May, and Daryl's here, too, he can jump in, but about 35 percent  
16 gas, about 35 percent coal, give or take, about 15 percent nuclear, and about 15  
17 percent wind would be your breakdown in the whole MISO region.

18 **COMMISSIONER CAMPBELL:** That's MISO?

19 **SECRETARY FREY:** Does that sound about right, Daryl? Daryl's giving me a  
20 thumbs up. SWEPCO, we can ask them what their breakdown is in SPP as well  
21 when they come up.

22 **COMMISSIONER CAMPBELL:** Is that MISO's breakdown you said?

23 **SECRETARY FREY:** Yes, sir, that's correct.

1 **COMMISSIONER CAMPBELL:** What is Entergy's breakdown per se?

2 **SECRETARY FREY:** We'll get them up to ask that. I -- they're probably going  
3 to be a little bit heavier in natural gas and nuke second and then coal and then more  
4 solar than you have in MISO, but we'll get that explanation from them when they  
5 come up.

6 **COMMISSIONER CAMPBELL:** Okay.

7 **COMMISSIONER GREENE:** Brandon, didn't the co-ops artificially lower our  
8 cents per kilowatt hour?

9 **SECRETARY FREY:** That's likely the case because of the way the power cost  
10 adjustment works. Some of those contracts are long term with set prices and it's -  
11 - there's a formula tied to coal as well because those were originally established  
12 based on contracts with the former Big Cajun units now owned by Cleco Cajun. So  
13 yeah, to your point, I think that is likely the case. The nationwide average here,  
14 you see Louisiana's consistently about two cents below the nationwide average and  
15 we saw that last -- from last year on the chart. Again, this goes to 2021, we'll  
16 continue to add the 2022 data as it becomes available. You've got about a two or  
17 three month lag from Entergy Information Association on that but, you know,  
18 what's interesting looking at this chart is the last time we averaged over 10 cents  
19 per year was 28 -- 2008, and if you remember, that was those months that had really  
20 -- the year had some really high natural gas prices. Surprisingly, 2005 stayed below  
21 -- even with those few months is really high gas prices. So what do our findings  
22 show? I think you've heard me say this throughout, the increased bills across all  
23 electric utilities, that would even include the co-ops, are primarily being driven by

1 the purchase power costs and the costs of fuel so this May saw the highest gas in  
2 over 14 years. Usage is up due to warmer temperatures using -- leading to  
3 additional increases. I touched this on that slide earlier, but the FACs in 2021 for  
4 the investor owns average from 3 -- or went from 3.3 to 3.71 cents and the PCAs  
5 from 1.85 to 0.5. The average of 3.41. This year that average dropped to 5.45,  
6 increased to 2.04 cents a kilowatt hour. This again, just the average fuel and a  
7 power cost adjustment. Yet, the total bills, if you fact that out, it only increased 0.4  
8 cents per kilowatt hour and we can speculate why that's there, but it's likely just  
9 formula rate plan adjustments, et cetera. And then the rates for 2022 are higher in  
10 nearly all jurisdictions with similar jumps being seen regionally. And that  
11 concludes the information I have. I'll answer any question I -- or try to answer any  
12 questions you have.

13 **COMMISSIONER FRANCIS:** Yeah, I've got one. What's your phone number?  
14 I want to let my constituents call you and explain it.

15 **SECRETARY FREY:** You can point to this on the website because it's going to  
16 be available on our website.

17 **COMMISSIONER FRANCIS:** You did a great job. Thank you very much.

18 **SECRETARY FREY:** Thank you.

19 **COMMISSIONER CAMPBELL:** You think -- who's -- I'm just going to ask the  
20 audience out there and the Entergy people. How much of your load is made out of  
21 natural gas? Entergy I'm talking about.

22 **CHAIRMAN BOISSIERE:** They're coming up in a second.

23 **COMMISSIONER CAMPBELL:** Okay.

1 **CHAIRMAN BOISSIERE:** We have any more questions for Commissioner -- I  
2 mean, for Secretary Frey?

3 **COMMISSIONER GREENE:** I have some but I'll mix them in with my --

4 **SECRETARY FREY:** Okay. Sure.

5 **COMMISSIONER GREENE:** -- questions for Entergy.

6 **CHAIRMAN BOISSIERE:** And let me ask a few questions. First of all, thank  
7 you for that report. I'll second Commissioner Francis' compliment that you did a  
8 great job presenting it and compiling the information. What's the take away from  
9 this? Is it high gas prices as well as high usage?

10 **SECRETARY FREY:** I think that's it. And one point I want to make, I know  
11 they're listening back, I couldn't have put this together without Arnold and Donnie  
12 Marks in our Utilities Division. They compiled a lot of these charts for me, Jessica  
13 as well on the gas side, so thank them as well. But yes, to your point, that's what  
14 I'm seeing, it's usage and gas prices.

15 **CHAIRMAN BOISSIERE:** Okay. And what -- and I know you explained Henry  
16 Hub. Is there any particular event or any particular reason that's causing the spike  
17 in gas prices? Because we don't control gas prices here at the Commission.

18 **SECRETARY FREY:** True, true.

19 **CHAIRMAN BOISSIERE:** Or anywhere else.

20 **SECRETARY FREY:** I could speculate. There's probably lots of reasons. I  
21 mean, we've seen the Shale drilling kind of stop recently. You've got more LNG  
22 exports being built now so you've got gas being shipped overseas. Natural gas is  
23 now becoming more of a global commodity than it ever was. It was, you know, US

1 specific for the longest. If I knew all the answers, though, I'd probably be trading  
2 energy and not up here. Trading energy meaning natural gas, but you know, it  
3 reminds me, Commissioner, of there was a B&E, and you were there and  
4 Commissioner Campbell was there, back in 2005 to '08 time range where we saw  
5 these gas prices last. We were on the Northshore, Commissioner Blossman was  
6 still the Commissioner, and there was -- and I'm not going to name who he was,  
7 but one of the gas companies had a representative come to the table and they were  
8 wanting to hedge gas long term. And he basically said we won't see gas below \$7  
9 again in my lifetime and then within a year, gas was at \$2. And this was an expert  
10 in the field whose job was trading, so to speculate what's causing the prices --

11 **COMMISSIONER SKRMETTA:** I've got a question.

12 **CHAIRMAN BOISSIERE:** Okay. Yeah, I actually remember that meeting. I  
13 think I was quizzing him on his ability to speculate at the meeting itself, but here  
14 we are again trying to get people to speculate accurately and I think partially, I  
15 mean, very much you're right, it's becoming -- natural gas is becoming a global  
16 commodity and is being priced globally and for all of its worth, Louisiana has high  
17 gas prices but not just Louisiana. It's the whole south, it's the whole country, and  
18 if you look around, it's the whole world paying much higher gas prices now than  
19 they have been. And as much as we like to, you know, control everything around  
20 us and do the best we can, is natural gas a regulated --

21 **SECRETARY FREY:** It is not. The price is deregulated.

22 **CHAIRMAN BOISSIERE:** Completely deregulated and that's why we see the  
23 spikes and increases right now because if -- trust me, if we could regulate them, if

1 we could regulate natural gas and Henry Hub is in Louisiana, I think, if we could  
2 regulate them, we'd keep them as low as possible. But I just wanted to ask that.  
3 And as far as the other issue was not just gas prices, based upon your report, but it  
4 was usage.

5 **SECRETARY FREY:** Yes.

6 **CHAIRMAN BOISSIERE:** And of course, I'm an advocate and have fought from  
7 day one, day one for efficiency and energy efficiency. And is there anything we  
8 can do to reduce usage in order to save people from paying too high utility bills?

9 **SECRETARY FREY:** You know, that's a great point, Commissioner and  
10 actually, Logan and I were talking right before the meeting. She was on a panel at  
11 the NARUC meetings, and I was telling her how listening to people from other  
12 jurisdictions, where they live in high rises and don't have -- they have fuel oil and  
13 they talk about the average customer having a 600 kilowatt usage bill and they're  
14 paying 15, 17 cents but their bills are lower. Obviously, in place, you know, we've  
15 got people run their units too cold. You know, I didn't want to say this, but I feel  
16 like I have to. I remember -- and look, I follow social media. I don't comment on  
17 it. Trust me, I can't respond to everything, and you can't respond with a  
18 presentation like this to what you see on social media. But I think Entergy had  
19 reached out when they saw these natural gas prices being high to the local media in  
20 the Baton Rouge area about, you know, if you want to conserve Entergy, you know,  
21 raise your thermostats during the day, and 95 percent of the posts were like -- I  
22 won't repeat what they said but it was basically like, no way, you're not going to

1 tell me what to do. But that's one thing people can do, and yes, having homes more  
2 energy efficient absolutely would drop the usage.

3 **CHAIRMAN BOISSIERE:** Right.

4 **SECRETARY FREY:** And I know that we're working hard on that.

5 **CHAIRMAN BOISSIERE:** Right. And yeah, listen, I get all the same calls.  
6 Trust me, constituents don't hesitate to let us know what they're thinking, what  
7 they're feeling, especially when it comes to pricing. And you're right, this is  
8 difficult to answer with a quick sound bite or a few characters or to type back but  
9 the answers are complicated, but it comes down to fuel and usage and conserving  
10 as well as the work we can do here to help hedge prices and to keep the rates as low  
11 as possible. Is there any other takeaways you want to give us before we move on?

12 **SECRETARY FREY:** I think you kind of hit the high levels. If something pops  
13 up to me, you know, I'll throw it in, but --

14 **CHAIRMAN BOISSIERE:** Commissioner Skrmetta had a question first.

15 **COMMISSIONER SKRMETTA:** Actually, Brandon, some time ago, we had --  
16 some years ago, we met with representative of the natural gas industry and we had  
17 them sort of tell us sort of factors in particular elements associated with the price  
18 of natural gas and kind of where we were looking at it and what it could do. I think  
19 it might be beneficial for the state and for the public to, you know, if we could  
20 investigate between now and maybe September, reaching out through, you know,  
21 contacts through the LEUG group on, you know, if they've got market analysis on  
22 where they think natural gas is going to be. We now got a good report from you  
23 and Staff on where it is and where we were. I think it'd be beneficial to the public

1 to see if we can get some information on what the general thought is going to be  
2 about how we're looking down the road. I did read a report from the American Gas  
3 Association, but I think it'd be better to hear from people who are actually sort of  
4 elements in the field versus an association on this. So if we could find somebody,  
5 that'd be great.

6 **SECRETARY FREY:** We'll definitely look into that, and I'll reach out to my  
7 different contacts for that.

8 **COMMISSIONER SKRMETTA:** All right. Thank you.

9 **CHAIRMAN BOISSIERE:** Commissioner Greene.

10 **COMMISSIONER GREENE:** Yes. I have some questions for Brandon, but also  
11 for Phillip. I don't know if -- Phillip, can you come up?

12 **MR. PHILLIP MAY:** Good morning.

13 **COMMISSIONER GREENE:** Do you have any comments you want to make  
14 first or?

15 **MR. MAY:** No. I thought the presentation -- again, I'm Phillip May, president of  
16 Entergy Louisiana. I thought the presentation did a great job of explaining what  
17 we're dealing with, certainly dealing with it in Louisiana. You know, first thing I  
18 really would like to say, we hear our customers. We recognize that the bills that  
19 you're seeing right now are very burdensome to our customer base and we're not  
20 just talking to our lower income classes, also stretching into middle income and  
21 even upper middle income seeing very high rises in the price of their energy bill at  
22 the same time they're dealing with higher prices at the pump, higher prices at the  
23 grocery store. So we recognize that it is a burden. Yesterday, we did announce

1 that we're taking some steps to help our customers. A couple of things that I want  
2 to point out here. First thing is we're going to be waiving late fees for eligible  
3 customers. We're also going to waive credit card fees for those customers who  
4 want to use their credit card to pay their bills. Entergy Corporation is making a \$10  
5 million contribution to Power to Care, which helps pay bills for lower income  
6 customers and also for additional bill paying services. We're going to extend  
7 deferred payment agreements, and what that will do, if you have a problem with  
8 your bill, you can call us and we'll make an arrangement where you can stretch that  
9 bill over a lengthy period of time so it's more affordable for you to pay. The other  
10 thing we'll do is we're going to go to neighborhoods and help understand how these  
11 bills are showing up at these levels, probably borrow some of that stuff that Brandon  
12 put together, but also offer things like water heater blankets, efficient bulbs and  
13 some tips on weatherization and conservation. So those are the things we plan to  
14 do. Again, we hear you loud and clear, both the Commission and our customers,  
15 the burden that is being placed upon our customers as a result of these high bills,  
16 and we're working to try to manage that.

17 **COMMISSIONER GREENE:** Well, thank you. I've got five or six questions.  
18 And I do appreciate all y'all's effort. Can you comment on the use of the nuclear  
19 fleet during this high gas prices and high temperatures? I show that Grand Gulf  
20 hasn't worked since July 1<sup>st</sup>. Couldn't that be helpful at mitigating the high gas  
21 prices?

22 **MR. MAY:** So Grand Gulf is in an outage. It will show up in the September  
23 billing because of the two months lag. For Grand Gulf, it actually is a small portion

1 of our total portfolio. We get about 14 percent of the output, fairly large unit 1,200,  
2 we get about 14 percent of that. It will not have a major effect on Entergy Louisiana  
3 because, you know, roughly 150 megawatts out of the 10,000 megawatt portfolio,  
4 it's enough to make a difference but it's not going to have huge swings in the prices  
5 and so forth so we anticipate that we would see the effect of that in September fuel  
6 adjustment because of the outages occurring in July with that two month lag.

7 **COMMISSIONER GREENE:** So next question is about hedging and this is kind  
8 of for Brandon and for you. I know the Commission in 2005 under General Order  
9 32975 said that long term procurement pilot program shall be established for each  
10 electric IOU and they shall make reasonable efforts to design long term natural gas  
11 procurement program plan that utilizes one or more of the long term natural gas  
12 costs stabilization instruments identified. Can you provide analysis to show if y'all  
13 did that and if not, why not?

14 **MR. MAY:** Yeah. And I'll ask Mark Kleehammer to come up and help with that  
15 answer. I will tell you that long term hedging is difficult to achieve in these  
16 competitive markets. If you go out and procure over a certain period of time, the  
17 volumes that we would need to procure for a large fleet like ours can actually move  
18 the market and so there is a risk that by going out to hedge that over the longer term,  
19 that you actually cause the price to be higher for your customer so it's something  
20 we have to be cognizant of. I'll note that hedging in general, is a bit like an  
21 insurance policy in which you will pay a premium to help address volatility. So we  
22 know if we do hedging, over time we would expect that those costs would be higher  
23 but would be last subject to volatility. The other challenge with hedging is if we

1 chose to hedge for June and then the heat wave comes and you see a significant  
2 increase we saw towards the end of June usage is 30 percent, 40 percent higher for  
3 our residential customers, you're not going to capture that because you can't hedge  
4 that additional part because you're not aware it. So you're going to try to hedge a  
5 amount that's a base amount that you know you will consume in natural gas.  
6 Anything additional, you'll be exposed to the market. And I'll let Mark address  
7 your specific question.

8 **MR. MARK KLEEHAMMER:** I really don't have too much to add. I know that  
9 we filed in these dockets all of our compliance filings. I think we've got about two  
10 or three dollars of a reduction due to hedging which is baked into the fuel  
11 adjustment on a monthly basis. If I can go back on one item -- and I agree that I  
12 think Brandon presented a very good picture of how this is running. The one thing  
13 that is not necessarily unique but maybe a little different in Louisiana is that all of  
14 the utilities in Louisiana are on a monthly fuel adjustment clause. If you look  
15 around in the region where other people are highly natural gas sensitive, we know  
16 Mississippi primarily is on quarterly. I think Texas is on a six month -- I think -- I  
17 don't know where Oklahoma is. Arkansas -- yeah, the regulated portion of Texas  
18 is on a six month. Arkansas is annual. I think places like Florida are annual. So  
19 what you will see is when they do their next update or when utilities come in for  
20 emergency updates, I think you'll see big upticks that you're not necessarily seeing  
21 there because ours is real time. Again, that's one of the reasons why we advertise  
22 and ask our customers to join level billing to help them smooth it out because ours  
23 are more real time.

1 **COMMISSIONER GREENE:** My next question's around -- I know y'all sent  
2 out a letter and I think it was mostly helpful, but I wanted to do some of the math  
3 because we're getting a lot of calls saying hey, my bill was going to go up \$15, it  
4 went up \$200 and so in it, we say for a customer 1,000 kilowatt hours, that would  
5 translate as roughly a \$25 increase in June, Entergy Louisiana is deferring their  
6 recovery of \$10 of that. So a lot of people are expecting their next bill to be \$10  
7 higher but isn't it actually going to be 40 percent that's deferred and not \$10  
8 because it's \$10 of 25?

9 **MR. MAY:** So for June, yes, so we're deferring a certain amount of dollars  
10 associated. Those dollars will be collected over time so it won't show up on your  
11 next bill, it'll show up later in the year. For July, we also deferred the \$10. That's  
12 \$10 per 1,000 customers so if you used 2,000, that deferral is roughly \$20. And  
13 again, that will be covered over time. You know, with regard to that letter, if you  
14 use 1,000 kilowatt hours, you would have roughly close to \$10, I guess, actually  
15 about \$9.50 associated with storm costs, another \$15 associated with fuel costs.  
16 For July, those numbers stayed consistent but the fuel costs went up a bit. If you  
17 use 2,000, obviously those numbers double so instead of 9.5, you're talking about,  
18 you know, roughly \$19. If you use three times that, so the math just works. It's  
19 linear that -- that amount is a portion of the customer's usage.

20 **COMMISSIONER GREENE:** I know happiness equals reality minus  
21 expectations and so I think people are expecting \$10 and if in your messaging, you  
22 could, you know, communicate more like 40 percent or something that they could  
23 understand a little better, I think that would adjust their expectations accordingly.

1 **MR. MAY:** Well, that's very helpful and I appreciate that. And just to be clear,  
2 the increase was mitigated by 40 percent so it's not 40 percent of the fuel cost we're  
3 incurring. It's a much smaller portion that, but we mitigated instead of saying \$35,  
4 you saw \$25.

5 **COMMISSIONER GREENE:** Okay. I want to jump over to storm restoration.  
6 I don't know if the \$10 million that y'all are chipping in is for that or just for the  
7 heat wave. But I know, Commissioner Campbell even brought up, you know, what,  
8 if any, could shareholders or Entergy contribute to the storm restoration and there's  
9 been a lot of chatter of, you know, 25 percent. Is there any internal conversations  
10 about -- because right now the perception is your shareholders have no risks for  
11 investing in Louisiana, it's all upside, and all of the risk is borne by the ratepayers  
12 who are the poorest state in the union. So is there any internal talk about during  
13 times like this for Entergy, the shareholders, to participate in the risk side of  
14 hurricane restoration?

15 **MR. MAY:** So with regard to risk associated with hurricanes and so forth,  
16 obviously, we take the hit associated with loss of sales and other things. So in a  
17 case of Entergy Louisiana, that was roughly \$70 million. With regard to the repair  
18 costs, the challenge we have is we have to borrow a lot of money. So the last two  
19 storm seasons, we borrowed roughly \$4.6 billion for a company that makes close  
20 to \$700 million a year. That is enormously burdensome. We are able to borrow  
21 that money based upon the confidence that the lenders have that we will pay them  
22 back. If we're unable to pay them back, then we will not have lenders who are  
23 willing to lend money. And this is not a hypothetical thing. When we had

1 Hurricane Katrina, one of our operating companies, Entergy Gulf States, which was  
2 separate at that time, we had vendors that demanded they be paid cash up front to  
3 come and repair our system. So paying for storm costs is not so much about this  
4 storm, it's about the next storm. Every company that has exposure to hurricanes  
5 has a mechanism that allows them to recover 100 percent of their prudent costs so  
6 if you are an investor or if you have an opportunity to put \$10, \$100 somewhere,  
7 why would you invest in Entergy Louisiana when every other company on the gulf  
8 coast has assurance of recovery? And so if we do have a storm, what'd you see is  
9 investors abandoning that and us not having the ability to have the funds necessary  
10 to make those repairs.

11 **COMMISSIONER GREENE:** Because the perception is that if you can pay your  
12 shareholders over a billion dollars, can you chip in \$200 million for the people that  
13 are actually paying that.

14 **MR. MAY:** So in order to continue to have access to funds, we pay dividends. We  
15 pay dividends at the same rate generally, a little lower than what you see across the  
16 utility industry and so that amount for Entergy Corporation, not for Entergy  
17 Louisiana, was about 700, \$750 million per year. What that is, is essentially  
18 provides investors confidence that they will get their money back. So in my mind,  
19 this is a little bit akin to if you have a lot of damage and you have to go borrow  
20 money to fix your house, would it make sense to stop paying your credit card bills  
21 or other bills when you know you're going to need to borrow a significant sums of  
22 money. If you did that, those folks who lend money would lose confidence. The

1 rates to borrow, if you could borrow, would be significantly higher and as I noted,  
2 many vendors would just want to show up with cash up front to do the work.

3 **COMMISSIONER GREENE:** Thank you.

4 **SECRETARY FREY:** Mr. Chairman.

5 **CHAIRMAN BOISSIERE:** Commissioner Greene.

6 **SECRETARY FREY:** Oh, I'm sorry. There is something I failed to mention  
7 earlier and I want to -- when I was going over the overview. I'm also going to link  
8 on there, and Staff, if you're listening back home, put it up there, the fuel adjustment  
9 clause order because I don't think a lot of people -- it's somewhat of a complicated  
10 concept, but the order does a great job of providing a history of fuel adjustment  
11 clauses. They actually go back to the 50s and I'm not talking Louisiana, I'm talking  
12 throughout the country. This similar mechanism is used everywhere and it does a  
13 great job of explaining the purpose of it. There were Louisiana Supreme Court  
14 cases authorizing the fuel adjustment clause and I said that it was a PGA which is  
15 something similar, and I know he's in the audience, I'm pretty sure Paul Zimmering  
16 wrote the FAC order. I texted him to confirm that but -- so we have some pretty  
17 expert knowledge assisting us with it. But this goes back to '97. There's an ordered  
18 concept that goes back to the 70s on the PSC level and the 50s throughout the  
19 country of a mechanism where it's a direct flow through of the cost to run a power  
20 plant.

21 **CHAIRMAN BOISSIERE:** Okay. Let me go back to Commissioner Greene.

22 **COMMISSIONER GREENE:** I'm done with y'all. I have a question for  
23 Brandon.

1 **SECRETARY FREY:** Sure.

2 **COMMISSIONER GREENE:** What are we doing to make sure that -- because  
3 we have other resources we're trying to diversify for supplying energy. What are  
4 we doing to make sure that the developers and generators have access to our  
5 transmission system so we're not so reliant on such a few number of generators?

6 **SECRETARY FREY:** I think that's probably getting a little bit above my level  
7 and a MISO question. I mean, I know MISO has done a lot to alleviate those  
8 concerns. I mean, I remember a rather lengthy fuel audit where that issue was raised  
9 and the findings were that it was really nothing but no, I think that's probably a  
10 MISO -- the more transmission that's built in the MISO system, the more access  
11 there is to products within the MISO market.

12 **MR. MAY:** If I may add, the most important thing we can do to ensure adequate  
13 capacity is to have a resource adequacy rule that ensures that every utility brings  
14 adequate resources to serve their actual load. And Entergy Louisiana will certainly  
15 do that. I think the other investor owned utilities will do that. But I am concerned  
16 that we will have put in place rules that allow other utilities to not adequately serve  
17 their load and when that happens, it puts that risk -- the entire state, MISO portion  
18 of the entire state, not just those companies that don't show up with adequate  
19 capacity.

20 **CHAIRMAN BOISSIERE:** Commissioner Campbell.

21 **COMMISSIONER CAMPBELL:** Phillip, let me ask you something. And did I  
22 read or -- just answer the question, how much electricity do you make out of natural  
23 gas, what percentage?

1 **MR. MAY:** So roughly, and Mark, you may have the actual numbers, probably in  
2 the 50, the 60 percent of our burn for making electricity is natural gas. We also  
3 purchase from the market another, roughly, 20 percent.

4 **COMMISSIONER CAMPBELL:** So it's 85 percent?

5 **MR. MAY:** So right now, it's probably 80 percent range for natural gas.

6 **COMMISSIONER CAMPBELL:** That brings me to my question, that's what I  
7 had in mind. Do y'all think that your company has been progressive enough when  
8 it comes to renewables? Looks like to me you're heavy, heavy, heavy in natural  
9 gas and I hadn't -- I've been here longer than everybody, but that doesn't mean  
10 anything but I've just been here longer. I don't really remember that your company  
11 had been real benevolent to renewables. Fought a renewable because I remember  
12 when people in New Orleans had solar on their houses, y'all didn't open them --  
13 you didn't open your arms up to much to those people down there. Matter of fact,  
14 you were pretty adversary to those people and all of a sudden, this --renewables got  
15 real popular with everybody, it's real trendy, now all of a sudden y'all are all about  
16 it, but y'all fought those people down there pretty good. You changed the way you  
17 buy. At first, you was paying them for their electricity they generated at four cents.  
18 I'm just using roughly.

19 **MR. MAY:** Right.

20 **COMMISSIONER CAMPBELL:** But then you cut that out, now you don't pay  
21 them at all. You said, we'll take it and we'll sell it, but you went from a real pro  
22 consumer deal, I think to an anti-consumer. So it's sort of hard for me to sit up here  
23 and listen to all of this stuff you're saying. I'm not being personal, but it is personal.

1 It's hard to -- it -- it is -- it's just personal. You say you're doing one thing but you  
2 don't practice what you preach. If you're practicing what you preach, you ought to  
3 be friendly with renewables. And I found your company to be not friendly and  
4 holding them up and now, there's a lot of government money in this and that and  
5 the other and it's going to be profitable. But we're in a hell of a mess now because  
6 if we'd been practicing some renewables ten years ago, if you would have been pro,  
7 we'd have been better off. But we were finding reasons not to have renewables,  
8 and we're just now getting some solar stuff up in here in north Louisiana, fixing to  
9 open one up. Malcolm got one going up here, got some in northeast Louisiana but  
10 your whole philosophy in your company hadn't been -- I don't say you haven't  
11 been honest, that's way too tough, but you guys have had your dukes up like this  
12 rather than saying come on in. And now, we find ourself in a hell of a mess because  
13 85 percent of all these bills are natural gas. And we wouldn't have that had y'all  
14 been open and more forthcoming and saying, hey, we need all the wind if we can  
15 buy it, we need all the solar if we can do it, rather than your whole theme down in  
16 New Orleans was you have a poor man down there that wants to spend \$5,000 to  
17 put a roof on his house. Well, at first, that was a good deal because he said well, I  
18 get my money back through selling electricity. Then you say, well, that's not fair.  
19 We not going to give you anything for your -- you're lucky to let us use these lines,  
20 we going to let you use our poles and lines but we don't give you anything for that.  
21 So you went from a deal paying this guy in New Orleans that borrowed \$10,000 to  
22 put it up on his house, and if you fly over New Orleans in an airplane, look down  
23 and see all the solar, but y'all haven't been -- you haven't been benevolent with

1 those people. Matter of fact -- a lot of -- got in it and borrowed money to get in it,  
2 and they feel like they were tricked. So I hear what you're preaching, but I'm just  
3 not on the same page. If your company really wants to do something to help prices,  
4 you got yourself in a bad situation because you're depending just where you don't  
5 want to be. You're depending on natural gas for 85 percent of your electricity and  
6 we knew it was going down, we knew things were going to happen and people been  
7 preaching to y'all and preaching to y'all about getting into solar power and  
8 everything else. But you took the studs -- you didn't want to do it, and now you're  
9 hollering uh-oh, but the mule's out of the barn now. You don't know what to do  
10 about it.

11 **MR. MAY:** Right.

12 **COMMISSIONER CAMPBELL:** Now, these five people up here, we're trying  
13 to work with you, but the people don't understand that because the bills are  
14 outrageous, outrageous. And Phillip, I shouldn't say this, but I'm going to say it.  
15 The other day I did a little math, I was home and I did a little math and I figured  
16 out how much y'all paying your president per hour. That's \$8,000 an hour you're  
17 paying that man. That's more than some people make in north Louisiana. He  
18 makes more in one hour than some people up here make the whole year and while  
19 he was with us the other day, and he was a nice gentleman, if he was there three  
20 hours, he made \$25,000. So I mean, people don't understand that. And I know  
21 there's a reason for it, but there's no reason for y'all taking the studs on renewable  
22 energy. Y'all did a good job of that, and not just you, SWEPCO hadn't been --  
23 they're doing better than you, but y'all are interested in making money, SWEPCO

1 is, Cleco is, I understand that. But what Mr. Greene was telling you and what Mr.  
2 Bossiere's been saying and Mr. Francis, but you got to make money to run the  
3 company, but you've got to tailor make your program to the people you represent.  
4 This is not Connecticut where everybody has a master's degree. This is Louisiana,  
5 and we got poor folks here in our state, the second poorest in the United States,  
6 with high bills and the mathematics don't work there. So I hear you, but I want you  
7 to -- I think you brought to this -- not you personally, I think Entergy has brought a  
8 lot of this on yourself. That's what I think. And it's our job to help you get out of  
9 it, prescribe the medicine that we need to get out of it. I don't know if you're ready  
10 to take a dose or not, but right now, I think we got to do something. I'm all open  
11 into looking into opening these markets up, take a real good look and see if anyplace  
12 you can buy it cheaper. We just had a -- we just had an experience with a rural  
13 electric co-ops. Y'all didn't like what they did. I understand that and neither did  
14 SWEPCO, they didn't like it. Y'all probably don't like co-ops. I can understand  
15 that. Y'all are competitors. I got it. But they went out on the market and they're  
16 going to be able to buy energy a whole lot cheaper than we can buy. Now, my job  
17 up here, I can't look for bugaboos, you can find a bugaboo in everything you look,  
18 oh, it won't work, I'm worried about production and I'm worried about this, can  
19 they get the supply. I think it's imperative with the situation we're in that we ought  
20 to look around this country and do a real study with some qualified people, not  
21 some of our pets, qualified people, would come here and say, this is what happens  
22 when you deregulate monopolies because you've got it going all your way. And  
23 Mr. Greene hit it -- the other day, you -- just a while ago he said, you got it all going

1 your way, consumers are paying it all and y'all making dividends, you pay a billion  
2 dollars a year for three years and that guy makes \$8,000 a hour. I know that's --  
3 you would say, well, you shouldn't bring that up but that goes to your line of  
4 thinking. Something's wrong, something's wrong somewhere.

5 **MR. MAY:** Yeah. So if I can just respond. First the salary thing, our CEO, Leo  
6 Denault, who's the CEO of the large Entergy Corporation, as you know, the  
7 financial aspects, the market base aspects are not included in our rates. It has been  
8 excluded -- has been excluded for a very long time. So the actual amount is really  
9 the base salaries of those other components that are not financially based. It's based  
10 upon the operation of business. That's about \$2 million. So while it is a large  
11 salary, I agree, it is a salary that is consistent with his peers around the nation and  
12 so that salary, yes, it's impressive but it is consistent with other -- his peers in the  
13 amount that it is actually allocated to Louisiana because we do remove those  
14 financial market base incentives is about \$2 million. Now, if I could just address  
15 solar for a minute.

16 **COMMISSIONER CAMPBELL:** Phillip, let me saying something.

17 **MR. MAY:** Commissioner, if we had solar right now at the price that solar is now,  
18 yes, our bills would be lower. If we went heavy into solar, half a decade, a decade  
19 ago, our bills would be much higher because we've seen a dramatic decline in the  
20 price of solar so by entering now into solar, we're going to be able to do it at a  
21 lower cost. We have about three percent of our resources are from renewable  
22 resources. We have a 475 megawatt solar portfolio that is in front of this  
23 Commission now that can be approved and allow us to put that into service. We

1 have another 600 megawatts behind that, another 1,500 megawatt RFP that just has  
2 been released so you're right, we're absolutely going big in solar, but the big part  
3 of why we're doing that, two reasons. One is the cost have come down have made  
4 it highly **uncompetitive**. That was not the case even five years ago. The second  
5 thing is our customers are demanding that we have cleaner sources of energy and  
6 so we're responding to that demand.

7 **COMMISSIONER CAMPBELL:** You know what you said a while ago, that I  
8 don't think we think alike and that's -- you know, you've got a big job and I taught  
9 school so we don't think alike. But anyway, this is what's troubling me about  
10 y'all's thinking, not yours. Your company says that -- or you just said it, that we're  
11 in line with the other part of the United States. No, but the people ain't in line with  
12 other part of the United States, that's where the mule jumps the fence. We can't be  
13 compared to Connecticut and New York and California, we compared with  
14 Mississippi. That's what you guys have got to think about. We're on the  
15 Mississippi level and your guys are making what they make in California and other  
16 places and that's just it. I know you can't -- you might say well, it's petty to draw  
17 out one guy's salary. Well, it is in a way because it's not petty because it's a  
18 company's thinking.

19 **MR. MAY:** It's public information, sir.

20 **COMMISSIONER CAMPBELL:** Yeah, but that's the way y'all are thinking.  
21 You've got behind the ball because you really didn't want any -- you didn't want  
22 any solar. And now, you're saying well, we shouldn't have got behind the ball and  
23 now you're saying, well, don't blame my president because other companies make

1 as much, some of them don't make as much. But anyway it's -- what I'm looking  
2 at as a broader view, I think your company is more oriented in making money,  
3 taking care of your stockholders than you are with this dilemma we're in in  
4 Louisiana only to be ahead of Mississippi. That's a hell of a bunch of facts. So I  
5 would -- what I'm saying is we need to do something about working together and  
6 trying to match our blueprint with Louisiana people. We can't, you know, we don't  
7 live in Connecticut. You don't live in New York. You don't even live in Texas.  
8 And so we're down here, your rates are high and I appreciate you doing that -- you  
9 know, I asked you a question, one time I asked Mark this, and this is not -- these  
10 people up here are not going to agree to this. I think people in north Louisiana  
11 really get a bad deal because we pay high rates and we don't have the storms, but  
12 you charge us the same thing as people in south Louisiana get. Now they chose to  
13 live in south Louisiana. I'm not going to get in an argument. I like all these guys  
14 here; they're all friends. And they can't vote to raise their rate on their people, and  
15 let people in north Louisiana go. But everything is based on risk, that's business.  
16 You got a company up here that doesn't have much risk. You don't have any  
17 storms. You might have an ice storm and clean it up in two weeks, but when you're  
18 in south Louisiana, it's coming. You're going to have it. So as an insurance  
19 salesman, I can tell you, insurance companies charge their premiums on risk. And  
20 I told you one time, if you didn't like north Louisiana, sell it. Sell it. There'll be a  
21 hundred people lined up to buy north Louisiana just like that. You know the first  
22 thing they're going to tell you when they look at your book of business? Oh, I got  
23 500,000 people up here -- 400. They don't pay it -- it ain't them that's paying it

1 out, it's the other people, so why shouldn't I want north Louisiana? So I mean,  
2 there's some hard questions that got to be answered, and I'm not putting it on these  
3 fellows because they don't -- well, Mr. Francis does, but they don't represent any  
4 of north Louisiana, they represent south Louisiana. And I'm not trying to put a  
5 hardship on them, but there's some hard questions that got to be answered. I think  
6 you fumbled. I don't think your company's progressive enough. I think they're  
7 too pro-business and not enough people-oriented. I'm not mad at you about this;  
8 this is how I feel. This is what I feel. And for us to get to the bottom of this, it  
9 might take deregulating all utilities in Louisiana and let's see how cheap you can  
10 buy it on the market. Hey, and if you can buy it cheaper and it's reliable, I think  
11 it's our job to take a real hard look at it. That's just my -- because I -- I'm in the  
12 Chevrolet business, I ain't in the Cadillac business. We in the Chevrolet business  
13 up here. Y'all in the Cadillac business, Connecticut is a Cadillac business. We  
14 doing our best up here to get along. We can buy it cheaper, like the co-ops did, we  
15 ought to take a real look at it. That's it. And I don't mean that personally against  
16 anybody, just -- that's just what I'm thinking from my head. It might be wrong, but  
17 I don't want to just sit up here and say oh, you can't deregulate. Well, how come  
18 you can't? Well, because he said you can't. Well, who is he? That's the company.  
19 Oh, the company says you can't do it. Well, they also told me you couldn't buy  
20 any solar power, too, but they changed. The co-ops bought -- you guys don't know  
21 this, all these co-ops -- whatever something five, what's the name of it?

22 **CHAIRMAN BOISSIERE:** 1803.

1 **COMMISSIONER CAMPBELL:** 1803. I thought it was 1805, I'm sorry. But  
2 anyway, they bought it and it looks like it's going to be a lot cheaper. And if it does  
3 come in a lot cheaper, I think it's imperative that this Commission take a real hard  
4 look at it for the people in Louisiana.

5 **MR. MAY:** And Commissioner, I greatly appreciate you, your thoughts, and  
6 guidance here. I know that each of us talked to all of this body about the rates and  
7 the concerns and so forth. I do not agree that Entergy is purely focused on profit.  
8 We have been one of the lowest cost utilities for the last 10 years. Now part of that  
9 was because natural gas prices were attractive, but it was also a focus on finding  
10 the lowest cost sources available to serve our customers, and at that time, when we  
11 were making these decisions, solar unfortunately was not the lowest cost source for  
12 energy. And so I do appreciate your comments and I certainly accept your point of  
13 view on this, but I will tell you that we focus a lot of time and effort on how do we  
14 keep our bills low. We recognize that we have one of the largest low income  
15 populations in the company -- in the country, and although we do have very low  
16 rates, we have higher volumes, and that places burden on our lower income  
17 customers. We get it, we hear you, and we're working to try to address that and  
18 some of those items that we discussed today, including the contributions from the  
19 corporation, are designed to help our customers.

20 **COMMISSIONER CAMPBELL:** Well, I appreciate your tone because I'm  
21 trying to be conciliatory, and I appreciate your tone in talking because it's just been  
22 worrying me. And it looks like it's common sense, but I could be wrong because  
23 I'm not a scientist and I know this is some high tech stuff, I mean I know that. As

1 Jethro would say, this is some high ciphering, okay. But anyway, we got to do  
2 something because these people can't just keep paying the bill and we're saying  
3 uh-oh, well, it's natural gas. Well, what else is there? Well, I don't know. It's this,  
4 that. We've got to have some action, quick.

5 **MR. KLEEHAMMER:** Commissioner Campbell, if I may, to your point about  
6 deregulation, I mentioned Texas and I said that they're on a six-month true-up on  
7 fuel adjustments for the most part, that's in the regulated piece. In the non-  
8 regulated portion of ERCOT in Texas, you know, we're talking about a crisis right  
9 now with our customers because we're presenting about 15 cents, 16 cents on a bill.  
10 I went on Monday on the Power to Choose website, and just so you know, you've  
11 got to navigate to get to the right website in Texas, there are multiple websites, but  
12 you get to the Texas Public Utility Commission sponsored Power to Choose, right  
13 now, the lowest rate that you can get, and I'm not talking about whether it's got  
14 pre-pay, whether it has credit requirements, all of these things that could make it  
15 non-accessible to certain customers, the lowest rate you can get is 14.9 cents and  
16 locked in for 36 months. We're talking about a month where we're at about 15  
17 cents. If you want to lock in for a longer term, well, if you -- that's if you're locking  
18 in for 36 months. If you only want to lock in for 24 months, its 16.3 cents is your  
19 best rate. If you want to lock in for 12 months, it's 18.7. You want to lock in for  
20 9, it's 23.7; 6 months, 25.4; 3 months, 26.7.

21 **COMMISSIONER CAMPBELL:** Mark, Mark, I hear you, but --

22 **COMMISSIONER FRANCIS:** That's facts.

1 **COMMISSIONER CAMPBELL:** I don't think you're -- I don't think this is  
2 apples and apples. I know a little bit about math. Not much, but I know a little bit  
3 about it. I know that when you make an accusation like that, you can't just point to  
4 one state and say Texas. That won't work. Tell me -- that's why we got to have -  
5 - we can't have Mark doing it or we can't have Phillip doing it. We've got to have  
6 some people that we know that -- well, I'm not saying you're not truthful --

7 **MR. KLEEHAMMER:** That's truthful.

8 **COMMISSIONER CAMPBELL:** -- but don't work for Entergy. We got to have  
9 somebody working for the people and call it like it is. If that's the case, how in the  
10 hell did the co-ops get a deal. Why shouldn't they all be screwed up? We just  
11 listen to them and why if -- why would they do it? They're risking a whole lot more  
12 than you because they're just a little bit -- little bitty boys compared to big, giant  
13 you and they thought enough of it. Five of them thought enough. They sold it to  
14 this Commission, and we had highbrow research and it looked good to us. I voted  
15 for it and you voted for it and you voted for it. And you voted for it, too, didn't  
16 you? Yeah, he voted for it. So anyway, I hear you, but when you -- you can't just  
17 pick out Texas and say, well, Texas is screwed up over there so it's all screwed up.  
18 I'm not looking for that. I'm looking for majority of the states or the ones who do  
19 it -- all of them that do it and then come back with the facts. That's not what you're  
20 telling me, you're saying Texas, it won't work in Texas. Well, big deal. Does it  
21 work anywhere else? That's all I'm saying.

22 **COMMISSIONER GREENE:** I think we - we're looking at that in the customer-  
23 centered options docket.

1 **CHAIRMAN BOISSIERE:** Commissioner Campbell, you have anything else?  
2 All right. Next is Commissioner Skrmetta.  
3 **COMMISSIONER SKRMETTA:** Yeah, actually, I've got some questions for  
4 Entergy, and I've got a couple of things to talk about. You know, on the Entergy  
5 issue, you know, Phillip, y'all were talking about your percentages of natural gas.  
6 What -- how many -- what is your percentage of solar right now and how many  
7 megawatts of solar do y'all have?  
8 **MR. MAY:** Operating solar, 55 megawatts, so it's a bit less than 1 percent, but we  
9 have 20 -- let's see, is it 2,500 in a queue -- queued for approval.  
10 **MR. KLEEHAMMER:** 475.  
11 **MR. MAY:** 475 is before the Commission right now and then another 2,100  
12 behind it.  
13 **COMMISSIONER SKRMETTA:** So what's the percentage of your solar once  
14 it gets out of the queue at MISO?  
15 **MR. MAY:** I'm sorry, say again?  
16 **COMMISSIONER SKRMETTA:** What's the percentage you're going to have  
17 when it comes out of the queue?  
18 **MR. KLEEHAMMER:** We were about 10,000 megawatts, so if we got 2,100,  
19 we'd be 20-something percent.  
20 **COMMISSIONER SKRMETTA:** Okay. So right now MISO's percentage of  
21 solar is about 1.6.  
22 **MR. MAY:** Right.

1 **COMMISSIONER SKRMETTA:** So you'll be far ahead of what the MISO  
2 profile is right now, right?

3 **MR. MAY:** That's true. I think others will move ahead as well.

4 **COMMISSIONER SKRMETTA:** And I think that when we look also at how  
5 we're buying power through the MISO market, MISO right now is at about 43  
6 percent coal and 36 percent natural gas, it's about 11 percent nuclear, and that's,  
7 like, up to date a couple of minutes ago, and it's 1.3 percent solar. So, you know,  
8 what -- to, you know, sort of, you know, get into a discussion about nobody's --  
9 you're not doing your best on solar, you know, MISO's plan on integrating solar  
10 into this renewable portfolio, everything's moving slow on it because of the  
11 realization of there has to be a balancing of interest on this to make sure that power  
12 is reliable and power is deliverable. So I know that there's taking some, you know,  
13 varied measured steps to make sure that we don't get into a situation like, for an  
14 example, Texas, in their un-regulated section, which is, you know, warning people  
15 not to charge their electric cars, it's warning them to raise their thermostats, it's  
16 giving Max Gen alerts. In Louisiana, because of the way we do our integrated  
17 resource planning, because of the way we run our ship through our regulated  
18 process, we have not put our consumers in peril of being in load shedding so far  
19 this year. I mean, it's been -- we've been very lucky that it's worked out the way  
20 it has, but we do run our planning differently than Texas does, and the unregulated  
21 part of Texas. The regulated part of Texas does not have the same impacts that the  
22 deregulated part of Texas has and I think, you know, while Commissioner  
23 Campbell is talking about, you know, don't look at just Texas, Texas is a good

1 example because it's got two faces of how this is run. It's got a regulated side and  
2 it's got a unregulated side. And the unregulated side is important for us to look at  
3 for a couple of reasons, one of which is we talk a lot about deregulation, but one  
4 thing this Commission has to understand is, you get to deregulation, it also means  
5 you don't get to look at their books, you don't get to take any actions for seeking  
6 credits from them, you don't get to go and look into the company, you don't get to  
7 argue about, you know, is a president making too much money. You deregulate,  
8 you walk away. You don't do these things. And right now, we're facing great  
9 potential for our ratepayers and, you know, no offense to Entergy, we are in  
10 litigation against Entergy on things we regulate and we're looking at billions of  
11 dollars of issues of potential credits back for the ratepayers. That would not exist  
12 if we were in a deregulated system because we could not look into the books. Texas  
13 is a great example of that because if you look at Winter Storm Uri, there was a time  
14 at which power was selling at \$9,000 a kilowatt hour and there were a lot of systems  
15 that ended up going bankrupt, but no one has been able to look into the books of  
16 these companies to find out what did they do with the money, who took it, how  
17 much did they make, was it an excess of profit on the consumers there because they  
18 don't have the authority because they're deregulated on that component.  
19 Deregulation is just the wrong thing to do if you can't manage the sort of system  
20 we've had since the beginning of the Louisiana Public Service Commission to  
21 protect the ratepayers. And, you know, I think there's a lot of political influence  
22 coming from one particular company in Florida and I think that they are pushing  
23 this game and they come from a state that has no wholesale market, they are fully

1 regulated by their Public Service Commission, and they come to Louisiana seeking  
2 to be deregulated. And when I'm talking about the deal that they've given the co-  
3 ops, the co-ops have called me just the other day and they're talking about, they got  
4 20 percent renewables and that's great, they've got a contract for set amounts, but  
5 they got 80 percent that aren't coming from renewables that there is no set amount  
6 on what the rate's going to be and there's the great unknown. And if it's not  
7 deliverable and it doesn't prove itself out, how does that affect the market against  
8 the other people who are in the other part of the state. So there's a lot of giant  
9 gaping holes in this sort of concept of deregulation because it's not -- I don't think  
10 we just need to walk around saying, oh, well, we should deregulate, we should look  
11 at it. My guess is, if you want to do it, you should do a plan and really understand  
12 the impact of a plan before you just kind of go around with it because ultimately  
13 what you are doing is you are handing off every tool you have for the benefit of the  
14 ratepayers of the state and you're giving it up completely and you won't have  
15 moments like this where you can engage in this kind of dialogue because when that  
16 happens, they don't show up. You can see them in court, but you ain't never going  
17 to see them in a dialogue like this. It just won't happen. Now I've got a couple  
18 more questions for you guys. Since a lot of people watch this and they get confused  
19 between ELL and Entergy New Orleans, you know, we're looking at sort of the  
20 cost of fixing Entergy Louisiana. What is the cost of fixing Entergy New Orleans  
21 versus the earnings of Entergy New Orleans? Because you said \$700 million is the  
22 earnings of the ELL, Entergy Louisiana. And you've, you know, you had to borrow  
23 \$4.7 billion to fix it.

1 **MR. MAY:** Right.

2 **COMMISSIONER SKRMETTA:** So obviously, I mean, it takes a while to earn  
3 that back to pay it, but what's the setup for Entergy New Orleans? Because  
4 obviously this sort of political action that's been going on for the last month has  
5 been organized between the PSC and the City Council, so why don't we talk about  
6 all of that right now.

7 **MR. MAY:** Yes. So I don't know the specific numbers for New Orleans, I just  
8 don't have them committed to memory.

9 **COMMISSIONER SKRMETTA:** You might have to speak up a little bit. I can't  
10 really hear you and this is muffling it.

11 **MR. MAY:** Yeah, so I don't really know the specific numbers for New Orleans.  
12 I just don't -- I don't have them with me and I don't have them committed to  
13 memory.

14 **COMMISSIONER SKRMETTA:** Okay. So you don't have an estimate or  
15 anything?

16 **MR. MAY:** Do you recall?

17 **MR. KLEEHAMMER:** No, I don't. I don't. I mean, clearly, the damages from  
18 Laura, Delta, Zeta, and Ida were more significant to ELL.

19 **COMMISSIONER SKRMETTA:** Right because it was southwest Louisiana.

20 **MR. KLEEHAMMER:** Just because of the location, but I don't know what  
21 ENO's earnings are and I don't know what their cumulative storm damages are  
22 either.

1 **COMMISSIONER SKRMETTA:** Okay. Yeah. That's another thing that needs  
2 to be considered when people need to talk about deregulation is if hurricanes come,  
3 who fixes it? What is their need to fix the system? Why do they fix it? How do  
4 they deal with the fixing of it? You know, is there going to be an impetus to, you  
5 know, to react to a Public Service Commission or an individual Commissioner to  
6 fix something or, you know, engage in this because if they're not regulated, they  
7 have no incentive to act. So these are things that need to be dealt with when we're  
8 looking at this. And what, you know, I just -- my general theory is, you know, if,  
9 you know, if you've got a fire on your stove, you don't go and burn the house down  
10 to, you know, resolve the issue, you just put the fire out on the stove, and that's  
11 what we're facing now with the natural gas issue. And one last thing, you know,  
12 we're talking about, you know, spreading our fuel risk, and we've talked about this  
13 before, but what is the real potential of how can we look at engaging the expansion  
14 of the nuclear fleet in this state and not going into the jumbos, the 1,200, the 1,500  
15 megawatts, but into the smaller, new small modular reactors of this 500 megawatt  
16 size, and also, what is the potential of engaging them in brownfield development  
17 with instead of completely destroying these coal plants, utilizing their turbines,  
18 utilizing their interconnect, you know, what's the real potential of this and engaging  
19 this as a way to balance our fuel, you know, sort of profile down the road.

20 **MR. MAY:** Yes, so -- and great question. First of all, with regard to building sort  
21 of the traditional style nuclear plant, there's only one company that's doing that  
22 and the cost of it is astronomical. And it takes like 10 years to do this, so the world

1 you assumed when you started that plant is a very different world than when the  
2 plant is completed. The plant is not completed yet --

3 **COMMISSIONER SKRMETTA:** That's the plant in Cheyenne, Wyoming?

4 **MR. MAY:** This is in Georgia, actually.

5 **COMMISSIONER SKRMETTA:** Oh, that's Vogel.

6 **MR. MAY:** Vogel, right.

7 **COMMISSIONER SKRMETTA:** Vogel's a -- is a --

8 **MR. MAY:** Traditional.

9 **COMMISSIONER SKRMETTA:** -- it's a traditional plant.

10 **MR. MAY:** Traditional nuclear plant. But the point is --

11 **COMMISSIONER SKRMETTA:** But the small modular nuclear that's being  
12 built in Cheyenne is a different animal.

13 **MR. MAY:** That's right. And so for those, what that means is the company would  
14 have -- would take a lot less risk because they're smaller. We did announce an  
15 MOU with Holtec on the development of small modular reactors. We're looking  
16 at what that may be. This is one of those things where you have to continue to  
17 monitor the technology to see whether or not the cost come down because at this  
18 point, it's still relatively expensive. But there's a belief that the cost will come  
19 down, and if we get that, not only can you use them for zero carbon electricity, you  
20 can also use them to produce steam, and Louisiana industry uses a tremendous  
21 amount of steam in their industrial processes and that's just another way to  
22 decarbonize the industry.

1 **COMMISSIONER SKRMETTA:** Right. Well, the other element of that is to  
2 take -- if you look at the sort of economies of scale, because that's what we're  
3 finding out from the interaction with NARUC on this, is that building one of these  
4 reactors is why it costs so much. And that there's a defined number of looking at  
5 building 16 of them across the southeast, potentially in other parts of the country,  
6 sort of a group sort of agreement to contract to build, even though they'll be separate  
7 utilities. But what's the value of the federal credits that are going to become  
8 available for nuclear power?

9 **MR. MAY:** Yeah, so the value of the federal nuclear credits will be the same thing  
10 you just mentioned. If you build 16 of these, a couple things you do, you get  
11 economy to scale, but also mitigates the risk that any one partner would have to  
12 take on. The federal government is also planning to add incentives that help to  
13 mitigate the cost as well. So all of those factors mean that you can get into new  
14 technologies without a lot of the risk, and, you know, as we continue to focus on  
15 our customers' bill, I think that is one thing that we need to -- you cannot go it alone  
16 to build a first-of-a-kind technology, and what's going on with that nuclear  
17 construction in Georgia is a great example of that.

18 **COMMISSIONER SKRMETTA:** Right. Well, do you know what the federal  
19 commitment is on credits that they're --

20 **MR. MAY:** It's in the -- Commissioner, it's in the billions of dollars. I don't know  
21 what it is specifically for those units.

22 **COMMISSIONER SKRMETTA:** Okay. Would you consider interacting with  
23 other regional utilities, southern companies, et cetera, to try to engage with them to

1 look at sort of that concept of economies of scale to where, my understanding is, if  
2 they could get the federal government to commit to the \$2 billion of the initial  
3 design certification, that the overall costs of these SMRs, these small modular  
4 reactors, would be reduced to where they would be in the economy range for  
5 utilities to build them, number one.

6 **MR. MAY:** Right.

7 **COMMISSIONER SKRMETTA:** And also that they could replace the boilers at  
8 existing coal plants and they could utilize the current turbines and interconnect to  
9 reduce cost.

10 **MR. MAY:** Sure.

11 **COMMISSIONER SKRMETTA:** And like you said, outside of the Public  
12 Service Commission, they can be made to generate steam for the large energy users  
13 along the river who need steam, like you just said.

14 **MR. MAY:** Right.

15 **COMMISSIONER SKRMETTA:** So, you know, I think it would be interesting  
16 to get a report back from Entergy maybe in 90 days on what they could do to interact  
17 with other utility companies who either engage in the manufacturing utilization of  
18 nuclear power plants or engage with companies who do not at this time but would  
19 consider engaging in the construction of these small modular reactors that could  
20 overall benefit effectively the region, the country, but we find some benefit in  
21 Louisiana by building maybe one or more that could help offset this overall fuel  
22 dependency in one aspect.

23 **MR. MAY:** Absolutely.

1 **COMMISSIONER SKRMETTA:** All right. Okay. Thank you.

2 **CHAIRMAN BOISSIERE:** Thank you, Commissioner Skrmetta. Commissioner  
3 Greene.

4 **COMMISSIONER GREENE:** Yes. I'd like to have -- I have a question for  
5 MISO, but one last thing, just a challenge to y'all. We looked at -- I think Entergy  
6 has the highest stock price of any comparables and so, if y'all could --

7 **MR. MAY:** That is not right at all. That is not accurate. Prices of stocks are  
8 generally based upon what their PE ratios are. If you look at Entergy's stock, it  
9 trades at a discount to the market. Part of the reason we trade at a discount is  
10 because of hurricane risk and those types of things. Other utility companies trade  
11 at a premium to us, so it's not priced highest in the market, it actually is traded at a  
12 discount.

13 **COMMISSIONER GREENE:** It's still doing very well.

14 **MR. MAY:** Depends on your perspective. If you want to compare us to other  
15 companies, we're traded at a discount. If you own Entergy stock, you do get a  
16 dividend, that's part of what you get out of owning Entergy stock, but the notion  
17 that we're the highest priced utility is completely inaccurate.

18 **COMMISSIONER GREENE:** Okay. We can debate that another time. You  
19 have the resources to help a lot of people and I would just -- because y'all are  
20 partially regulated, if y'all were fully regulated, we would tell you what your salary  
21 is, what Phillip -- what Leo's salary is, so y'all are partially regulated. And so we're  
22 appealing to the good nature of y'all to help the people in times of need. And I  
23 know you have to make profits, but as long as you're partially regulated, we can

1 just ask you to please help and chip in until -- and while I think these are all great  
2 conversations about what's out there and the pros and cons, and that's why I'm  
3 excited about the customer-centered options docket because I think it's been a long  
4 while since we looked at what model is going to be absolute best for the customer.  
5 And so, you know what, we may find that the way we're doing it right now is the  
6 best way, but we looked and we studied and this is working. But I imagine there is  
7 some hybrid out there, whether it involves competition or something, to where we  
8 can have more customer-centered options. So thank y'all. Can I ask MISO -- could  
9 someone come up? Thank y'all.

10 **MR. MAY:** Let me just make one comment.

11 **CHAIRMAN BOISSIERE:** They're still -- no, wait, Entergy's still up.

12 **MR. MAY:** -- with regard to -- to our regulation. You're right, it is partial  
13 regulation, and in fact, we are required to come to the Commission every time we  
14 enter into a supply agreement. And as a result of that, nearly 25 percent of the  
15 energy we've procure is from outside of Entergy Louisiana. That is a relatively  
16 high percentage in the industry, and you look at other regulated markets, it's  
17 typically lower. That is because we're looking for the lowest cost source of fuel  
18 and we're complying with the Louisiana Public Service Commission's requirement  
19 that we present the lowest cost option before our [INAUDIBLE]. We have to go  
20 for a RFP to do that and that results in lower costs outcome to our customers. Thank  
21 you.

22 **CHAIRMAN BOISSIERE:** Let me ask -- I'm going to ask Entergy to stay, but  
23 I'm going to ask Mr. Brown from MISO to come up for a question from

1 Commissioner Greene. To kind of take the meetings out of order, if you will, by  
2 asking you to jump in. I know we had a line forming behind Entergy, but I don't  
3 want Entergy to be dismissed yet. So Mr. Brown from MISO, please.

4 **MR. DARYL BROWN:** Okay.

5 **COMMISSIONER GREENE:** Yes. Could you comment on resource adequacy  
6 in MISO right now?

7 **MR. BROWN:** Yeah. So we're currently going through a resource adequacy, a  
8 filing that's at FERC currently. That's going from a summer construct to four  
9 seasons. Those seasons will also include accreditation piece that's also a part of  
10 that. The final piece of that is what we're calling a MCO, minimum capacity  
11 obligation, which is currently at 50 percent. So all of those things are currently  
12 filed and we'll know more about that September 1<sup>st</sup>, is the anticipated date.

13 **COMMISSIONER GREENE:** What do you think about the thought that access  
14 to increased transmission and markets could lower prices and decrease volatility?

15 **MR. BROWN:** Well, I'd reference our value proposition for that, right. We -- 3.4  
16 billion was the 2021 figure. For the south region, there was a savings of 1.2 million,  
17 so -- I mean billion. Sorry about that. Big difference. So that would be my  
18 response to that. The long range transmission planning was approved yesterday for  
19 Tranche 1, that was for the Midwest area. Tranche 2 will also be the -- I'm sorry,  
20 the Midwest area. Tranche 3 will be discussed '23 timeframe, we'll start working  
21 on that next year. That's for the south, Tranche 3 is, and that all is about long range  
22 transmission planning.

23 **COMMISSIONER GREENE:** Thank you.

1     **CHAIRMAN BOISSIERE:** Anyone else for MISO?

2     **SECRETARY FREY:** Darryl, if you can shot -- Darryl sent me a text of a slide  
3     with the market of the solar that I think might be helpful to share to understand how  
4     much new solar is coming into MISO and how it's still just a small portion. I  
5     verified it was public data, I didn't want to share on my own, but Darryl can  
6     probably explain it better.

7     **MR. BROWN:** Yeah, let me pull that up, because I had to pull up when you asked  
8     the question. But yeah, this is based off of some recent presentations, I think it was  
9     the EEI presentation, which was all the CEOs across the nation there. And the  
10    percentage for coal is still 30 percent; the percentage for gas is 41 percent. If you're  
11    talking about renewables, it's 2 percent solar, 3 percent wind.

12    **SECRETARY FREY:** But there's also, too, what I saw on there, there's a huge -  
13    - a 40 percent increase year to year of solar clearing the market, which I think, you  
14    know, we talked about --

15    **MR. BROWN:** It is increasing, but still is a small percentage overall.

16    **SECRETARY FREY:** Right. Very small. Right. And I say the bulk of that  
17    probably is in Louisiana.

18    **MR. BROWN:** Yeah, and it goes back to the resource adequacy piece. You got  
19    to remember when you're talking about dispatchable load, that's at a 90 percent  
20    accreditation. Whereas solar, it's at 50 percent; wind is at 15 percent. So their  
21    credit, you know, so the capacity's going up, but the percentage in terms of  
22    accreditation is going down, and that's that minding the gap piece that we talk about  
23    a lot.

1 **CHAIRMAN BOISSIERE:** Okay. All right. Thank you, Mr. Brown.

2 **MR. BROWN:** Thank you.

3 **COMMISSIONER FRANCIS:** I've got a question.

4 **CHAIRMAN BOISSIERE:** Commissioner Francis.

5 **COMMISSIONER FRANCIS:** Thank you for coming again today, Daryl.

6 **MR. BROWN:** Absolutely.

7 **COMMISSIONER FRANCIS:** You know, for the benefit of the audience, we

8 have a lot of folks watching and tuning in to this and gleaning information from it.

9 And just for the record, MISO is a regional transmission operator, it's a non-profit

10 organization that regulates and monitors electricity flow in and out, on and off the

11 grid, 15 states in the United States.

12 **MR. BROWN:** And Manitoba Canada.

13 **COMMISSIONER FRANCIS:** For my little piece of Louisiana that I represent,

14 you've been a good help to me to understand, you know, all the ups and downs and

15 the challenges we have in the future. And one of them is designing the green energy

16 that we're trying to put on, but the importance of the coal, natural gas, and the

17 nuclear, that's dependable and is always there and ready to support the green stuff

18 when the sun doesn't shine and the wind doesn't blow.

19 **MR. BROWN:** That's right.

20 **COMMISSIONER FRANCIS:** And so I appreciate all the help that you've given

21 me to support and keep the lights on in the little part of Louisiana that I represent,

22 so thank you.

23 **MR. BROWN:** Thank you. I appreciate that.

1     **CHAIRMAN BOISSIERE:** Anymore? Thank you, Mr. Brown. Thank you very  
2 much. I'd like to ask Phillip and Mark to come back, please.

3     **MR. MAY:** Commissioner, if I may, just one addition on a comment that was  
4 made. The amount we pay for solar for the customers who put solar in now is based  
5 upon what we pay, and MISO is currently paying about \$90 a megawatt hour, so  
6 that is approximately what we will pay when a solar exports to the grid, so it is  
7 based upon a market price, it is based upon what we pay for power. If you have  
8 installed solar previously and you're grandfathered in, you continue to enjoy a retail  
9 rate for that. So there was no proposal and there is no event where Entergy or the  
10 other utility companies are paying zero for solar.

11    **CHAIRMAN BOISSIERE:** Commissioner Francis.

12    **COMMISSIONER FRANCIS:** Just briefly touch on hedging of gas, you know,  
13 and future power sources. As a small businessman, I've always worked on hedging.  
14 It's the way I've made a few dollars in my business, I take a lot of risk. It's the  
15 American way. And in the beginning of my six year service, I thought, well, yeah,  
16 we need to hedge, we're going to really save some money, but as I've talked to all  
17 my constituents in my area, hedging is another form of gambling, rolling the dice,  
18 and so for those folks that I represent in Louisiana, we're not interested in any  
19 hedging. We'll ride the Henry Hub wave and we'll take our bumps and lumps, but  
20 we won't get into a risk. When you look at the volatility of something like natural  
21 gas, the Secretary has shown us today, it's a rollercoaster. And then lastly, one  
22 thing, you are partially regulated by these five Commissioners here and I love what  
23 Ronald Reagan said. He said the most feared words in the English language are,

1 “I’m from the government and I’m here to help.” Okay. So I would fear the day  
2 when these five politicians were running the Entergy, okay. The people that I  
3 represent, they don’t want that, and those who do, they need to vote for someone  
4 else besides Mike Francis. But one thing I measure about you guys, you and all the  
5 other utility generators in Louisiana, the three independents and we have ten co-  
6 ops, we’re lower than Texas on our electricity bill, that tells me something about  
7 what you guys are doing. So thank you for keeping us ahead of Texas and in the  
8 top, probably, ten in America. So we’re all fighting this time. This is terrible, these  
9 rates, these high rates we have. We all hate it. We’re doing our best, but we’re still  
10 way up at the top and we need to -- let’s fight to try to get it number one. I think  
11 people like Entergy, SWEPCO, Cleco, and those ten co-ops can all work together  
12 to help. We’re here to work with you and not regulate everything you do. Okay.  
13 You guys know what’s going on. Bring us the new ideas and we’ll vote on them  
14 and we’ll try to make Louisiana better and I think we will. Thank you.

15 **MR. MAY:** And I’ll just comment, look, I appreciate those comments and the  
16 results of Louisiana fairly consistently being the lowest rates in the nation are a  
17 result of the work of this Commission cooperating and regulating aggressively as  
18 they, you know, I know you guys are very familiar with aggressive regulation,  
19 we’ve felt that. That said, we recognize what we’re dealing with right now is very  
20 challenging to our customer bases, and not just the low income, which is clearly is  
21 a very significant challenge, but across all segments, they are feeling it at a time  
22 when inflation is driving demands for their wallet in ways we haven’t seen in  
23 decades. And so we get it and we’re working trying to address those problems.

1 **COMMISSIONER FRANCIS:** Thank you.

2 **CHAIRMAN BOISSIERE:** Commissioner Greene.

3 **COMMISSIONER GREENE:** I just wanted to reference, when I asked the stock  
4 prices earlier, it was Duke's at 106, NextEra 80, Edison at 95, and Entergy at 110,  
5 and so that's just what I was looking at.

6 **MR. MAY:** Yeah, so that -- the price of stock has little to do with the value of the  
7 company. It has to do with how many shares are traded and so forth, and so what  
8 you really need to look at are things like market cap and you'll see that we're not  
9 the highest priced, not the largest, not by a longshot, and you need to look at  
10 evaluation metrics. And those evaluation metrics would tell you the RPE ratios are  
11 discounted versus the market and certainly discounted versus some of those  
12 companies you just mentioned.

13 **CHAIRMAN BOISSIERE:** Any other questions for Entergy?

14 **COMMISSIONER FRANCIS:** No, I'm good.

15 **CHAIRMAN BOISSIERE:** I have a few I would like to talk about. First of all,  
16 as you know, we started off with a presentation from our Secretary, Mr. Frey,  
17 discussing some of the issues of high bills, which include -- I guess highlight to  
18 include high fuel prices and natural gas increases as well as high customer usage,  
19 especially because of the unprecedented heat wave we're going through at this  
20 present time which makes it very, very difficult. And then we heard lots of  
21 questions, and we heard your presentation, your answers, and we heard lots of  
22 questions here, lots of questions from our Commissioners and I pretty much sit back  
23 and let everybody have their way and their say. And I appreciate all the

1 Commissioners for their comments and questions and they were very -- all pertinent  
2 to the process, all pertinent to the situation that we're dealing with, and all of it is  
3 worthy of further and deeper discussion, but I have some questions myself.  
4 Commissioner Campbell hit the nail on the head, I didn't know I'd have an advocate  
5 to my right, your left, from New Orleans about the things that I've been saying for  
6 a very, very, very long time. I shouldn't say it because nobody can say it better  
7 than Foster, but I've said it a thousand times so I'm going to -- I can't say it better,  
8 but I will say it again. I have encouraged and fought to get renewables, to get a  
9 diverse fuel mix for years, and he's right, you guys fought it. And I heard your  
10 answer, but you fought it. And we weren't asking for a 10, 20, 30, 50 percent. We  
11 were talking about .5 percent, we were talking about putting your toe in the water,  
12 diversify a little bit. I'm sure some of the other fuels we have in Louisiana weren't  
13 the absolute cheapest when we got into those either, and I mean things like coal and  
14 nuclear. You mentioned how expensive that is. But it's part of the natural fuel mix  
15 that creates a hedge, not necessarily a hedge instrument but a hedge by  
16 diversification. And those are the kind of things that I've been fighting for from  
17 the beginning and Commissioner Campbell noted that, and I just want to reiterate  
18 it because it's very frustrating to me to be here when I saw it coming, and I said it  
19 to you over and over again. And you did little or nothing. It's important to see that  
20 you're moving now because now we're chasing it. And it's just -- it's just not wise  
21 business practice, and I agree with Commissioner Campbell on the things he said  
22 about solar. I said it then. Actually, I would go around to people and try to make  
23 light of it. I would say, well, Entergy doesn't like solar until they figure out how

1 to own the sun. And so the fact is that -- the beauty of the sun is that nobody owns  
2 it and it should be a worldwide commodity because a war in Ukraine won't affect  
3 the sun prices. So solar would be very important because we all have access to it  
4 as citizens in the US and we ought to be able to use it in our energy mix. And I  
5 know that you're trying to get there now, but some development along the lines,  
6 even when it was a little more expensive, a small amount to continue to diversify,  
7 to expand the market and look at ideas. But I -- I mean, look, follow the money.  
8 The federal government is kicking in money, that's why people are chasing it. But  
9 the truth of the matter is, we all knew one day it was coming. Secretary Frey  
10 brought some other points up. He went back in time which was very important, I  
11 thought, and he mentioned in the early -- in the 2000s, when the fuel prices were  
12 even higher than they are now, and I was a brand new Commissioner back then  
13 when the fuel prices were actually almost double what they are now. And if you  
14 think this was a problem, that was unbearable, as a Commissioner and as a resident  
15 and a customer in Louisiana. The prices were through the roof. We were trying to  
16 build more fuel plants that even included coal and petcoke, which you -- we  
17 wouldn't do today because we had to find some relief. Now, that's back in time,  
18 that's a long time ago, but as a new Commissioner back then, I asked questions.  
19 Why were we not prepared for this day that we have high natural gas prices? What  
20 happened that we weren't prepared? This was in the 2000s, maybe 2008, like that,  
21 2009, in that era, and people said, well, gas prices were so cheap, we didn't do  
22 anything. We just burned the natural gas, we use natural gas to create electricity.  
23 And as the timeline continues, I'll skip ahead, and then, as mentioned, the natural

1 gas prices declined. As a matter of fact, I'll bring up one other story. I remember  
2 the prices were so high back then, the gas prices, that we were strongly considering  
3 buying a long-term contract, up to 20 years, for gas priced at about \$7 because that  
4 was a big relief to us. We're almost trading at 7 now and it's unheard of, high, it  
5 seemed so high, but that would have been a big relief. We just couldn't get the  
6 details worked out before the gas prices plummeted, so it's a good thing we never  
7 touched that, but that's how bad it was. The reason a lot of people have problems  
8 now is because we've had it actually pretty good for a long time, but the question  
9 again that I asked when I first came on this Commission was what do you do when  
10 the gas prices are low? How do you prepare for the day that they're no longer that  
11 low? And that's what I think -- and I don't want to put words in his mouth, he's  
12 right here, Commissioner Campbell was alluding to, and that's what I said, you've  
13 heard this from me before. Both of you have heard this so many times, you can  
14 complete my thoughts, I'm sure, on this one. But I fought for diversification and I  
15 fought for some renewables, even though I understand the pricing of renewables  
16 are coming down, especially solar. We could be further along in the queue. I have  
17 industrial companies that are beating down my doors, Chairman and the  
18 representative in District 3 is primarily, that are begging for solar, and later in this  
19 B&E at this meeting, I have a directive to address that and we'll discuss that further  
20 then. But all this leads to what we were talking about is what can the company do?  
21 What can you guys do, what can we do? I get calls in my office every day this  
22 month. Poor Jared over there, getting beat up on the phone all day, taking the calls.  
23 I think we got several hundred calls this month just on high bills alone, not to

1 mention emails and letters that constantly roll into the office. It's hard enough to  
2 keep up with it with our small staff. And people are frustrated, and so please excuse  
3 me if you're noticing frustration in my voice as well, but if I get it, I've got to turn  
4 around and give it to you, what I'm hearing because we're all people here. We're  
5 the Commission; you're the companies. And we have to work together to help  
6 people. Now I understand the markets and I understand the regulatory environment  
7 and I understand my job, believe me. There is -- like I tell the callers that call in  
8 and to people that stop me at the supermarket and family members that call me  
9 every day, trust me, nobody wants high utility bills. As a Commissioner, I want  
10 them to be as low as absolutely possible every time, and I'm speaking, I'm sure, for  
11 all my Commissioners up here. We may have slightly different ways of trying to  
12 achieve that, but we all want the same thing: Low prices, reliable service, and the  
13 best way to get there. And that's where our discussion, our dialogue begins, and  
14 that's where we ask you to be a partner and a cooperation to help us serve the people  
15 of Louisiana, because that's who we work for. I don't have shareholders, you  
16 know, I don't have a board. I answer to the public. And so the public calls me and  
17 I have to give them answers when they're frustrated and I get frustrated as well.  
18 Let me take a breath and say I thank you for your press release yesterday. As you  
19 know, I've been calling and talking to you guys every day for the last few weeks  
20 asking for things to get done, and I'm glad you made some good concessions. I see  
21 that you waived some fees, like the credit card fees and the late fees. Trust me, I  
22 know that will help. It's a small help, but it's a help, and people need all the help  
23 they can get right now. And I thank you for the \$10 million donation -- or I'm not

1 sure if it was a donation or an assistance, to help people pay utility bills and other  
2 things. But that's necessary. These are the kind of things we need done to help  
3 people. I've said it all the time, I say it in my office when the callers come in, and  
4 I need the companies. Entergy is before us right now because they're the big boys  
5 in the state, but if you're listening to me, I'm talking to the other companies as well.  
6 I'm talking to the Clecos of the world, and if you want to come up, you get a chance  
7 to come up as well, the SWEPCOs, and even the co-ops. Work with your  
8 customers, work with the people of Louisiana, your clients. Get them on deferred  
9 payments if you can. That's not free bills, but you can spread it out over time, make  
10 it more affordable. We have people that can't meet -- pay their utility bills to begin  
11 with, and that's where it becomes very frustrating. I thank you for trying to reach  
12 out. As you and I will do a lot of, which is meet with the public and explain this to  
13 them to the best of our ability. And I'm glad to hear you talk about efficiency and  
14 weatherization, something else I fought for. I see Logan there, Logan from the  
15 Alliance for Affordable Energy. She knows I've talked about these things for years  
16 now and she knows I've been an advocate for efficiency and weatherization for  
17 years as well as diversifying our fuel mix and bringing in renewables. And those  
18 are just some of the answers that have come up in today's meeting, so I want to  
19 highlight them. But I want to let you know, I get calls every day that even go  
20 beyond this. Some of these things that we saw in the presentation, these things may  
21 knock a few bucks off and may help people get through a month, but some bills are  
22 double. Some people's bills are one, two hundred dollars more than they're  
23 expected to pay, even this time last year, and so we've got to do better, we've got

1 to do more. Some of these things such as we talked about a lag in the gas prices,  
2 we talked about May bills coming up now and July bills coming up in September.  
3 Those are all future things, but people are hurting today. A majority of our calls in  
4 our office have come from our senior citizens, people on fixed income, but the  
5 problem is the bills aren't fixed. So if you have a fixed income but a rising bill,  
6 something else has got to suffer if you want to keep the lights on. So I'm fighting  
7 for our senior citizens right now who are on fixed incomes especially, and I didn't  
8 hear anything about them today, but they're a huge part of the calls that I get. And  
9 I want you to come up with a plan to help our senior citizens. And maybe that's  
10 part of the 10 million, maybe we can come up with something else, but something's  
11 got to get done for them. I want to work you and I'm sure my fellow  
12 Commissioners to do something for our senior citizens and people on fixed incomes  
13 because these bills aren't fixed, they keep rising. The other thing, and we've talked  
14 about this, and I don't know the right pathway, but a month ago at the B&E, one  
15 month ago at the B&E, if you go back and check the record, I called and mentioned  
16 that we were having a weather -- unprecedented high weather and weather  
17 emergency right now because of the high heat and that would limit or stop utility  
18 companies from disconnecting power. That came up last month at the B&E, I  
19 mentioned to you guys. I want to call for that again. I don't know the weather  
20 temperature dates, but we have to work together to include -- if not just by simply  
21 the weather temperature, by some method, we have to find ways to work with you.  
22 We've been working on a plan but we have to come up with something that we can  
23 put in to stop people from being disconnected for these temporarily rising high bills,

1 to get them through a difficult time. If you even -- and not to bring this up, I know  
2 it's a difficult question, but we just got through COVID. We're not really through  
3 COVID, but we got through the really tough time of COVID where people couldn't  
4 work and couldn't pay their bills and they had to stay inside and we've helped  
5 people through those periods. This is, you know, coming on the heels of that, but  
6 we have to find ways to work with our customers to get them through tough times,  
7 you know, and again, I'm speaking to everybody in the room, but I know you guys  
8 are right in front of me. I know who you are, you're Entergy, and I talk to you,  
9 Phillip, and Kleehammer -- Mark Kleehammer. I talk to Mark probably daily and  
10 Phillip periodically, but enough to know that we're working together to help people.  
11 But listen, we have got to get these rates and the fees under control. You know, the  
12 high utility bills are hurting our businesses and our families and we have to do  
13 something about this now. We can't look at it down the road. It's got to be -- we  
14 got to find help for right now. Let me say it again. Let's get these rates and fees  
15 under control right now because I've got customers who are facing disconnections.  
16 I have customers that don't know what decision they're going to make because let  
17 me say this, a lot of this is our fault, but it's not what we can do what we have to  
18 do to make it easy. What I mean by that is, we have people who have to make  
19 decisions between utility bills and medication. How much of their medication can  
20 they buy and keep their lights on? We have people that have to make decisions on  
21 utility bills and transportation or housing costs and rent, and none of those bills are  
22 going down either. So I implore you to give us help here at the Commission. I ask  
23 for you to sharpen your pencils and work with us. You have a monopoly here and

1 there's some people who are questioning whether that should exist or not. I don't  
2 know, but I will say this, with the monopoly, we are linked, we are tied together.  
3 The people of this state need you and you need the people of this state and the go  
4 between is this Commission, so let's all work together and get control of this  
5 problem. And again, I thank you for the penny you shaved off now and again last  
6 month, I thank you for some of the concessions on fees, but we have more work to  
7 do and I want to continue to work with you as well as my fellow Commissioners to  
8 get these prices down.

9 **MR. MAY:** Thank you, Commissioner.

10 **CHAIRMAN BOISSIERE:** I guess that's not really a question but if you have a  
11 --

12 **MR. MAY:** I do have a comment and first of all, thank you for that. We appreciate  
13 your comment, and I certainly can confirm the -- your position on solar and energy  
14 efficiency hasn't wavered. The \$10 million donation will go to Power to Care and  
15 other means of helping customers to pay their bill. Another important part of what  
16 we can do is something call LIHEAP, the low income housing energy assistance  
17 program. This year, Louisiana has \$29.2 million available from the federal  
18 government to help people pay their bills; last year it was 12.9, so it's a huge  
19 increase. One of the things that we need to do to help is state agencies require a  
20 disconnect notice to get assistance with their bill. During COVID, we got a waiver  
21 of that from the state. We need to do the same thing so we can help those people  
22 before it's too late, so that is one of the things we can do together. Rest assured, if  
23 our customers call us and they tell us they have a problem with their billing, we can

1 put them on a deferred payment program and we will not disconnect their electricity  
2 as long as they make an effort to pay. And we can stretch that out in a means that  
3 makes it as affordable as possible. We know it's a burden, but customers will not  
4 get disconnected if they reach out to us and enter into a plan to make sure they can  
5 afford to pay that going forward. Thank you.

6 **CHAIRMAN BOISSIERE:** Any other questions for Entergy? Just remember,  
7 Phillip, let's get these rates and fees under control right now. That's what we have  
8 to do.

9 **MR. MAY:** Thank you.

10 **CHAIRMAN BOISSIERE:** I thank you for standing before us and thank you for  
11 taking the tough questions. We may have some other people that have questions  
12 for you before the day is over, so I hope you stick around, but we have to move on  
13 with the rest of our docket. And I can't thank you enough for coming here and  
14 taking these tough questions and being before the public here today. It's necessary  
15 that we all do these things together.

16 **MR. MAY:** Thank you.

17 **MS. BOWMAN:** And Chairman --

18 **CHAIRMAN BOISSIERE:** At this point, I have a request to speak by a Logan  
19 Burke of the Alliance for Affordable Energy.

20 **SECRETARY FREY:** And Mr. Chairman, while she's coming up, you mentioned  
21 the heat advisory. Just to let you know, our order's tied to the National Weather  
22 Service or the closest National Weather Service office declaring a heat advisory,  
23 which is the lower of the two, there's an excessive heat warning as well. And I just

1 pulled up the National Weather Service map, so essentially, everything in the  
2 Monroe and Shreveport National Weather Service field office right now is under a  
3 heat advisory, so our disconnect prohibition is in effect right now for this area, for  
4 the Monroe area. South Louisiana is not, and the reason why is we're having rain  
5 down there.

6 **CHAIRMAN BOISSIERE:** Okay. Let me say that out loud, let me summarize  
7 that for you.

8 **SECRETARY FREY:** Sure.

9 **CHAIRMAN BOISSIERE:** So simply by the weather itself and the high heat  
10 weather right now --

11 **SECRETARY FREY:** Correct.

12 **CHAIRMAN BOISSIERE:** -- the people in north Louisiana, and we can be more  
13 specific on the locations, but in north Louisiana is under a heat advisory?

14 **SECRETARY FREY:** I'm going to show this for Jerry. Jerry, if you could zoom  
15 in. If you go to the National Weather Service map, and it does it for the whole  
16 country, orange -- I'm a weather geek, I got to be in this business, but orange is the  
17 color for a heat advisory and purple is an excessive heat warning. If either one of  
18 those is in place for the parishes highlighted, then our disconnect rules are in place.

19 **CHAIRMAN BOISSIERE:** Okay. So we have no disconnects currently because  
20 of the excessive heat warning and heat advisory based on the National Weather  
21 Service.

1 **SECRETARY FREY:** Yeah. Basically from Rapides Parish -- everything north  
2 of Rapides Parish from the Texas to Louis -- Mississippi, Arkansas border is under  
3 heat advisory now.

4 **CHAIRMAN BOISSIERE:** And the public can access the National Weather  
5 Service maps [INAUDIBLE] --

6 **SECRETARY FREY:** Yes. Weather.gov.

7 **CHAIRMAN BOISSIERE:** -- [INAUDIBLE] on our website.

8 **SECRETARY FREY:** Weather.gov and we can put those on our website.

9 **CHAIRMAN BOISSIERE:** There might be a link. And let me say, what I was  
10 calling for with Entergy was that, of course, but also that we come together and  
11 come up with a plan. But like you're saying, in southern Louisiana it's raining right  
12 now, so I wonder if somebody's going to get disconnected because of the rain  
13 today. You understand? So we need to find ways to protect people to get -- look,  
14 this is a period of time that's difficult. I think it's going to pass, I think the fuel  
15 prices will change. I don't have a -- I'm not a, you know, I can't speculate on the  
16 commodity.

17 **SECRETARY FREY:** I'm not going to either.

18 **CHAIRMAN BOISSIERE:** Like you mentioned [INAUDIBLE] be on Wallstreet  
19 if I could do that better than we have now, but I got to believe some of these things  
20 are going to -- they're difficult right and it may be difficult for a few months, but I  
21 think it is going to get better. We've already seen some prices start to reduce over  
22 time. Let's keep our fingers crossed and continue to work to make that happen.

23 **SECRETARY FREY:** Sure.

1 **CHAIRMAN BOISSIERE:** But the things I'm talking about is that we can work  
2 the companies to create a further policy that may not necessarily rely on the  
3 National Weather Service to be our trigger and that's what I ask Entergy for today  
4 and that's what I want to continue working for.

5 **COMMISSIONER SKRMETTA:** Chairman?

6 **CHAIRMAN BOISSIERE:** Commissioner Skrmetta.

7 **COMMISSIONER SKRMETTA:** Yeah, I think Mr. May mentioned that if  
8 someone -- we can utilize the position that we put into place during the COVID  
9 measure, that if someone is in a position to where they're not going to be able to  
10 make their bill, but they can pay part of it, they can contact Entergy, ask -- what's  
11 the name of the program, Phillip?

12 **MS. BOWMAN:** It's LIHEAP.

13 **SECRETARY FREY:** LIHEAP.

14 **COMMISSIONER SKRMETTA:** It's under LIHEAP.

15 **SECRETARY FREY:** Yeah.

16 **COMMISSIONER SKRMETTA:** Go under LIHEAP and they can agree to pay  
17 part of their bill and as long as they can engage in some payment, that they won't  
18 be shut off --

19 **CHAIRMAN BOISSIERE:** Right.

20 **COMMISSIONER SKRMETTA:** -- and that they'll carry the balance forward  
21 in a way where they can pay it as they move forward.

1 **CHAIRMAN BOISSIERE:** Great point, Commissioner Skrmetta. The LIHEAP  
2 Program at Entergy has done that and continues to do that. I didn't mean to run  
3 Logan away.

4 **MS. LOGAN BURKE:** I'm still here.

5 **CHAIRMAN BOISSIERE:** Logan Burke with the Alliance for Affordable  
6 Energy, please come up here.

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

8 **CHAIRMAN BOISSIERE:** And I know you had signed a card to speak and we're  
9 so glad to have you and thank you for taking the trip to Shreveport and the floor is  
10 yours.

11 **MS. BURKE:** Thank you. Logan Burke for the Alliance for Affordable Energy.  
12 And as you know, you can't run me away. I'm always going to say what needs to  
13 be said about this. So I just want to start by saying heat kills. Heat is the number  
14 one weather related killer in this country. And yes, we happen to be in a -- sitting  
15 in a place that is under a heat advisory. Tomorrow it might not be, and then the  
16 very next day it might be again. We are experiencing unprecedented heat this  
17 summer and we know, because of climate change, it is only going to get worse. In  
18 many states in the northeast where cold is a concern, there are existing policies in  
19 place that enable basically for low income customers to not be disconnected for  
20 cold summer -- cold winter months, rather, just simply so that they can make it  
21 through the winter. The south, we've never done this. What we have, as you  
22 described, as we've just heard, is a policy in place that is based on a single day.  
23 Single day, whether the National Weather Service has taken a position on whether

1 it is a heat advisory or not. And we're very concerned that because of the extreme  
2 costs due to fuel that there are going to be people who we know are already losing  
3 their homes. We know, we're hearing from people who are being evicted because  
4 they can't pay their utility bill. We're also hearing from cap agencies that that  
5 LIHEAP money is running out, that the demand for LIHEAP means that some cap  
6 agencies can't manage the number of applications. People who've never even had  
7 to even hear about, never had to know about, people who can't even get LIHEAP  
8 are lining up to try and get some of these services. And so I'm sure all of you are  
9 aware that yesterday the New Orleans City Council requested that there be a  
10 moratorium on shutoffs in order to protect life, health, and safety. Entergy New  
11 Orleans agreed. The Council approved a resolution, and on top of the things that  
12 we heard Entergy Louisiana say here today, Entergy New Orleans agreed to not  
13 disconnect people for inability to pay until November. Now, I recognize that that  
14 comes with consequences, and we understand that we don't want to see people go  
15 deeper and deeper into utility debt because that is another burden. This is all the  
16 more reason that we desperately need energy efficiency programs that are not just  
17 light bulbs and that don't run out in just a few months. We need arrearage  
18 management programs that can help people dig out from under that debt and we  
19 need to divest from a future of just fossil fuel powered systems that are tethered to  
20 international commodity markets that put people's lives at risk, now and in the  
21 future. And while we're very glad to see that Entergy is moving on solar and we're  
22 very glad to see that SWEPCO has acquired so much wind, so much more needs to  
23 happen, and frankly, it's not just the Louisiana Public Service Commission that

1 needs to be making these decisions all by yourselves. It's also that the Commission  
2 needs to be working with what should be a robust state energy office. Through the  
3 Infrastructure and Jobs Act, there's a lot of available money to our state that should  
4 be coming through the Department of Natural Resources where our state energy  
5 office sits. There are lots of programs, lots of dollars that are available through that  
6 Infrastructure and Jobs Act that we need to be accessing and that the Commission  
7 could be coordinating with that state energy office to go after energy efficiency  
8 dollars, so that they're not just these small programs, even once the Commission  
9 finalizes its rule, which I really hope it finalizes its rule soon, because people can't  
10 afford what's happening right now. But furthermore, when we're looking at those  
11 integrated resource plans, we cannot continue to assume, and when I assume I mean  
12 that in a very technical sense, within the modeling of those integrated resource  
13 plans, that the cost of natural gas is not going to do these crazy spikes because we  
14 know that it will, and we know that that impacts people immediately when it does,  
15 or rather on two months lag. And so we really encourage the Commission to direct  
16 the utilities to include those outlying costs of natural gas in their modeling of these  
17 IRPs that are all underway right now, so that we can really see and understand what  
18 those risks are to all of us if we're not thinking honestly and reporting honestly  
19 about the cost of these international commodities. Thank you.

20 **CHAIRMAN BOISSIERE:** Thank you. Any -- before you leave, does anybody  
21 have any questions for the Alliance for Affordable Energy? Commissioner Francis,  
22 no?

1 **COMMISSIONER FRANCIS:** No. Thank you for what you've done to help me  
2 with the energy efficiency programs. I'm very interested. We've had some exciting  
3 things happen in my district because of it. Who is the -- heat is the number one  
4 killer in America and whose -- what's number two?

5 **MS. BURKE:** I think it's extreme cold. So I'm talking about weather-related  
6 disasters, so I'm saying it's heat over extreme cold, it's heat over tornadoes and  
7 floods and fires and all of these weather related disasters that, you know, usually  
8 make the news. Heat related deaths don't make the news very often.

9 **COMMISSIONER FRANCIS:** So it's a combination of all those different  
10 problems?

11 **MS. BURKE:** Right, but I'm saying that when people are in a situation, especially  
12 those who are vulnerable to extreme heat, that's often the elderly, that's often the  
13 young, that's folks who have respiratory disease or cardiovascular issues, extreme  
14 heat is a real danger.

15 **COMMISSIONER FRANCIS:** Well, I think anybody would agree in Louisiana,  
16 we've gotten in the fast lane on working on solar and big solar is -- we're really  
17 moving forward with that. I still remember those days where we would meet up by  
18 the rooftop solar folks, and I just want to ask your opinion. You think it's fair for  
19 another Entergy customer to subsidize an Entergy customer who's putting rooftop  
20 solar on to --

21 **MS. BURKE:** I think that the report that you are referring to does not fairly  
22 account for the benefits that all customers are receiving when a rooftop solar  
23 customer has solar. I think that it's been shown in lots of analysis that I'd be happy

1 to send you that actually, on balance, it's a net benefit to all customers, not a net  
2 negative to non-participants.

3 **COMMISSIONER FRANCIS:** Yeah, I like rooftop solar, I'm a supporter of  
4 anyone who would like to put it on. I just know that a lot of my Entergy customers  
5 who don't have the rooftop solar are not interested in helping to pay to subsidize -  
6 -

7 **MS. BURKE:** Fortunately, they're not.

8 **COMMISSIONER FRANCIS:** -- those folks that are doing that, and that's where  
9 the main complaint has been and there's been a lot of misinformation on us being  
10 the bad guys because we won't subsidize rooftop solar, so I just wanted to make  
11 that point. But thank you again for what you do for energy efficiency.

12 **MS. BURKE:** I understand that, and I just want to make one point, which I think  
13 is important here. The value that somebody who puts solar on their rooftop now  
14 receives is not the current present LMP cost. They're not receiving the \$90 that is  
15 currently on the LMP market. What they're receiving is an LMP tied to an average  
16 annual value, and so they're -- right now, I believe the LMP value that somebody  
17 who has recently put solar on their rooftop who's not grandfathered is around 35 -  
18 - or rather, yeah, \$35 a megawatt hour, meaning it's vastly lower than the cost that  
19 they are paying for power. So I just wanted to clarify that.

20 **CHAIRMAN BOISSIERE:** Thank you, Logan, for clarification. Any further  
21 follow ups, anybody else? Okay. Thank you. I think -- wait, wait.

22 **SECRETARY FREY:** Logan. I just wanted to --

1 **CHAIRMAN BOISSIERE:** Yes, Secretary Brandon Frey has a question or  
2 clarification.

3 **SECRETARY FREY:** Yeah, I just wanted to give you an update. You talked  
4 about working within state energy office. Actually, we have started that  
5 engagement with the governor's office, state energy's office. We had actually --  
6 Kathryn attended a meeting when I was at NARUC and we have another meeting  
7 coming up, so we are definitely working directly with them to look at what dollars  
8 are available. So I just wanted to make sure you knew that and the Commission  
9 and the public knew that as well.

10 **MS. BURKE:** That's really great because there are millions of dollars --

11 **SECRETARY FREY:** Yes.

12 **MS. BURKE:** -- of energy efficiency weatherization dollars that go well beyond  
13 just really small [INAUDIBLE].

14 **SECRETARY FREY:** That's correct. And they've got -- some of these other  
15 agencies have the ability to access resources that we don't, so we're all going to be  
16 working together on that.

17 **MS. BURKE:** I'm so glad. Thank you.

18 **CHAIRMAN BOISSIERE:** Well, first of all, Logan, stay put. How about -- wait,  
19 let me -- I'm going to let you know when we're all finished with you --

20 **MS. BURKE:** Okay. I'll just keep standing.

21 **CHAIRMAN BOISSIERE:** -- so I don't have to keep calling you back up.  
22 Commissioner Greene had a follow up to Brandon, and then Commissioner Francis  
23 has a follow up for you.

1 **COMMISSIONER GREENE:** So Brandon, I know there's all sorts of federal  
2 monies but they're tricky to get to.

3 **SECRETARY FREY:** Correct.

4 **COMMISSIONER GREENE:** Do we have a coordinated effort or expert at what  
5 it takes to get those, whether it's Department of Energy or the Tax Cut and Job,  
6 whatever?

7 **SECRETARY FREY:** So this is the way that we've approached it so far, just in  
8 the first initial meetings. Now that we've actually got a concrete plan available, is  
9 the way I appreciate it, before, it was speculation as to what was going to be  
10 available in there. It does flow, as Logan says, through the state Department of  
11 Energy, which is housed with Department of Natural Resources. We've got our  
12 attorney and our consultants who are in the applicable dockets with the Commission  
13 are going to be engaged with them as well in a series of meetings. They've got  
14 access to grant people on their staff that we don't have, but they understand that  
15 this money would flow through either us directly or our utilities, so that effort has  
16 started and it's just going to get more robust, is the way I appreciate it.

17 **COMMISSIONER FRANCIS:** And Logan, I would like to --

18 **CHAIRMAN BOISSIERE:** Commissioner Francis.

19 **COMMISSIONER FRANCIS:** -- ask, the money that's flowing to DNR, why  
20 isn't it coming to the PSC? It doesn't make sense that the Department of Natural  
21 Resources, I think that ties into something that Brandon's talking about. We need  
22 to change that.

1     **SECRETARY FREY:** So the way I appreciate it, Commissioner, is the way the  
2     infrastructure dollars were set up through the various TCJA and Infrastructure Act,  
3     it goes through the state energy office. Each state has an energy office and it's  
4     typically not the PSC in those states, it's typically the Department of Natural  
5     Resources or their equivalent agency in another state. And frankly, they've got the  
6     mechanisms in place more to handle that. They get federal dollars all the time. We  
7     really don't have the staff or the capabilities, so I think working together. They  
8     understand our role's important. They've engaged us because of that, they know  
9     this is going to directly benefit ratepayers, if we're talking weatherization and those  
10    type of things. If it's resilience, it's going to directly affect ratepayers but also the  
11    utilities because it's going to flow through that way as well. So there's different  
12    pieces, and I think that's why it's set up as it is. I don't know that I'd want to have  
13    that responsibility. I think we're in a good place because we're going to be directly  
14    involved, but they're going to be the ones that are going to make that ask with our  
15    input.

16    **COMMISSIONER FRANCIS:** Okay. Maybe I'll just sneak in a little directive  
17    with a report [INAUDIBLE] so we can clearly more understand this. Okay.

18    **SECRETARY FREY:** Sure. Look, we can -- I'm more than willing to give an  
19    update next month. We'll have a couple of meetings before our next B&E with  
20    them, so I'm more than willing to do that.

21    **COMMISSIONER FRANCIS:** I think Logan will help you make sure you follow  
22    up on that, too. Thank you.

1 **CHAIRMAN BOISSIERE:** Well, thank you, Logan, and thank you for  
2 representing the Alliance. I don't think we have any more questions for you, so I  
3 appreciate it.

4 **MS. BURKE:** Thank you.

5 **CHAIRMAN BOISSIERE:** Mr. Brown from MISO, would you come back up  
6 for us, please? I know you already spoke to us. I didn't know if you had anything  
7 else to add on the presentation level, but if not, we do have one more question  
8 follow up from Commissioner Greene.

9 **MR. BROWN:** Okay. No, I didn't have a presentation.

10 **CHAIRMAN BOISSIERE:** Okay.

11 **COMMISSIONER GREENE:** Could you comment on whether or not in MISO  
12 South, in particular, Zone 9, are we long or short, and if so, how much?

13 **MR. BROWN:** I can't give you those specific numbers. I can get those for you.  
14 I can tell you that when we did the recent PRA, there was a 1,900 megawatt flow  
15 from the, you know, from the south to the north, which means we're long for the  
16 south region as a whole.

17 **COMMISSIONER GREENE:** Okay. Yeah, if you could get that back to us,  
18 perhaps next meeting.

19 **MR. BROWN:** For Zone 9, yes, I will do that.

20 **COMMISSIONER GREENE:** I'd like to know if we're long or short, particularly  
21 Zone 9, and if so, by how much.

22 **MR. BROWN:** Okay.

23 **COMMISSIONER GREENE:** Thank you.

1     **CHAIRMAN BOISSIERE:** Okay. Well I think that takes us back to our regular  
2     docket, Ms. Bowman.

3     **MS. BOWMAN:** Are we ready?

4     **CHAIRMAN BOISSIERE:** So if we're prepared, I think that's the end of our  
5     speakers that we've taken out of order, so we're ready to move on to the docket,  
6     please.

7     **MS. BOWMAN:** Okay. And there is one more agenda item we will take up out  
8     of order. It is Exhibit 21, but we will move that to the end because it has a possible  
9     executive session to it.

10    **CHAIRMAN BOISSIERE:** All right.

11    **MS. BOWMAN:** And so moving to Exhibit Number 2, it's Docket Number T-  
12    36308. It's the Commission versus Jenn Energy Services regarding an alleged  
13    violation of the Revised Statutes of 45:161 through 180.1, by operating intrastate  
14    without Commission authority to transport saltwater utilized in oil well exploration  
15    and production on 97 counts occurring December 1<sup>st</sup> through December 19, 2021  
16    and General Order 9901 as amended for failure to comply with leasing rules on 14  
17    counts occurring December 20<sup>th</sup> through December 31, 2021. This is a discussion  
18    and possible vote pursuant to Rule 57 on affidavit and stipulation executed by the  
19    carrier, so this will need two votes. As a result of a manifest audit submitted to  
20    Staff by the Office of Conservation of Department of Natural Resources, a citation  
21    was issued to Jenn Energy Services on March 29, 2022 based on the  
22    aforementioned allegations and violations. In response to the citation, the vice  
23    president of Jenn Energy signed an affidavit and stipulation admitting to all

1 violations alleged in the citation in this docket. In that affidavit and stipulation, the  
2 company agreed to the imposition of a \$16,100 fine, with \$8,050 of the fine  
3 suspended for pleading guilty; the imposition of a \$2,800 fine with \$1,400 of the  
4 fine suspended for violating General Order 9901 as amended; the imposition of a  
5 citation fee of \$25; implementation of changes to corporate training policies;  
6 funds will be paid by certified funds in three monthly installments, with the first  
7 payment and the \$25 citation fee due on July 6<sup>th</sup>, and then final payment due  
8 September 8, 2022; and that all suspended portions of assessed fines will  
9 become due immediately if the carrier fails to meet payment deadlines  
10 prescribed in this stipulation or is found guilty, enters a plea of guilty, or enters  
11 a plea of no contest to any of the rules and regulations of the Commission  
12 relative to operating outside of its scope and leasing of motor vehicles  
13 authorized by the carriers. Additionally, the company and Commission Staff  
14 agreed that the affidavit and stipulation is a global settlement of any and all  
15 violations of transporting natural hazardous -- excuse me, non-hazardous  
16 oilfield waste without authority and utilizing owner/operators without proper  
17 leases being filed with the Commission occurring before May 2, 2022. Staff  
18 recommends that the Commission: 1) Exercise its original and primary jurisdiction  
19 under Rule 57 to consider the affidavit and stipulation; and 2) Accept the affidavit  
20 and stipulation executed on July 1, 2022 for fines and fees totaling \$9,475.

21 **COMMISSIONER FRANCIS:** Francis moves to take the order up under 57.

22 **COMMISSIONER GREENE:** Second.

23 **COMMISSIONER FRANCIS:** Second by Commissioner Greene.

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

2 **COMMISSIONER SKRMETTA:** We got to vote on the 57 first.

3 **COMMISSIONER FRANCIS:** Okay. We got to vote on the 57. Is there any  
4 opposition to moving to 57? [NONE HEARD] Hearing no opposition, move to  
5 Rule 57. Commissioner Greene recommends Staff recommendation, and I'll  
6 second that. Any opposition? [NONE HEARD] So this exhibit passed. Exhibit  
7 3.

8 **MS. BOWMAN:** Exhibit Number 3 is Docket Number T-36309, is the  
9 Commission versus Axe Directional Drilling. It's an alleged violation of Revised  
10 Statutes 45:161 through 180.1, by operating intrastate without LPSC authority to  
11 transport saltwater utilized in oil well exploration and production on 172 counts  
12 occurring on December 1<sup>st</sup> through December 31, 2021. It's a discussion and  
13 possible vote pursuant to Rule 57 on the affidavit and stipulation executed by the  
14 carrier. So this will again need two votes. As a result of another manifest audit  
15 submitted by Staff to the Office -- submitted to Staff by the Office of Conservation,  
16 a citation was issued to Axe Directional Drilling on March 29, 2022 based on the  
17 aforementioned allegations and violations. In response to the citation, the president  
18 of Axe signed an affidavit and stipulation admitting to all violations alleged in the  
19 citation. He also agreed to the imposition of a \$56,000 fine with \$28,000 of that  
20 fine being suspended conditioned on the following: A plea to guilty to all violations  
21 as mentioned within the citation; not being found guilty, entering a plea of guilty,  
22 or entering a plea of no contest to any of the rules and regulations of the  
23 Commission for one year from the date of this executed affidavit; cease transporting

1 LPSC regulated waste for disposal intrastate until such time that the carrier obtains  
2 a common carrier certificate from the Commission authorizing the transportation  
3 of such regulated waste; fines and fees will be paid by certified funds in eight  
4 monthly installments, with the first payment and the \$25 citation fee due on or  
5 before July 6<sup>th</sup>; and that all suspended portions of the assessed fines will become  
6 due immediately if the carrier fails to meet payment deadlines prescribed in the  
7 stipulation or is found guilty, enters a plea of guilty, or enters a plea of no contest  
8 to any of the rules and regulations of the Commission. Additionally, the company  
9 and the Staff agree that the affidavit and stipulation is a global settlement  
10 between the parties of any and all violations of transporting saltwater utilized in  
11 oil well exploration occurring before April 8, 2022. Staff recommends that the  
12 Commission: 1) Exercise its original and primary jurisdiction under Rule 57 to  
13 consider the affidavit and stipulation, and 2) Accept the affidavit and stipulation  
14 executed on July 5, 2022 for fines and fees totaling \$28,025.

15 **COMMISSIONER GREENE:** Motion to take the item up under Rule 57.

16 **COMMISSIONER FRANCIS:** Commissioner Greene moves to take it up under  
17 57. Seconded by Commissioner Skrmetta. I would make a motion that we --

18 **COMMISSIONER SKRMETTA:** We have to vote on 57.

19 **COMMISSIONER FRANCIS:** Oh, I'm sorry. We need to vote on -- is there any  
20 opposition to moving to 57? [NONE HEARD] Hearing no opposition, the floor is  
21 open for the next motion. I make a motion that we accept the Staff's  
22 recommendation.

23 **COMMISSIONER GREENE:** Second.

1 **COMMISSIONER FRANCIS:** Seconded by Commissioner Greene, and while  
2 we're at it, Tammy Burl's in charge of this particular division. Do you have any  
3 comments or anything about this? [NONE HEARD] Okay. Good. All right.  
4 Thank you, Tammy. So Number 3 is passed. Number 4 -- Exhibit 4.

5 **MS. BOWMAN:** Exhibit Number 4 is Docket Number S-36267. This is 1803  
6 Electric Cooperative, Beauregard Electric Cooperative, Claiborne Electric  
7 Cooperative, Northeast Louisiana Power Cooperative, South Louisiana Electric  
8 Cooperative, and Washington-St. Tammany Electric Cooperative's petition for  
9 approval of letter of non-opposition for 1803 to establish a revolving line of credit  
10 and for supporting guaranties by member cooperatives. It's a discussion and  
11 possible vote on Staff's recommendation. On February 3, 2022, 1803 Electric  
12 Cooperative, Beauregard, Claiborne, Northeast, SLECA, and Washington-St.  
13 Tammany filed a petition seeking the Commission's non-opposition for 1803 to  
14 establish a revolving line of credit and for supporting guarantees by the Member  
15 Cooperatives. The application was published in the Commission's Bulletin and no  
16 interventions were filed. In the petition, 1803 states that it plans to establish a  
17 revolving line of credit for \$75 million with the National Rural Utilities  
18 Cooperative Finance Corporation. 1803 requires access to cash and credit to  
19 engage in initial and ongoing operating activities and to provide sufficient funding  
20 and liquidity to engage in transactions necessary to provide services to the Member  
21 Cooperatives. 1803 and the Member Cooperatives plan to secure the credit facility  
22 by pledging all 1803 assets as collateral and by providing a guarantee from each  
23 Member Cooperative to support a proportional share of 1803's total obligation as

1 set forth in the form of a Member Guaranty. The term of the credit facility will be  
2 for three years. Staff conducted a thorough review of the petition, all supporting  
3 documentation, and responses to discovery. On July 13, 2022, Staff filed the Direct  
4 Testimony of Mr. Lane Kollen and Exhibits, finding that the application satisfies  
5 the requirements of the '94 General Order, subject to certain conditions,  
6 summarized as follows: 1803 remains subject to the Commission's jurisdiction and  
7 its general orders as described in Order Number S-35709 dated July 2, 2021; any  
8 non-opposition to the financing is subject to the Commission's approval of 1803's  
9 wholesale formula rates in Docket Number U-36268, which is also up for  
10 consideration today. And on July 14, 2022, 1803 and the Member Cooperatives  
11 filed its approval and consent to Commission Staff Report and Recommendation.  
12 Staff recommends that the Commission accept Staff's recommendation filed into  
13 the record on July 13, 2022.

14 **COMMISSIONER SKRMETTA:** Mr. Chairman, I have a couple questions.

15 **CHAIRMAN BOISSIERE:** Commissioner Skrmetta.

16 **COMMISSIONER SKRMETTA:** Lauren, I guess you can start this off. Lauren,  
17 when we met in my office, you said that this loan was for administrative costs.

18 **MS. LAUREN EVANS:** Lauren Evans on behalf of Staff. Yes, Commissioner.  
19 They are -- it's a lot of start-up costs.

20 **COMMISSIONER SKRMETTA:** Okay. So who's getting paid what? Just  
21 pulling 75 million out of the air. I mean, did it come with a breakdown of who's  
22 getting paid what out of this 75 million?

1 **MS. EVANS:** It's going to be proportional. I think we'd have to probably bring  
2 1803 up to get --

3 **COMMISSIONER SKRMETTA:** Bring them up.

4 **MS. EVANS:** All right.

5 **COMMISSIONER SKRMETTA:** Because we were just talking about one guy  
6 getting paid too much, so kind of want to see how it's being broken down.

7 **MR. KYLE MARIONNEAUX:** Hey, Commissioners. Kyle Marionneaux on  
8 behalf of 1803 Electric Cooperative. I have with me Mr. Brian Hobbs who I'm  
9 going to call up and he can explain your questions.

10 **COMMISSIONER SKRMETTA:** Okay.

11 **MR. BRIAN HOBBS:** Thank you. Brian Hobbs on behalf of 1803 Electric  
12 Cooperative. So this financing is a line of credit, a revolving line of credit. It's not  
13 anticipated at this time that 1803 would be drawing any of the funds down as debt.  
14 What we do need to do, upon approval, is provide certain performance assurances  
15 to our counterparties. Back in January, this Commission approved five power  
16 purchase agreements in which 1803 will purchase capacity and energy from certain  
17 counterparties. We --

18 **COMMISSIONER SKRMETTA:** Could you be more specific? Counterparties,  
19 meaning contracts?

20 **MR. HOBBS:** Yes.

21 **COMMISSIONER SKRMETTA:** Okay. So who are the contracts with?

22 **MR. HOBBS:** So Recurrent Energy provides two solar facilities.

23 **COMMISSIONER SKRMETTA:** That's --

1 **MR. HOBBS:** [INAUDIBLE] with all the names. Kendall Energy is constructing  
2 and building the Magnolia --

3 **COMMISSIONER SKRMETTA:** Right.

4 **MR. HOBBS:** -- gas-fired power plant on our behalf. ibV is providing solar  
5 facilities. Exelon is providing a load following 25 percent purchase contract.

6 **COMMISSIONER SKRMETTA:** That's market?

7 **MR. HOBBS:** I'm sorry?

8 **COMMISSIONER SKRMETTA:** That's a market contract?

9 **MR. HOBBS:** For us, it would be a fixed price contract for 1803.

10 **COMMISSIONER SKRMETTA:** But it's coming from the market?

11 **MR. HOBBS:** It's coming from wherever Exelon chooses to source --

12 **COMMISSIONER SKRMETTA:** Wherever -- wherever the unicorn is?

13 **MR. HOBBS:** Where they're sourcing it. They --

14 **COMMISSIONER SKRMETTA:** Yeah, I got it, but it's not specific.

15 **MR. HOBBS:** It's not specific facilities.

16 **COMMISSIONER SKRMETTA:** Okay.

17 **MR. HOBBS:** But they will follow our meter signal and provide 27 percent of the  
18 requirement. And the last counterparty is Calpine.

19 **COMMISSIONER SKRMETTA:** Okay. So \$75 million is for those contracts?

20 **MR. HOBBS:** We will be providing letters of credit to initially three of those five  
21 counterparties in about a \$40 million amount. By the first of next year, we'll add  
22 another counterparty to that, and we will also be posting during '23, a letter of credit  
23 with MISO.

1 **COMMISSIONER SKRMETTA:** When you say counterparty, most people  
2 don't understand that also means contract.

3 **MR. HOBBS:** Our contracting parties, yes.

4 **COMMISSIONER SKRMETTA:** Just for the benefit of the viewing public.

5 **MR. HOBBS:** Understand. It's the parties that we have contracted with that we  
6 have payment obligations --

7 **COMMISSIONER SKRMETTA:** Right. The contract. The people you contract  
8 with that you have to pay.

9 **MR. HOBBS:** Yes.

10 **COMMISSIONER SKRMETTA:** Right. Okay. So -- all right. So 40 million  
11 in the first go?

12 **MR. HOBBS:** Forty million roughly in the first go, about 50 million beginning  
13 the first of this year, and then the third year it increases. And we'll be using about  
14 a full 70 million of this facility to provide those performance assurances. We won't  
15 be drawing down debt. We'll be providing letters of credit or demonstrating that  
16 we have the facility available to us in the event that we have payment obligations  
17 under those contracts.

18 **COMMISSIONER SKRMETTA:** Where's the other 5 million go?

19 **MR. HOBBS:** Sorry?

20 **COMMISSIONER SKRMETTA:** Where does the other 5 million go?

21 **MR. HOBBS:** The other 5 million is really reserve. We kind of sized the project  
22 -- you know, 1803 is a start-up entity. We will begin capitalizing 1803 over the

1 next several years. So it provides a very low cost credit facility, in the event we  
2 have unexpected needs, as we begin to capitalize 1803.

3 **COMMISSIONER SKRMETTA:** So the 5 million's the credit facility?

4 **MR. HOBBS:** No, 75 million is the credit million is the credit facility.

5 **COMMISSIONER SKRMETTA:** Well, not if you've paid a pledge of that  
6 money to pay your contracts.

7 **MR. HOBBS:** Right. So --

8 **COMMISSIONER SKRMETTA:** So you can't make it work twice.

9 **MR. HOBBS:** No. So in the first year, we're pledging about 40 million. In the  
10 second year, we're pledging about 50 million. By the third year --

11 **COMMISSIONER SKRMETTA:** Wait, wait. So you only got 75 million.

12 **MR. HOBBS:** Right.

13 **COMMISSIONER SKRMETTA:** Okay. So all right. That's 90 million.

14 **MR. HOBBS:** No. It's 40 --

15 **COMMISSIONER SKRMETTA:** So it's 40 plus 10?

16 **MR. HOBBS:** Yes.

17 **COMMISSIONER SKRMETTA:** Okay. So 50 total. I got it.

18 **MR. HOBBS:** Yes. And then by the third year, it's about 70 million.

19 **COMMISSIONER SKRMETTA:** Okay. Total.

20 **MR. HOBBS:** Total. We'll have 5 million still available in that credit facility.  
21 And as we'll discuss in our other matter before the Commission today, we will be  
22 capitalizing 1803 over the next several years as well, that's the plan, to the tune of

1 about \$10 million. So by that third year, we'll have about 15 million in free  
2 available financing capability.

3 **COMMISSIONER SKRMETTA:** Okay. Since I voted no for the initial plan, I  
4 need a roll call. So you want to wait so you can make your thing happen or what  
5 do you want to do?

6 **CHAIRMAN BOISSIERE:** This is just the financing.

7 **COMMISSIONER SKRMETTA:** Doesn't matter.

8 **CHAIRMAN BOISSIERE:** I -- well, it could matter, but I gotcha.

9 **COMMISSIONER SKRMETTA:** It could really matter.

10 **CHAIRMAN BOISSIERE:** It could matter.

11 **COMMISSIONER SKRMETTA:** But my opinion on this hasn't changed.

12 **CHAIRMAN BOISSIERE:** All right. I kind of wanted Commissioner Greene to  
13 be here to be here for a voting issue.

14 **COMMISSIONER SKRMETTA:** Tell you what, knowing how the, you know,  
15 cow eats the cabbage, I'm willing to wait.

16 **CHAIRMAN BOISSIERE:** Good enough.

17 **COMMISSIONER SKRMETTA:** Let's --

18 **SECRETARY FREY:** We don't have a motion yet on the floor.

19 **CHAIRMAN BOISSIERE:** We don't have motion, so that's fine --

20 **COMMISSIONER SKRMETTA:** Yeah, that's fine.

21 **CHAIRMAN BOISSIERE:** That's --

22 **COMMISSIONER SKRMETTA:** Y'all can sit down. You want to go to the  
23 next item, Mr. Chairman?

1 **CHAIRMAN BOISSIERE:** That would be all right. There you go. All right.

2 Call the next one.

3 **MS. BOWMAN:** Exhibit Number 5 is Docket Number S-36289. This is Claiborne

4 Electric Cooperative's petition for approval of a letter of non-opposition to borrow

5 funds from Rural Utilities Services. It's a discussion and possible vote on Staff

6 report and recommendation. On March 2, 2022, Claiborne filed a petition for

7 approval of a letter of non-opposition to borrow funds from Rural Utilities Services.

8 The petition sought the Commission's authorization for Claiborne to enter into a

9 financial agreement with the National Rural Utilities Finance Cooperation to

10 borrow a PowerVision loan in the amount of \$50 million. These loan funds will

11 allow Claiborne to complete capital improvements that include purchasing

12 equipment, building new service, upgrading existing distribution plant and

13 converting Claiborne's existing line of credit. Notice of the petition was published

14 in the Commission's Official Bulletin and no interventions were received. Staff

15 conducted a thorough review of Claiborne's application and all supporting

16 documentation. Claiborne was able to meet the necessary financial metrics

17 required for the loan process by the lenders, and its forecasted revenues and

18 expenses indicate Claiborne appears to be in good position to meet or exceed the

19 necessary leverage ratios and loan covenants required by the lender. On July 13,

20 2022, Staff filed into the record a Staff report and recommendation, and in that

21 report and recommendation, Staff found that the transaction was in the public

22 interest and recommends that the Commission express its non-opposition to the

23 petition. Staff recommends that the Commission accept the Staff report and

1 recommendation filed into the record on July 13, 2022 and express its non-  
2 opposition to the petition under -- including conditions contained therein.

3 **CHAIRMAN BOISSIERE:** Do we need a vote on this one?

4 **MS. BOWMAN:** We do.

5 **CHAIRMAN BOISSIERE:** Can we get --

6 **COMMISSIONER GREENE:** A motion to accept Staff recommendation.

7 **COMMISSIONER FRANCIS:** I'll second that.

8 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, seconded by  
9 Commissioner Francis. Any opposition?

10 **COMMISSIONER SKRMETTA:** I have a question first, but I may not oppose.

11 **CHAIRMAN BOISSIERE:** Okay.

12 **COMMISSIONER SKRMETTA:** Question for counsel for the co-op.

13 **MR. MARIONNEAUX:** Yes, sir. Kyle Marionneaux on behalf of Claiborne  
14 Electric.

15 **COMMISSIONER SKRMETTA:** Yeah, so in borrowing this, what have y'all  
16 planned on like looking at this for your plan for inflation as you move forward on  
17 your borrowing against this line -- I guess this -- is this a line of credit effectively?

18 **MR. MARIONNEAUX:** Effectively.

19 **COMMISSIONER SKRMETTA:** Yeah. So what's your plan on how you're  
20 going to borrow and how you're going to use this? We see that interest rates are  
21 effectively climbing. We're looking at another 750 basis points at the Fed coming  
22 up soon. We've already gone a thousand points recently so, you know, looking at

1 just, you know, throwing a number on the table and how it costs the co-op. You  
2 know, what's your plan for this?

3 **MR. MARIONNEAUX:** I'm going to ask Mr. --

4 **COMMISSIONER SKRMETTA:** Because interest is going to go up.

5 **MR. MARIONNEAUX:** It's going up and it's gone up since we applied.

6 **COMMISSIONER SKRMETTA:** So, you know, what's your plan?

7 **MR. MARIONNEAUX:** Let me ask Mr. Brown, the general manager of  
8 Claiborne Electric to come up.

9 **MR. MARK BROWN:** Good morning. I was listening to your question carefully  
10 there. I think on the --

11 **COMMISSIONER SKRMETTA:** Because my earlier discussion with counsel  
12 was they've got this line of credit and the availability at a lower interest rate but to  
13 piecemeal borrow against it towards the future and just pay more interest instead of  
14 utilizing the funds. Is it just --

15 **MR. BROWN:** Unfortunately, we don't have the option --

16 **COMMISSIONER SKRMETTA:** But you don't have the use [INAUDIBLE] --

17 **MR. BROWN:** -- all 50,000,000 [INAUDIBLE] time --

18 **COMMISSIONER SKRMETTA:** So you just don't have the use for it?

19 **MR. BROWN:** -- we have to be able to back it up with construction projects that  
20 we've engaged in along the way before we can draw those funds down.

21 **COMMISSIONER SKRMETTA:** So you just don't really have the use for the  
22 money now?

1 **MR. BROWN:** We've got -- yes, we've got an immediate use right now if you  
2 look on the --

3 **COMMISSIONER SKRMETTA:** For all of it?

4 **MR. BROWN:** -- I think it was not the entire amount but for a substantial portion  
5 of it. I think we're reimbursing a \$12.5 million line of credit that's actually overdue  
6 for conversion to long term debt and that needs to happen as soon as possible.

7 **COMMISSIONER SKRMETTA:** Right. So, you know, my question out of  
8 curiosity is: Why aren't you just borrowing for what you need to do versus, you  
9 know, putting yourself in a position to borrow more than you need just for the focus  
10 on, you're just going to use it later? Is it some reason that it just is more problematic  
11 for you to borrow money later? I mean, you're just borrowing 50 million when you  
12 need 12?

13 **MR. BROWN:** It is problematic and costly to go through the regulatory process  
14 and other processes involved in trying to set up a debt instrument. We've used this  
15 mechanism historically. The last time, we came before you to set up an instrument  
16 like this, we set it up for the same type of structure where we had a five year note  
17 that was extensible for another five years.

18 **COMMISSIONER SKRMETTA:** This is all -- this is all Commissioner  
19 Campbell's district or also Commissioner Francis'?

20 **COMMISSIONER FRANCIS:** Campbell.

21 **COMMISSIONER SKRMETTA:** It's all Campbell?

22 **COMMISSIONER FRANCIS:** It's all Campbell, yeah.

23 **COMMISSIONER SKRMETTA:** Did you meet with Commissioner Campbell?

1 **MR. BROWN:** No, sir.

2 **MR. MARIONNEAUX:** If I could add in that, I have communicated extensively  
3 with Commissioner Campbell's office. I talked to his chief of staff, I've emailed  
4 them, and gotten feedback on that.

5 **COMMISSIONER SKRMETTA:** Is it good feedback or bad feedback?

6 **MR. MARIONNEAUX:** No, I've gotten good feedback.

7 **COMMISSIONER SKRMETTA:** Okay.

8 **MR. MARIONNEAUX:** You know, Staff was in support.

9 **COMMISSIONER SKRMETTA:** Staff's recommending?

10 **MR. MARIONNEAUX:** Yes.

11 **COMMISSIONER SKRMETTA:** Okay. All right. I'm done with my questions.

12 **COMMISSIONER FRANCIS:** Okay. I got a question.

13 **CHAIRMAN BOISSIERE:** Commissioner Francis.

14 **COMMISSIONER SKRMETTA:** Okay. Mr. Brown, got a lot of friends up in  
15 that area where you're at and, of course, I'm assuming that if Commissioner  
16 Campbell was here, he would vote for this. Is that what you're saying, Kyle?

17 **MR. MARIONNEAUX:** I believe he would. I didn't have the conversation with  
18 him but his assistant, I assume, was talking to him.

19 **COMMISSIONER FRANCIS:** All right. Well, I'll -- we'll -- his assistant said  
20 it was good. One of the subjects that Commissioner Skrmetta is bringing up is these  
21 inflation and interest rates going up. I hope your constituents are going to vote to  
22 tell Washington D.C. to change their path [INAUDIBLE] --

23 **MR. BROWN:** We'll see how that goes this fall.

1 **COMMISSIONER FRANCIS:** -- because it's going to affect your rates. We got  
2 to get it -- turn it around and go back the other way with these interest rates, so.

3 **MR. BROWN:** Well, to your point, sir, yesterday I checked the long-term rates  
4 that will -- at least the way they were yesterday and it was 5.65 compared to the  
5 rate that was in effect at the time we made the application, which I think was just  
6 over 4 percent. So rates going up and I believe the Fed's meeting as we speak here  
7 and they're talking about another 75 basis points possibly by the end of this week,  
8 so time is of the essence. We'd like to get this approved if at all possible.

9 **COMMISSIONER FRANCIS:** All right. Well, I'm going to assume Campbell  
10 would be for this. I'm planning to vote for it.

11 **CHAIRMAN BOISSIERE:** All right. Do we need a roll call or do we need to  
12 vote?

13 **MS. BOWMAN:** So we have a motion by Commissioner Greene and a second by  
14 Vice Chairman Francis. Is there any opposition?

15 **CHAIRMAN BOISSIERE:** I was -- yeah. Thank you. Any opposition?

16 **COMMISSIONER FRANCIS:** No.

17 **CHAIRMAN BOISSIERE:** Hearing none, so ordered. Thank you, Gentlemen.  
18 Next item.

19 **MS. BOWMAN:** We're going to move back to Exhibit Number 4.

20 **CHAIRMAN BOISSIERE:** Yeah. Let's go back to Number 4.

21 **COMMISSIONER SKRMETTA:** Is it four or five?

22 **CHAIRMAN BOISSIERE:** Four I think. It's four.

23 **COMMISSIONER SKRMETTA:** Four. It's four. Right.

1 **MS. BOWMAN:** So Exhibit Number 4 is Docket Number S-36267. It's 1803  
2 Electric Cooperative, Beauregard, Claiborne, Northeast, SLECA, and Washington-  
3 St. Tammany's petition for approval of letter of non-opposition for 1803 to  
4 establish a revolving line of credit and for supporting guaranties by Member  
5 Cooperatives. It's a discussion and possible vote on Staff's recommendation, and  
6 Staff recommends that the Commission approve -- let me read the exact language.  
7 Staff recommends that the Commission accept Staff's recommendation filed into  
8 the record on July 13, 2022.

9 **COMMISSIONER SKRMETTA:** Request a roll call vote.

10 **CHAIRMAN BOISSIERE:** Yeah. Need a motion.

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

12 **CHAIRMAN BOISSIERE:** Chair seconds it. Roll call. I'll start with  
13 Commissioner Skrmetta.

14 **COMMISSIONER SKRMETTA:** No.

15 **CHAIRMAN BOISSIERE:** Commissioner Greene?

16 **COMMISSIONER GREENE:** Yes.

17 **CHAIRMAN BOISSIERE:** Commissioner Francis?

18 **COMMISSIONER FRANCIS:** Yes.

19 **CHAIRMAN BOISSIERE:** And the Chair votes yes. Next item, please.

20 **MS. BOWMAN:** Exhibit Number 6 is Docket Number S-36315. This is Air Voice  
21 Wireless doing business as Air Talk Wireless. It's an application for certification  
22 as an eligible telecommunications carrier in order to provide Lifeline services  
23 within Louisiana. It's a discussion and possible vote on Staff's report and

1 recommendation. On March 28, 2022, Air Voice Wireless doing business as Air  
2 Talk filed seeking designation as an ETC pursuant to Section 214(e) of the  
3 Communications Act of 1934, as amended and the Commission's General Order  
4 Number R-27841 dated May 20, 2004. The application seeks this designation  
5 solely to provide Lifeline services to qualifying Louisiana consumers. Notice of  
6 the application was published in the Commission's Official Bulletin dated April 1,  
7 2022 and no intervention or protest was filed. Air Voice has been authorized to  
8 operate as a commercial mobile radio services within the State of Louisiana, with  
9 its primary place of business located in Houston, Texas. The company is currently  
10 designated as an ETC in ten other jurisdictions. Pursuant to Section 214(e) of the  
11 Act, state commissions are given the authority to designate as ETCs those common  
12 carriers that meet certain federal service requirements and whose designation would  
13 be consistent with the public interest, convenience, and necessity. Consistent with  
14 its authority under federal law, the Commission issued its ETC General Order,  
15 which created a list of public interest criteria to be applied on a case-specific basis  
16 to all requests for ETC designations in the areas served by rural telephone carriers.  
17 Air Voice certified that it will offer the services supported by federal universal  
18 service support mechanisms either using its own facilities or a combination of its  
19 own and resale of another carrier's services and that it will advertise the availability  
20 of such services and the charges therefor using media of general distribution. Air  
21 Voice also adequately addresses all of the public interest factors enumerated in the  
22 Commission's ETC General Order. On July 6, 2022, Staff filed its Staff report and  
23 recommendation on the company's petition into the record of this proceeding, and

1 Staff found that the company demonstrated its ability to comply with the  
2 requirements of the Act, applicable FCC regulations, and the Commission's ETC  
3 General Order. Therein, Staff also found that designation of the company as an  
4 ETC in the designated services areas for the purpose of receiving Lifeline support  
5 is in the public interest. Therefore, Staff recommends that the Commission accept  
6 the Staff report and recommendation filed into the record on July 6, 2022, and grant  
7 the company's petition to be designated as an ETC in the designated service areas  
8 for the limited purpose of obtaining low-income Lifeline support, subject to the  
9 conditions contained in Staff's report and recommendation.

10 **COMMISSIONER GREENE:** Motion to accept Staff's recommendation.

11 **COMMISSIONER SKRMETTA:** Second.

12 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, second by  
13 Commissioner Skrmetta. Any opposition? [NONE HEARD] Hearing none, so  
14 ordered. Next.

15 **MS. BOWMAN:** Exhibit Number 7 is Docket Number S-36363. This is National  
16 Water Infrastructure's request for a letter of non-opposition for an increase in its  
17 revolving line of credit and associated pledge of assets as security. It's a discussion  
18 and possible vote on a Staff report and recommendation. On May 24, 2022,  
19 National Water Infrastructure filed a request for a letter of non-opposition for an  
20 increase in its revolving line of credit and associated pledge of assets for security.  
21 The request seeks to increase its existing line of credit with Chase Bank for an  
22 existing amount of less than \$1 million up to a maximum amount of \$6 million.  
23 NWI has indicated in its application that the funds from the revolving line of credit

1 would be used to fund, in the near term, general corporate activities, working capital  
2 needs, and potential acquisitions. This matter was published in the Commission's  
3 Official Bulletin and no interventions were filed. Staff conducted a thorough  
4 review of NWI's request and all supporting documentation. NWI provided Staff  
5 with an in-depth look at the company's finances in support of this request and NWI  
6 currently meets the necessary financial metrics required for the credit facility by its  
7 lenders and its subsequent filing for rate relief in Docket Number U-36383 supports  
8 the conclusion that NWI is following established regulatory guidelines to maintain  
9 a positive financial position to meet or exceed the necessary ratios and loan  
10 covenants as required by Chase Bank. On July 14, 2022, Staff filed into the record  
11 a Staff report and recommendation where they found that the proposed transaction  
12 and credit facility and related security appropriate for and consistent with NWI's  
13 performance of its service to the public, it will not impair NWI's ability to perform  
14 that service, and is consistent with the public interest and in the best interest of  
15 ratepayers. Staff recommends that the Commission accept Staff's report and  
16 recommendation filed into the record on July 14, 2022 and express its non-  
17 opposition to the petition subject to the conditions contained therein.

18 **COMMISSIONER GREENE:** Motion to accept Staff's recommendation.

19 **COMMISSIONER FRANCIS:** Second.

20 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, second by  
21 Commissioner Francis. Any opposition? [NONE HEARD] Hearing none, so  
22 ordered. Next item.

1 **MS. BOWMAN:** Exhibit Number 8 is Docket Number S-35579. This is Water  
2 Treatment & Controls Company doing business as Peoples Water Service  
3 Company of Bastrop and Peoples of Bastrop. It's a request for letter of non-  
4 opposition and/or approval to transfer and sell water utility system, incur  
5 indebtedness, grant security interest, and amend Commission Order Number U-  
6 34690. This is a discussion and possible vote on an unopposed motion to amend  
7 Commission Order Number S-35579. On June 23, 2020, Water Treatment &  
8 Controls Company and Peoples of Bastrop filed a request for a letter of non-  
9 opposition. Notice of that request was published in the Commission's Official  
10 Bulletin and no interventions were filed. On May 5, 2021, Staff filed an amended  
11 Staff report into the record of that proceeding recommending approval. The  
12 Commission voted to accept this amended Staff report and recommendation and  
13 Order Number S-35579 was issued on May 21, 2021. On June 29, 2022, Peoples  
14 of Bastrop filed an unopposed motion to amend that order into the record. Peoples  
15 of Bastrop is seeking to amend Ordering Paragraph Number 17. Under the current  
16 ordering language, Peoples of Bastrop would be required to file a rate case by  
17 September 16, 2022. This rate case would consist of two partial fiscal years as a  
18 test year. Peoples of Bastrop would only have audited financials for a portion of  
19 the test year, specifically those months in the calendar year of 2021. This proposed  
20 amendment seeks to extend the deadline for filing the rate case until no later than  
21 June 15, 2023 and by that date, Peoples of Bastrop will file a rate case with audited  
22 financials from one single fiscal year. Peoples of Bastrop proposes that Ordering  
23 Paragraph 17 be amended to read: Peoples of Bastrop shall submit to a full base

1 rate proceeding before the Commission following the 2022 test year. Peoples of  
2 Bastrop's filing for the full base rate proceeding shall be made no later than June  
3 15, 2023 with the remaining Paragraph 17 unchanged. Staff does not oppose  
4 Peoples of Bastrop's request to amend Commission Order Number S-35579 and  
5 therefore recommends that the Commission accept the unopposed motion to amend  
6 Order S-35579 filed into the record on June 29, 2022.

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

8 **COMMISSIONER FRANCIS:** Second.

9 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, second by  
10 Commissioner Francis. Any opposition? [NONE HEARD] Hearing none, so  
11 ordered. Next item.

12 **MS. BOWMAN:** Exhibit Number 9 is Docket Number S-35961. This is Moving  
13 NOLA, LLC's application to increase tariff rates for Common Carrier Certificate  
14 Number 8003. It's a discussion and possible vote pursuant to Rule 57 on an  
15 uncontested stipulated settlement. So this will need two votes. On April 14, 2021,  
16 Moving NOLA filed an application with the Commission requesting authorization  
17 to redesign and increase its tariff rates pursuant to Commission General Order dated  
18 October 2, 2012. Notice of the application was published in the Commission's  
19 Official Bulletin and republished in a later Bulletin after the LPSC approved a name  
20 change of the company. There are no interventions in this proceeding. Following  
21 discovery on Moving NOLA's application and accompanying testimony,  
22 Commission Staff filed its report and recommendation with exhibits and  
23 recommended tariff on July 8, 2022. Subsequently, Moving NOLA and

1 Commission Staff reached an agreement, and executed an uncontested stipulated  
2 settlement, which was filed into the record on July 15, 2022. The major terms are  
3 as follows: Moving NOLA shall be authorized an increase in revenue of  
4 approximately \$83,000 in order to earn an operating margin ratio of 20 percent and  
5 update its scope of operations pursuant to Staff's recommendation; Moving NOLA  
6 be ordered to continue its compliance with all applicable LPSC rules, regulations,  
7 and orders; Moving NOLA be ordered to file into the record of this proceeding,  
8 along with a copy to the Commission's Transportation Division, a new or revised  
9 tariff reflecting the Commission's actions, within 30 days of issuance of an order  
10 in this proceeding; and that any newly approved rates charged to customers prior to  
11 satisfying the above-stated conditions shall be considered a direct violation of this  
12 proceeding and subject to refund with interest. As there are no unresolved issues,  
13 Staff recommends that the Commission approve the uncontested stipulated  
14 settlement filed into the record on July 15, 2022.

15 **COMMISSIONER GREENE:** Motion to take the item up under Rule 57.

16 **CHAIRMAN BOISSIERE:** Chair seconds. Moved by Commissioner Greene,  
17 second by the Chair to take the item under Rule 57. Any opposition? [NONE  
18 HEARD] None.

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

20 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene. Second by the  
21 Chair. Any opposition?

22 **COMMISSIONER FRANCIS:** No, no opposition. No.

23 **CHAIRMAN BOISSIERE:** Did you have a comment?

1 **COMMISSIONER FRANCIS:** Discussion, yeah.

2 **CHAIRMAN BOISSIERE:** Okay. Discussion.

3 **COMMISSIONER FRANCIS:** I just wanted to give -- make a point to Ms. Burl  
4 and Pendergrass. We got a lot of inflation, fuel's going up, operating costs on all  
5 these companies are going up a lot. And we've got -- we're setting their rates and  
6 holding them to it. And we don't want to raise anybody's rates, but we don't want  
7 these people going out of business because of inflation. So I just want to remind  
8 you guys -- I was a small business owner at one time, went through some of these  
9 same problems. We need to make sure that we're kind to everyone across the board,  
10 even these small businesses. So thank you.

11 **COMMISSIONER SKRMETTA:** Mr. Chairman. One other thing -- and for the  
12 Staff on this. I know that most of the trucking and other companies have the ability  
13 to come in and look for an automatic 10 percent increase upon application. You  
14 know, there's still sort of nudging between CPI and Producer's Price Index. These  
15 trucking companies and anything used in transportation, it's more inclined with  
16 Producer's Price Index because that includes fuel. The Consumer's Price Index  
17 doesn't include fuel in it. And it's a big differential when you look at this, but I  
18 think it's important for these companies instead of what we find and especially  
19 when we see severe rate impact in water companies, they just don't come in for  
20 years and years, and then they come in and seek massive increases.

21 **COMMISSIONER FRANCIS:** Yeah.

22 **COMMISSIONER SKRMETTA:** That if they just managed their business by  
23 interacting with the Staff, they could come in and get these manageable requested

1 increases, they could stay up to speed on stuff. So, you know, my sort of request  
2 for these companies, as they pay attention, as they do that, is to, you know, engage  
3 with them and tell them, look, keep up with your paperwork, keep up with your  
4 reviews and look at this as a way to manage your need for emergency rates down  
5 the road. So thank you.

6 **COMMISSIONER FRANCIS:** And along with that, I would remind the -- our  
7 tow truck people, the Chairman and I are meeting with the State Police and some  
8 of the major tow truck folks to try to make sure we have a happy medium there with  
9 the vendors and the customers. So just for anyone's information, we're working  
10 on that and should have some results here pretty soon.

11 **CHAIRMAN BOISSIERE:** All right. Great. Thank you.

12 **MS. BOWMAN:** So Exhibits 10 through 14 are deferred, so we're jumping to  
13 Exhibit 15. Exhibit 15 is Docket Number U-36268. It's 1803 Electric Cooperative,  
14 Beauregard Electric Cooperative, Claiborne Electric Cooperative, Northeast  
15 Louisiana Power Cooperative, South Louisiana Electric Cooperative Association,  
16 and Washington-St. Tammany Electric Cooperative's application for approval of  
17 the 1803 Electric Cooperative's wholesale formula rate and member wholesale  
18 power contracts. This is a discussion and possible vote on an uncontested stipulated  
19 settlement. On February 3, 2022, 1803, Beauregard, Claiborne, Northeast, SLECA,  
20 and Washington-St. Tammany filed a petition seeking approval of: The wholesale  
21 power contract and first amendment thereto between 1803 and each of the 1803  
22 Member Cooperatives; 1803's right to recover costs from the five 1803 Member  
23 Cooperatives pursuant to the formula rate plan; Permission for each 1803 Member

1 Cooperative to pass through such costs to its end use consumer-members; and the  
2 \$10 million capitalization plan including each 1803 Member's share of the  
3 capitalization plan and cost recovery. The application was published in the  
4 Commission's Official Bulletin and no interventions were filed. After discovery  
5 and a submission of testimony by the parties, Staff, 1803, and the Member  
6 Cooperatives reached an agreement and filed an uncontested stipulated settlement  
7 into the record on July 1, 2022. An uncontested stipulation hearing was held on  
8 July 13<sup>th</sup> wherein the parties confirmed their agreement to the specific settlement  
9 terms, that the proposed settlement resolved all issues in the docket, and that it was  
10 just, reasonable, and in the public interest. The terms of the uncontested stipulated  
11 settlement provide for a wholesale rate tariff, power cost adjustment, and fuel cost  
12 adjustment set to go into effect on August 1, 2022, as further specified therein. The  
13 formula rate plan will be effective for the test years ending 2023, 2024, and 2025.  
14 The settlement discusses the approval and certification of the wholesale power  
15 contracts, the Commission's retention of jurisdiction over 1803, and the  
16 requirement that each of the 1803 Member Cooperatives will submit to a full rate  
17 review within three calendar years of an order in this proceeding. Further, the  
18 settlement provides for biennial fuel audits once 1803 begins supplying power to  
19 the 1803 Members. Staff recommends that the Commission accept the uncontested  
20 stipulated settlement filed into the record on July 1, 2022.

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

22 **COMMISSIONER FRANCIS:** Second.

23 **COMMISSIONER SKRMETTA:** Request roll call vote.

1 **CHAIRMAN BOISSIERE:** All right. Moved by Commissioner Greene, second  
2 by Commissioner Francis. Roll call starting with Commissioner Skrmetta.  
3 **COMMISSIONER SKRMETTA:** No.  
4 **CHAIRMAN BOISSIERE:** Commissioner Greene?  
5 **COMMISSIONER GREENE:** Yes.  
6 **CHAIRMAN BOISSIERE:** Commissioner Francis?  
7 **COMMISSIONER FRANCIS:** Yes.  
8 **CHAIRMAN BOISSIERE:** And Chair votes yes. Item passes, next item.  
9 **MS. BOWMAN:** Exhibit Number 16 is Docket Number U-36350. This is  
10 Entergy's application for recovery in rates of costs related to Hurricane Ida and  
11 related relief. This is a discussion and possible vote to hire an outside securitization  
12 consultant. Staff issued an RFP which two bids were received, but one was non-  
13 conforming. Therefore, the one qualifying bid was from Estrada Hinojosa and  
14 Company for 275,000 in fees and 15,000 in expenses for a total budget not to  
15 exceed of \$300,000. And Staff makes no recommendation as the sole conforming  
16 bidder is qualified.  
17 **COMMISSIONER GREENE:** Motion to accept the sole bid.  
18 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene. Second by Chair.  
19 Any opposition? [NONE HEARD] Hearing none, so ordered. Next item, please.  
20 **MS. BOWMAN:** Exhibit Number 17 is the same docket, Docket Number U-36350  
21 - Entergy's application for recovery in rates of costs related to Hurricane Ida and  
22 related relief. This is a discussion and possible vote to retain the conduit issuer.  
23 Staff solicited bids from the two conduit issuers in Louisiana, which are the

1 Louisiana Community Development Authority and the Louisiana Public Facilities  
2 Authority and both provided bids. The first is from Louisiana Community  
3 Development Authority for 387,000 in fees and zero in expenses for a total budget  
4 not to exceed of \$387,000, and a second was from Louisiana Public Facilities  
5 Authority for 577,800 in fees and 2,000 in expenses for a total budget not to exceed  
6 of \$579,800. And Staff makes no recommendation as both of the bidders are  
7 qualified.

8 **COMMISSIONER FRANCIS:** Motion to accept Number 1, low bid.

9 **COMMISSIONER SKRMETTA:** Second.

10 **CHAIRMAN BOISSIERE:** Wait. We have a motion by Commissioner Francis  
11 for low bid and did we get -- did I hear a second?

12 **COMMISSIONER SKRMETTA:** Second.

13 **CHAIRMAN BOISSIERE:** Second by Commissioner Skrmetta. Any opposition.

14 [NONE HEARD] Item's approved. Next item, please.

15 **MS. BOWMAN:** Exhibit Number 18 is Docket Number X-36400. This is the  
16 Commission's audit of purchased gas adjustment filings for Atmos Energy  
17 Corporation's Louisiana Regulatory Division for the period of April 2020 through  
18 March 2022. This is a discussion and possible vote to retain an outside consultant.  
19 Staff issued an RFP and we received two qualifying bids. The first is Exeter and  
20 Associates for 36,300 in fees and 1,200 in expenses for a total budget not to exceed  
21 of \$37,500, and the second was from United Professionals Company of 45,000 in  
22 fees and 950 in expenses for a total budget not to exceed of \$45,950. Staff makes  
23 no recommendations as both bidders are qualified.

1 **COMMISSIONER FRANCIS:** Motion for Number 1.

2 **COMMISSIONER GREENE:** Second.

3 **CHAIRMAN BOISSIERE:** Okay. Moved by Commissioner Francis, second by  
4 Commissioner Greene to accept the bid of Number 1. Is that Exeter?

5 **MS. BOWMAN:** Exeter.

6 **CHAIRMAN BOISSIERE:** Exeter and Associates.

7 **COMMISSIONER FRANCIS:** The low bid.

8 **CHAIRMAN BOISSIERE:** The low bid. Or as referred to as the low bid. Any  
9 opposition? [NONE HEARD] All right. Hearing none, congratulations Exeter as  
10 approved. Next item.

11 **MS. BOWMAN:** Exhibit Number 19 is undocketed. This is the Commission's  
12 temporary waiver from certain reporting requirements of General Order dated May  
13 31, 2022, which is the Max Gen General Order, for Louisiana utilities. This is a  
14 discussion and possible vote to authorize a temporary waiver at the request of  
15 Commissioner Greene. The Commission issued General Order dated May 31,  
16 2022, which set forth the rules regarding the timely disclosure of facts and notices  
17 from Max Gen alerts and related matters. All Louisiana utilities, including electric  
18 cooperatives, were required to comply with a series of reporting requirements  
19 concerning generation performance information for the power and energy supplied  
20 to Louisiana utilities via owned generation or through wholesale contracts. In  
21 recent hearings in Docket Numbers U-36133 and U-36135 an issue arose as to  
22 whether the power supply agreements for DEMCO and JDEC comply with those  
23 reporting requirements of the Max Gen Order. This issue will continue to recur

1 both in the context of power supply agreements for the Louisiana distribution  
2 cooperatives as well as for the IOUs. It is important that there be a single resolution  
3 of this issue that is applicable to all Louisiana electric utilities. If accepted, the  
4 enforcement and applicability of certain reporting provisions in the Max Gen  
5 General Order will be temporarily waived and the consideration of those issues will  
6 be transferred to the ongoing Minimum Capacity Obligation rulemaking in Docket  
7 Number R-36263. This will ensure that all Louisiana electric utilities are treated  
8 fairly according to the same standards. In addition, although consideration by the  
9 Commission will be moved to the MCO Docket, all parties will have an opportunity  
10 to weigh in and express their opinions on these issues, and the Commission will  
11 have the opportunity to consider the positions of all stakeholders in making its  
12 determination. The specific provisions of the Max Gen Order whose applicability  
13 and enforcement will be temporarily waived are the first and last sentences of the  
14 last full paragraph on Page 27 of the Max Gen Order, as well as paragraphs 24, 25,  
15 26, 31, 32, 33, and 34 on Pages 26 and 27 of the Max Gen Order. Staff recommends  
16 that the Commission temporarily waive these certain provisions of General Order  
17 dated May 31, 2022 and transfer consideration of those issues into Docket Number  
18 R-36263.

19 **COMMISSIONER SKRMETTA:** Mr. Chairman, I have a point for a question.

20 **CHAIRMAN BOISSIERE:** Commissioner Skrmetta.

21 **COMMISSIONER SKRMETTA:** Kathryn.

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

23 **COMMISSIONER SKRMETTA:** Can you define temporary?

1 **MS. BOWMAN:** Temporary would be until the Commission issues an order in  
2 the MCO docket.

3 **COMMISSIONER SKRMETTA:** And when's that anticipated to take place?

4 **MS. BOWMAN:** I would have to ask Staff.

5 **MS. EVANS:** Lauren Evans on behalf of Staff. We have issued data requests and  
6 have received responses. UPC is on the docket with me and we are reviewing the  
7 responses right now. We do not have a date specific so --

8 **COMMISSIONER SKRMETTA:** Second quarter, third quarter, fourth quarter,  
9 first quarter?

10 **MS. EVANS:** If you want, we can call Lane up?

11 **COMMISSIONER SKRMETTA:** Of course, I do. That's why he gets the big  
12 bucks to give us a date.

13 **MR. LANE SISUNG:** Good morning, Commissioners. Lane Sisung --

14 **CHAIRMAN BOISSIERE:** Identify yourself, please.

15 **MR. SISUNG:** Lane Sisung, United Professionals Company, Staff consultant. So  
16 for the MCO docket as Ms. Temento had stated, we have received our first round  
17 of requests. We are further awaiting some analysis that has been promised as a  
18 follow-up from some of the participants which should arrive sometime in August.  
19 It is certainly our goal to move this expeditiously before the end of the year, and  
20 that's what we're shooting for, but sometimes it just depends on the pace of the  
21 information. But we definitely want to get this resolved before the end of the year.

22 **COMMISSIONER SKRMETTA:** Okay. Thank you.

1 **COMMISSIONER FRANCIS:** Wait, Lane. It sounded like when I read it, make  
2 a decision on it then, we don't have all the pieces?

3 **MR. SISUNG:** Well, just to clarify, that's the MCO docket, that's the MCO rule.  
4 What the -- your motion before you today is to suspend some pieces of the Max  
5 Gen rule and have them considered in the MCO rule, so the goal of this is to take  
6 two conflicting provisions and consider them together in one rule and get it done  
7 expeditiously.

8 **COMMISSIONER FRANCIS:** Does Commissioner Greene have anything to say  
9 about this here?

10 **CHAIRMAN BOISSIERE:** He does. Commissioner Greene.

11 **COMMISSIONER GREENE:** Yeah, first of all, I motion to accept this Staff  
12 recommendation. I want to thank Staff for their hard work on clarifying this. Can  
13 you explain how it got to this point?

14 **MR. SISUNG:** Certainly. So you have the Max Gen rule, which got issued, was  
15 a result of the Uri and the winter storms which caused a lot of outages, and when  
16 those outages occurred we were directed by this Commission to go find out what  
17 happened. And as part of that directive, it was we want to know for every utility  
18 we have, every generator that was obligated to serve their load, we want to know  
19 how it performed. We did that. As we went through that process and we were  
20 dealing with some of the wholesale contracts, the response we got from some of  
21 the providers of those wholesale contracts was well, we really can't give you that  
22 information from all regulated utilities. So the goal of what we put into this rule  
23 was that we wanted to put the onus on the regulated entity, the utility to be able to

1 provide us with that information. And so the rule was drafted and put out to  
2 comment with that goal in mind. Contemporaneously with that, you had 1803  
3 occurring and within 1803 there was a question that came up about whether or not  
4 specific generators need to be identified associated with contracts of load. And the  
5 way that 1803 got passed was, it was passed subject to a rulemaking being opened  
6 which would decide whether or not this Commission would put the requirements  
7 on utilities that they absolutely identify all their generators, none of their generators,  
8 or some percentage thereof. When you combine the two rules, what winds up  
9 happening is the Max Gen rule effectively negates the MCO rule's entire purpose  
10 because if you tell every utility they have to tell you a hundred percent of the  
11 generators that performed, you're essentially imposing a hundred percent physical  
12 generator rule, which is clearly wasn't the intent of the Max Gen rule and it's  
13 conflicting with the directive we were given in the MCO rule. So the best solution  
14 that we came up with was suspend the rule in the Max Gen rule, put it in the MCO  
15 rule and it's very important that it go in the MCO rule, because when this  
16 Commission goes to make the decision of whether or not you have to identify  
17 physical generation, part of that consideration is your ability to know after a storm  
18 which of the utilities actually provided the generation to serve their load and which  
19 ones did not. So it is the appropriate place for all to be considered in one place and  
20 that's why Staff has made this recommendation.

21 **COMMISSIONER FRANCIS:** My constituents would want to know who  
22 produced and who didn't. When is the rulemaking going to -- timeline on that?  
23 When will be doing that?

1 **MR. SISUNG:** The rulemaking is active. We've got our first round of comments.  
2 I have a second round of questions getting ready to go out. In the meantime, some  
3 of the constituents have asked to provide some very detailed economic analysis,  
4 which they promised in August. The goal of Staff is certainly to wrap this up by  
5 the end of the year and that's what we'll shoot with with the stakeholder  
6 community.

7 **COMMISSIONER GREENE:** Does this provision currently treat every utility  
8 fairly and also is MISO involved in the MCO docket?

9 **MR. SISUNG:** Two questions. When you said this rule, I think that --

10 **COMMISSIONER GREENE:** The solution for today.

11 **MR. SISUNG:** Yeah. I believe the solution treats everyone equally and everyone  
12 fairly and with regards to MISO's involvement, I don't know if they're an  
13 intervenor, they may be an interested party.

14 **MS. BOWMAN:** They are not. MISO is not an intervenor in the docket.

15 **MR. SISUNG:** Okay. So they have -- whether they're involved or not because  
16 they want to, they will be involved because they have a lot of answers to the  
17 questions that we will engage them with, and it's their entire resource adequacy  
18 auction construct that is in question.

19 **COMMISSIONER GREENE:** I think I have a motion to accept Staff  
20 recommendation.

21 **COMMISSIONER FRANCIS:** So Lane, it's true that MISO would advise or  
22 recommend, maybe tell us what some of the other 14 states are doing but it's up to  
23 us totally to make that rule to live by; isn't that true?

1 **MR. SISUNG:** This would be a state-specific rule, yes.

2 **COMMISSIONER FRANCIS:** Okay. All right.

3 **CHAIRMAN BOISSIERE:** I have a question.

4 **MR. SISUNG:** Yes.

5 **CHAIRMAN BOISSIERE:** It's kind of broad but I believe that it actually goes  
6 to the heart. Do we have confidence that the public is protected with this new rule  
7 change until we -- until such time as that we finish the rulemaking?

8 **MR. SISUNG:** Yes. The public is adequately protected. Even without the rule  
9 changes we put under the current construct, the major wholesale provider of the co-  
10 ops was very cooperative with us and allowed us to get the information. So we had  
11 a Max Gen between now and December, which, God, I hope we don't, I do believe  
12 that history has shown we would be able to get you the information you need while  
13 we work this out.

14 **CHAIRMAN BOISSIERE:** Okay. Great. That answered it for me. Anyone  
15 else?

16 **COMMISSIONER FRANCIS:** You know, Chairman, this is a waiver, right?

17 **CHAIRMAN BOISSIERE:** Yes, it is.

18 **COMMISSIONER FRANCIS:** It reminds me of a waiver I've always tried to  
19 get. The Scriptures say love your neighbor, you know. I've been trying to figure  
20 out a way to get a waiver on that. I'm just -- from one end of the scripture to the  
21 other, I can't find a hole in it anywhere.

22 **MR. SISUNG:** Well, I certainly hope I'm not the cause of that.

1     **CHAIRMAN BOISSIERE:** I don't think there's any way to wiggle out of that  
2     one. We can't get out of that one.

3     **COMMISSIONER FRANCIS:** I'm going to vote for this. Okay.

4     **COMMISSIONER SKRMETTA:** That's why Lane's smart.

5     **CHAIRMAN BOISSIERE:** Okay. Thank you very much, Mr. Sisung. That was  
6     moved by Commissioner Greene, second by Chair. Any opposition? [NONE  
7     HEARD] Hearing none, so ordered. Thank you. It passes. Next item, please.

8     **MS. BOWMAN:** Next item is Exhibit Number 20, which is reports, resolutions,  
9     discussions, and votes. We have already conducted the report from Staff on the  
10    high electric utility bills, so we will move on to the two vote ratifications that we  
11    have. The first is undocketed, and it's a discussion and possible vote to ratify the  
12    Commission's interventions in RTO or ERSC related FERC proceedings. Pursuant  
13    to the scope of work approved in connection with the retention of Stone Pigman  
14    and UPC at the February 24, 2021 B&E for MISO, SPP, ERSC participation, an  
15    intervention was filed on the Commission's behalf in FERC Docket EL22-60,  
16    which was a dockless intervention. Due to short deadlines allowed for these  
17    interventions, if advanced Commission approval is not possible, the executive  
18    secretary on the recommendation of UPC or Stone Pigman or on its own  
19    determination may authorize the initial interventions, comments, or protests subject  
20    to ratification at a following B&E. For any pleading the Commission does not  
21    ratify, all work related to such dockets shall immediately cease and any pleadings  
22    filed shall be withdrawn at the direction of the Commission. This intervention was  
23    filed for the purpose of monitoring issues related to MISO and a complaint against

1 MISO challenging its capacity auction process. Staff recommends that the  
2 Commission ratify this intervention.

3 **COMMISSIONER SKRMETTA:** Move to ratify the intervention.

4 **COMMISSIONER GREENE:** Second.

5 **CHAIRMAN BOISSIERE:** Moved by Commissioner Skrmetta, second by  
6 Commissioner Greene. Any opposition? [NONE HEARD] Hearing none, so  
7 ordered. Next.

8 **MS. BOWMAN:** The second under Exhibit 20 is the OMS vote. It's a discussion  
9 and possible vote to ratify votes taken by Commissioner Greene acting as the  
10 Commission's representative on the Board of Directors of the Organization of  
11 MISO States. An email vote was taken on June 3, 2022 by Commissioner Greene  
12 as the Commission's representative of the Organization of MISO States Board of  
13 Directors. Staff followed the protocols set forth in Special Order 17-2019 to consult  
14 with the Executive Secretary and Chairman and to make a recommendation to  
15 Commissioner Greene prior to the vote. The protocols also require that the votes  
16 taken be ratified at a following B&E. The OMS sought approval to submit  
17 comments in FERC Docket ER22-1640, the FERC proceeding related to the MISO  
18 Order Number 2222 compliance filings. The OMS comments generally expressed  
19 concerns with MISO's proposed timeline for Order Number 2222 compliance, and  
20 based upon Staff's recommendations, Commissioner Greene voted in favor of the  
21 OMS reply comments. Staff recommends that the Commission ratify  
22 Commissioner Greene's email vote taken on June 3, 2022 as the Louisiana Public  
23 Service Commission's representative to the OMS Board of Directors.

1 **COMMISSIONER SKRMETTA:** Move to ratify the vote of Commissioner  
2 Greene at the OMS.

3 **COMMISSIONER FRANCIS:** Second.

4 **CHAIRMAN BOISSIERE:** Moved by Commissioner Skrmetta, second by  
5 Commissioner Francis. Commissioner Greene, himself, will abstain. Any  
6 opposition? [NONE HEARD] It's approved. Next.

7 **MS. BOWMAN:** We are moving Exhibit 21 to the end of the agenda since there  
8 is a potential executive session. Exhibit 22 is Docket Number U-29157. This is  
9 Cleco's application of Cleco Power for recovery --

10 **CHAIRMAN BOISSIERE:** Wait, wait, wait, wait. We passed -- we changed --  
11 we're finished with our Number 20?

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

13 **CHAIRMAN BOISSIERE:** Okay. I wanted to make one announcement under  
14 that section. I know it's -- let me make sure. Hold on. You caught me off guard.  
15 You were so fast.

16 **MS. BOWMAN:** Apologies.

17 **CHAIRMAN BOISSIERE:** All right. I just wanted to make one thing. It's not -  
18 - it's not a resolution, but it's a -- no, have we moved to the directive yet?

19 **MS. BOWMAN:** No, sir. That's the supplemental. It's a standalone exhibit item.

20 **CHAIRMAN BOISSIERE:** Okay. Gotcha. Okay. But I just wanted to make  
21 more or less and announcement. It doesn't necessarily fit the docket. I figured it  
22 would fit in right here. Something simple, but it talks to some of the things we  
23 talked about today, the Kendall Magnolia -- not Magnolia -- the Kendall plant had

1 closed yesterday on financing, so it's moving quite ahead on 1803 and that's  
2 something to be proud of that we have a -- pretty much the financing and the go  
3 ahead on a new plant being constructed in Louisiana to help serve the people of  
4 Louisiana, but more especially in the co-ops and then 1803. I did want to get that  
5 in. And then once again, I also wanted to -- if you don't mind me sticking it in right  
6 here, if it hadn't been said enough, I just wanted to thank the people of Shreveport  
7 for allowing us to have these facilities on such short notice and to be so  
8 accommodating to our Public Service Commission meeting today. I didn't get a  
9 chance to meet or introduce the Mayor or any of the council members, but I wanted  
10 to say on behalf of the Commission how thankful we are for their cooperation. And  
11 now, let's move on to the next exhibit. Thank you.

12 **MS. BOWMAN:** Exhibit Number 22 is Docket Number U-29157. This is Cleco  
13 Power's application for recovery in rates of amortization of storm damage costs  
14 incurred as a result of Hurricanes Katrina and Rita effective January 1, 2006. It's  
15 a discussion and possible vote on Cleco Power's request to refund certain amounts  
16 to customers and it's at the request of Vice Chairman Francis. In Order Number  
17 U-29157B dated September 17, 2007, the Commission authorized and directed the  
18 establishment of a collection account by Cleco Katrina/Rita Hurricane Recovery  
19 Funding, LLC, the special purpose entity formed to serve as an issuer of storm  
20 recovery bonds. The collection account was held by the storm recovery bond  
21 indenture trustee as collateral to ensure the payment of the principal, interest, and  
22 other costs related to the storm recovery bonds in full and on a timely basis. The  
23 2007 order states that upon maturity of those bonds and the discharge of all

1 obligations thereof, the remaining amounts in the collection account are to be  
2 released by the indentured trustee to the special purpose entity and equivalent  
3 amounts are to be credited by Cleco Power to its customers. On June 20, 2022,  
4 Cleco Power filed correspondence informing the Commission that all of the storm  
5 recovery bonds issued by the special purpose entity have been retired and all  
6 principal, interest, and other charges associated with the storm recovery have been  
7 paid. Further, the correspondence states that the funds have been released by the  
8 indentured trustee and are available for refund. Therefore, Cleco Power requests  
9 that the funds be refunded to customers as quickly as possible in the form of a bill  
10 credit of September of 2022 bills, when customer usage is typically high. Staff has  
11 reviewed Cleco Power's request as well as the requirements contained in the 2007  
12 order and agrees that the funds should be refunded to customers in the form of a  
13 bill credit on September of 2022 bills. Staff recommends that the Commission  
14 accept Cleco Power's request to issue the refund in the form of a bill credit.

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

16 **COMMISSIONER SKRMETTA:** Before moving on, what's the total value of  
17 the credit?

18 **MS. EVANS:** Lauren Evans on behalf of Staff, it's about 1.6 million.

19 **COMMISSIONER SKRMETTA:** Okay. Thank you. Second on the motion.

20 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, second by  
21 Commissioner Skrmetta to accept the -- is it a refund?

22 **COMMISSIONER SKRMETTA:** Yes.

23 **MS. BOWMAN:** Yes.

1 **CHAIRMAN BOISSIERE:** The refund from the Cleco Power association. Any  
2 opposition? [NONE HEARD] Hearing none, so ordered. Thank you.  
3 Congratulations.

4 **COMMISSIONER FRANCIS:** Got some comment here.

5 **CHAIRMAN BOISSIERE:** Comment, Commissioner Francis.

6 **COMMISSIONER FRANCIS:** It's not often do we get a credit. Somebody ought  
7 to come up here and take a little credit for it. If anybody here with Cleco, just stand  
8 up.

9 **CHAIRMAN BOISSIERE:** There's nobody here from Cleco, huh? Nobody  
10 wants to take credit.

11 **SECRETARY FREY:** John [INAUDIBLE].

12 **CHAIRMAN BOISSIERE:** Mr. Shirley. Anyone else?

13 **MR. JOHN SHIRLEY:** I'm here to take that credit.

14 **COMMISSIONER FRANCIS:** It's really not fair when we do that and they don't  
15 get any recognition. And so anyhow, thank y'all for your hard work at Cleco.

16 **SECRETARY FREY:** And Mr. Vice Chair, I think someone else who should get  
17 credit is Mr. Zimmering and those who worked on the securitization. Because this  
18 is just proof that securitization continues to provide benefits.

19 **CHAIRMAN BOISSIERE:** Exactly. And I think first of all, two great points.  
20 Thank you, Commissioner Francis, for bringing that up.

21 **COMMISSIONER FRANCIS:** I tell you what, is Z here? Where is Z?

22 **CHAIRMAN BOISSIERE:** There he is. There he is.

1 **COMMISSIONER FRANCIS:** Come up here a minute. Come up here a minute.  
2 Tell us briefly about, you know, we have a lot of people listening in to this event  
3 today and securitization is a complicated thing. It's been hard for me to explain. I  
4 don't even know how to say that word hardly, you know, but in this particular case,  
5 we followed this securitization and we wound up we had some money left over at  
6 the end. And that was your job to do the accounting and follow it; is that true, Paul?

7 **MR. PAUL ZIMMERING:** That's true. Thank you, Commissioner. This was  
8 when -- way back when Katrina and Rita were securitized, and there's always a  
9 little extra that's collected to ensure that the bonds can be retired and all the interest  
10 can be paid. But when the Commission passed the order back in 2007, it said if  
11 there's any money left over, it's got to go back to ratepayers, dollar for dollar  
12 outside of any sharing mechanism in an FRP and it should go back in the same  
13 manner in which it was collected. There's about \$1.6 million, as Lauren said, that  
14 was left. We spoke with Cleco about it. They agreed with our interpretation of the  
15 Commission order, and it's going to go back roughly to a 1,250 kWh customer at  
16 just less than \$3 a month ranging all the way to a 4,000 kWh customer that's going  
17 to get about \$9 and change a month. It will be in September reflecting August  
18 usage, which is normally high, so fortuitously, that worked out well.

19 **COMMISSIONER FRANCIS:** So that was actually like 15 years ago that the  
20 Commission did was to securitize some debt, we were replacing storm damage,  
21 right?

22 **MR. ZIMMERING:** The Katrina and Rita damage.

1 **COMMISSIONER FRANCIS:** We follow that patiently all the way through as  
2 we're going to do on some of these new securitization orders for these storms that  
3 we're doing now.

4 **MR. ZIMMERING:** Yes. In every one of the new securitization orders, there's  
5 a parallel type provision that says if there's any dollars left over, they go back to  
6 customers, dollar for dollar as they were collected.

7 **COMMISSIONER GREENE:** Z, I have a question. Do customers get interest?  
8 I know we have to pay interest on fuel that's deferred.

9 **MR. ZIMMERING:** Do customers get interest on this money? I think any interest  
10 has been accrued in the account already. If I'm wrong about that, somebody from  
11 Cleco tell me. I think the interest has been accrued in the account, so this the gross  
12 amount that goes back.

13 **SECRETARY FREY:** And one other point while Z's up there, another good news  
14 bit is that the Gustav/Ike bonds are going to be paid off early and should come off  
15 the bills in August.

16 **CHAIRMAN BOISSIERE:** Right.

17 **SECRETARY FREY:** And same thing, if there's any accounting, you know,  
18 that's one thing I didn't point out on my bill, but I'm actually still getting credits  
19 back, as are other Entergy customers, from the additional tax savings that we  
20 achieved. So you're constantly seeing credits back, and that's another beauty of  
21 this securitization.

22 **MR. ZIMMERING:** And just to add to what Brandon said, those credits will  
23 continue even after the charges fall off the bill.

1 **COMMISSIONER SKRMETTA:** You mean from regulated utilities?

2 **SECRETARY FREY:** Yes.

3 **MR. ZIMMERING:** Yes.

4 **COMMISSIONER SKRMETTA:** Okay. I was just checking.

5 **MR. ZIMMERING:** Yes. Just -- in this case, it's just from Cleco and this will be

6 the end for Cleco, but it will be from the remaining Entergy securitizations.

7 **CHAIRMAN BOISSIERE:** Right. Right.

8 **COMMISSIONER FRANCIS:** Now, the interest rate from securing the Katrina

9 loans versus what we're doing today on this new damage. It was an interesting

10 point for the people should know and the customers. About -- what was the interest

11 rate on the -- and I don't want to put you on the spot.

12 **SECRETARY FREY:** Kathryn's got those numbers.

13 **MR. ZIMMERING:** No. That's all right. I wish I had my chart in front of me.

14 **SECRETARY FREY:** Kathryn's got it.

15 **MR. ZIMMERING:** I think it's about 5.85.

16 **COMMISSIONER FRANCIS:** What? How much?

17 **MS. BOWMAN:** So for Katrina/Rita under EGSL, it was 5.74 and for ELL, it was

18 5.56.

19 **COMMISSIONER SKRMETTA:** They actually went as far down as we got into

20 later storms, didn't we?

21 **MS. BOWMAN:** And we did. For Gustav/Ike, it was 3.35 --

22 **COMMISSIONER SKRMETTA:** Right.

1 **MS. BOWMAN:** -- for EG and then 3.33 for EL and then when we got to Isaac,  
2 it was under 3. It was 2.86 --  
3 **COMMISSIONER SKRMETTA:** Right.  
4 **MS. BOWMAN:** -- and 2.97.  
5 **MR. ZIMMERING:** And the most recent ones have been in the 4s.  
6 **COMMISSIONER SKRMETTA:** Yeah. I think we're on the up track now.  
7 **MR. ZIMMERING:** And we're on a big upswing, particularly with what the Fed  
8 may do in the next day or so.  
9 **CHAIRMAN BOISSIERE:** Thank you.  
10 **COMMISSIONER FRANCIS:** Okay, Professor Paul.  
11 **CHAIRMAN BOISSIERE:** First of all, Professor Zimmering, I'd like to, once  
12 again, compliment you and your staff and for working so hard for the Commission,  
13 that help save so many people in Louisiana money and get stable utilities and stable  
14 financing here, not only the work you've done but the projects you've been a part  
15 of. You know, you've tirelessly worked and helped find solutions for all of us.  
16 Believe it or not, it makes our jobs a lot easier. Probably makes yours a little more  
17 difficult. But the benefits are being felt across the state, so I'm glad that  
18 Commissioner Francis made a point to congratulate not only Cleco but the whole  
19 idea of securitization and to impromptu bring you up here to explain it. But it needs  
20 explaining because right now a lot of people are looking at these high bills and are  
21 thinking that there's a problem with the storm damage being put on the bills, and I  
22 understand that. But one of the things that storm damage represents is the lowest  
23 possible cost of an expense that we will have to pay one way or another. And when

1 we vote for it, we're not voting to put expenses on the bills because they're going  
2 to be put on there anyway, we're voting for the lowest possible method of  
3 recovering those costs over time through securitization -- thank you for making me  
4 fumble through the word now, Mike -- securitization and also over time, so it's the  
5 least amount that we can do. And it's the best -- and I remind people, it's not just  
6 the five of us coming up with this plan, it's people like yourself and people like the  
7 banks and the bankers, the finance people and the lawyers and the experts, who sit  
8 down and sharpen their pencil and really work on behalf of the people of Louisiana.  
9 And it gives us a chance to help the people get the lowest possible way of incurring  
10 some of the expenses that we have to have by these storms that we continue to  
11 receive here in Louisiana. All that to say, thank you very much.

12 **MR. ZIMMERING:** Thank you very much, Mr. Chairman.

13 **COMMISSIONER FRANCIS:** Professor Zimmering, when you teach at Tulane,  
14 do you teach your students all these nuggets of truth to help people?

15 **MR. ZIMMERING:** We do teach, actually, along with David Guerry and Jamie  
16 Watts, I do teach a class on securitization.

17 **COMMISSIONER FRANCIS:** Good. Well, listen, going back to that word  
18 we're having a hard time pronouncing, I'll just say, we're going to appropriate some  
19 money to pay for storm damage, you know, keep it simple. All right.

20 **MR. ZIMMERING:** That works. Thank you all, Commissioners.

21 **MS. BOWMAN:** Thank you, Z.

22 **CHAIRMAN BOISSIERE:** All right. We're almost everybody, almost there.

1 **MS. BOWMAN:** So we have a motion and a second on Exhibit 22. Is there any  
2 opposition?

3 **COMMISSIONER GREENE:** Motion to accept.

4 **CHAIRMAN BOISSIERE:** Okay.

5 **MS. BOWMAN:** Yeah. Yeah, we're good.

6 **CHAIRMAN BOISSIERE:** Moved my Commissioner Greene, second by  
7 Commissioner Francis. I know there's no opposition because there's three of us.

8 **SECRETARY FREY:** [INAUDIBLE] Skrmetta.

9 **MS. BOWMAN:** Yeah.

10 **CHAIRMAN BOISSIERE:** It approved.

11 **MS. BOWMAN:** Okay.

12 **SECRETARY FREY:** We got it for the [INAUDIBLE].

13 **MS. BOWMAN:** Exhibit Number 23 is undocketed. This is a directive to Staff  
14 regarding analysis of a potential utility pilot industrial shared solar tariff option with  
15 benefits for low- and moderate-income residents. And it's at the request of  
16 Chairman Boissiere. The Commission directs Staff to open a rulemaking to review  
17 the potential to provide an optional pilot industrial solar tariff that may meet the  
18 power needs and objectives of Louisiana's largest industrial customers. Some large  
19 industrial customers apparently desire to establish minimum program capacity  
20 limits of green tariff options they believe may make both a meaningful impact on  
21 the reduction of greenhouse gas emissions in Louisiana and sustain the required  
22 power needs of the industrials' operations. These needs should be studied in the  
23 potential development of any rule pursuant to this directive. As part of this review,

1 Staff is directed to study a program that may dedicate a portion of the gross revenue  
2 generated by qualified developers under an optional pilot industrial solar tariff to  
3 benefit low- and moderate-income residents in the parishes where participating  
4 industrial customers are located. Finally, the Commission directs Staff to ensure  
5 that this rulemaking analyzes criteria that may encourage third-party development  
6 in and investment in solar facilities. Any opposition?

7 **CHAIRMAN BOISSIERE:** Did we do a second or? [INAUDIBLE]No, you're  
8 right. No, you're right. Any opposition?

9 **COMMISSIONER GREENE:** I don't, but I have a comment.

10 **CHAIRMAN BOISSIERE:** Comment from Commissioner Greene.

11 **COMMISSIONER GREENE:** I appreciate the Chairman bringing this to the  
12 Commission so we can further create pathways for industrials to support our  
13 resource needs here in Louisiana, also ensuring there are some advantages for low-  
14 income customers. It's another way that the Commission can mitigate constantly  
15 increasing utility bills. When there's so many different ways to finance renewables,  
16 exploring programs that allow larger commercial and industrial customers to take  
17 on risks to build at their own cost is really a good thing for Louisiana utility  
18 customers.

19 **CHAIRMAN BOISSIERE:** Thank you, Commissioner Greene. I really  
20 appreciate -- thank you so much. All right. So it's no opposition, so let's go over  
21 to the next one. Thank you.

22 **MS. BOWMAN:** Exhibit Number 24 is a docket to be determined. This is Cleco  
23 Power's request for proposals for the acquisition of solar generating capacity and

1 it's a discussion and possible vote to change the scope of services of United  
2 Professionals Company at the request of Vice Chairman Francis. In August of  
3 2021, Cleco Power provided the Commission notice of its intent to conduct an RFP  
4 for the acquisition of solar generating capacity. UPC was subsequently retained to  
5 assist the Commission with this RFP and any certification proceedings arising  
6 therefrom. Since Cleco Power's notice and the retention of UPC, but prior to Cleco  
7 Power initiating its RFP, the company provided notice to the Commission of an  
8 unsolicited offer it received from a solar developer who would develop, own, and  
9 operate a Louisiana-sited solar generating facility with Cleco Power entering into a  
10 purchase power agreement with the developer. Cleco Power believes that the  
11 economic and other terms of the proposed PPA transaction could result in  
12 substantial benefits to its customers, and especially in light of the current high  
13 prices for natural gas and other commodities for the generation of electricity, and  
14 seeks to enter into the proposed PPA transaction in lieu of conducting the  
15 anticipated RFP. Cleco Power is also requesting that the Commission authorize a  
16 change in scope of UPC's hiring for the anticipated RFP to allow UPC to evaluate  
17 this proposed PPA. UPC was retained at the November 2021 B&E to assist in  
18 Cleco Power's upcoming RFP and any certification proceedings arising therefrom  
19 for 75,000 in fees and 2,000 in expenses. No services have been rendered by UPC  
20 under this proposal. Given that UPC was retained to assist in an evaluation and  
21 certification of new resources for Cleco Power, Staff supports the requested change  
22 in scope. Should the Commission authorize this change in scope, Cleco Power will  
23 pursue the Commission's certification of the proposed PPA transaction. Therefore,

1 Staff recommends that the Commission authorize a change in scope of services  
2 from the November 2021 retention of UPC for 75,000 in fees and 2,000 in expenses,  
3 for a total budget not to exceed of \$77,000 to allow for the evaluation of an  
4 unsolicited offer received by Cleco Power.

5 **COMMISSIONER FRANCIS:** Motion.

6 **COMMISSIONER GREENE:** Second.

7 **CHAIRMAN BOISSIERE:** Moved by Commissioner Francis, second by  
8 Commissioner Greene.

9 **COMMISSIONER FRANCIS:** And Chairman, this is just another step to try to  
10 utilize solar in a cost effective way to lower the bills for all of our Cleco customers.

11 **CHAIRMAN BOISSIERE:** Any opposition? [NONE HEARD] Hearing none,  
12 so ordered. Thank you.

13 **MS. BOWMAN:** Exhibit Number 25 is another docket to be determined. It's  
14 Cleco Power's formula rate plan upcoming monitoring reports. It's a discussion  
15 and possible vote to expand the scope of services of United Professionals Company  
16 and this is at the request of Commissioner Greene. In Docket Number U-35299,  
17 Cleco Power filed an application for implementation of change in rates, an  
18 extension of an existing formula rate plan. Staff issued a request for proposal, 19-  
19 05, seeking an outside consultant to assist in the review of that application. And in  
20 response to that RFP, United Professionals Company was retained by the  
21 Commission for a budget of 180,000 in fees and 15,000 in expenses for a total  
22 budget not to exceed of \$195,000. In Order Number U-35299 dated June 22, 2021,  
23 the Commission approved an uncontested stipulated settlement entered into by all

1 parties, which included a three year extension of Cleco Power's FRP. Historically,  
2 when Staff issues an RFP associated with a request to initiate or extend a utility's  
3 FRP, Staff includes the annual review analysis as part of the anticipated scope of  
4 services. However, Staff recently realized it inadvertently excluded annual reviews  
5 as part of the scope of the services in RFP 19-05 and thus no consultant was retained  
6 to assist in Cleco Power's FRP annual reviews. Upon this realization, Staff inquired  
7 as to UPC's remaining budget under Docket Number U-35299. UPC has a budget  
8 of approximately \$90,000 remaining in the budget. Given that UPC was retained  
9 to assist in the evaluation and approval of Cleco Power's FRP extension and that  
10 Staff historically includes FRP annual reviews within the scope of services for any  
11 FRP extension request, Staff recommends that the scope of services of UPC's hire  
12 for Docket Number U-35299 be expanded to include the three years of annual  
13 reviews. Should the Commission authorize this expansion, UPC would utilize the  
14 remaining budget under Docket Number U-35299 for these reviews. Further,  
15 UPC's hourly rates would stay at \$60 to \$295 (sic) per hour as provided in the initial  
16 hire. Staff recommends that the Commission expand the scope of services provided  
17 for in RFP 19-05 to include the three years of annual reviews of Cleco Power's  
18 formula rate plan.

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

20 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, seconded by  
21 Commissioner Francis. Any opposition? [NONE HEARD] Hearing none, so  
22 ordered. Thank you. Is that -- next? Or do we have -- is that it?

23 **MS. BOWMAN:** We will move back to Exhibit Number 21.

1 **COMMISSIONER SKRMETTA:** Can I interrupt for a second, Mr. Chairman?

2 **CHAIRMAN BOISSIERE:** Yes.

3 **COMMISSIONER SKRMETTA:** Point of privilege, I'd like to point out that

4 David Guerry says it's a boy, he is now a grandfather. Congratulations.

5 **CHAIRMAN BOISSIERE:** Congratulations.

6 **COMMISSIONER SKRMETTA:** I hope they named him Davis just to punish

7 you.

8 **CHAIRMAN BOISSIERE:** Congratulations, Mr. Guerry. Let's go back to 21, is

9 it?

10 **MS. BOWMAN:** It is Exhibit 21. It is an executive session, but I ask that everyone

11 stay seated and quiet until I read the entire in re into the record and then we will ask

12 for everyone except the --

13 **SECRETARY FREY:** Or we can go in the side room, right?

14 **MS. BOWMAN:** Can we?

15 **SECRETARY FREY:** Yeah. I think we might --

16 **COMMISSIONER SKRMETTA:** There are several meeting rooms in the back.

17 **CHAIRMAN BOISSIERE:** Yeah, we should probably move the Commissioners.

18 **MS. BOWMAN:** All right. Well, that'll be easier than everyone leaving.

19 **CHAIRMAN BOISSIERE:** Yeah. We'll move the Commissioners.

20 **COMMISSIONER SKRMETTA:** Yeah, there are several conference rooms

21 starting over here.

22 **MS. BOWMAN:** Okay. Exhibit Number 21 is FERC Docket Numbers EL17-41,

23 which is consolidated with EL18-142 and EL18-204; EL18-152; ER18-1182;

1 EL20-72; ER21-117, which is consolidated with ER21-129, EL21-24, ER21-748,  
2 and EL21-46; EL21-56; and ER22-958. These are various FERC dockets and this  
3 is a possible executive session to discuss litigation strategy pursuant to Louisiana  
4 Revised Statute 42:16, et seq. Do we have a motion to go into executive session?

5 **COMMISSIONER SKRMETTA:** Move to go into executive session.

6 **CHAIRMAN BOISSIERE:** Moved by Commissioner Skrmetta, second by the  
7 chair to go into executive session.

8 **[OFF THE RECORD]**

9 **[BACK ON THE RECORD]**

10 **CHAIRMAN BOISSIERE:** I need someone to move to take us out of -- to bring  
11 us out of executive session and then to --

12 **COMMISSIONER SKRMETTA:** Second.

13 **CHAIRMAN BOISSIERE:** Moved by Commissioner Francis, second by  
14 Commissioner Skrmetta. Now we need to adjourn. I need a motion.

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

16 **CHAIRMAN BOISSIERE:** Moved by Commissioner Skrmetta, second by  
17 Commissioner Francis to adjourn. So ordered. Next meeting is when and where?

18 **MS. BOWMAN:** September 14<sup>th</sup> at the Galvez Building in Baton Rouge.

19 **CHAIRMAN BOISSIERE:** September 14<sup>th</sup> in Baton Rouge, see you then.

20

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

22

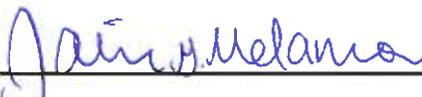
1 I certify that the forgoing pages 1 through 134 are true and correct to the best  
2 of my knowledge of the Open Session of the Business and Executive Meeting  
3 held on July 27, 2022 in Shreveport, Louisiana.

4 \*\*\*\*\*

5 **Rough Draft prepared by:**

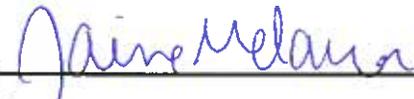
6  8/11/22  
7 **Kathy Dykes,** **Date**  
8 **Court Reporter**

9  8/11/22  
10 **Kayla Fiorenza,** **Date**  
11 **Court Reporter**

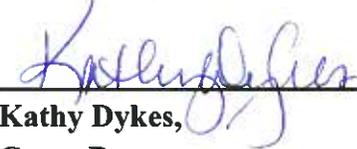
12  8/11/22  
13 **Jaime G. Melancon,** **Date**  
14 **Court Reporter**

15 \*\*\*\*\*

16 **Proofed by:**

17  8/11/22  
18 **Jaime G. Melancon,** **Date**  
19 **Court Reporter**

20 **Finalized by:**

21  8/11/22  
22 **Kathy Dykes,** **Date**  
23 **Court Reporter**