

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS
AND EXECUTIVE OPEN SESSION HELD ON JUNE 17, 2026 IN BATON ROUGE,
LOUISIANA. PRESENT WERE: CHAIRMAN ERIC SKRMETTA, VICE CHAIRMAN
JEAN-PAUL COUSSAN, COMMISSIONER DAVANTE LEWIS, COMMISSIONER
MIKE FRANCIS, AND COMMISSIONER FOSTER CAMPBELL.**

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4 **SKRMETTA, VICE CHAIRMAN JEAN-PAUL COUSSAN,**
5 **COMMISSIONER DAVANTE LEWIS, COMMISSIONER MIKE**
6 **FRANCIS, AND COMMISSIONER FOSTER CAMPBELL.**

7 **CHAIRMAN ERIC SKRMETTA:** Okay. We're going to get started for the June
8 meeting of the Louisiana Public Service -- are we okay? We're live? Okay. Great.
9 Commissioner Francis is going to lead us in the opening prayer and Commissioner
10 Lewis is going to lead us in the pledge of allegiance.

11 **[COMMISSIONER MIKE FRANCIS LEADS IN PRAYER]**

12 **[COMMISSIONER DAVANTE LEWIS LEADS IN THE PLEDGE]**

13 **CHAIRMAN SKRMETTA:** Okay. Good morning, everyone. And before we get
14 started with announcements, I'd like to remind everybody that next month we do
15 not have a meeting, but I would also remind everybody it's our 250th anniversary
16 of our nation's founding. So I hope everyone has a joyous Fourth of July celebration
17 and celebrates it the way our founding fathers suggested we do so, and you can look
18 that up for a good time. So we move on to announcements. Any announcements
19 from Staff before we move to the Commissioners?

20 **MS. KATHRYN BOWMAN:** I have a couple.

21 **CHAIRMAN SKRMETTA:** Go ahead.

1 **MS. BOWMAN:** The first is I do want to wish two folks in audience, they share a
2 birthday today, Mr. --

3 **CHAIRMAN SKRMETTA:** It's technically three.

4 **MS. BOWMAN:** Wait. I know. I know. Mr. Sisung and Mr. Kleehammer's
5 birthdays are today to wish them a happy birthday. And the third, I was going to do
6 separate because it's very special is Jameson Evan's fifth birthday, so we want to
7 wish him a very, very happy birthday today.

8 **CHAIRMAN SKRMETTA:** Is mama letting them go out with them for lunch?

9 **MS. BOWMAN:** His mama made him a chocolate cake, so he's very happy.

10 **CHAIRMAN SKRMETTA:** Okay. Well --

11 **COMMISSIONER JEAN-PAUL COUSSAN:** If we're done for lunch.

12 **CHAIRMAN SKRMETTA:** Did you bring enough for everybody? It's the --

13 **MS. LAUREN EVANS:** No, sir.

14 **CHAIRMAN SKRMETTA:** When you're online, you make sure you don't chew
15 gum or you bring enough for everybody, right? And congratulations to baby
16 Jameson. The other two are not admonishing -- they're not admitting how old they
17 are, so congratulations to them, too.

18 **MS. BOWMAN:** And then we are going to take a few items up out of order, so the
19 -- we're going to start with Exhibit 6, then move to Exhibit 9, then move to Exhibit
20 14, and then take up Exhibit 22. And then, we will go back to the regular agenda,
21 6, 9, 14, and then 22.

22 **CHAIRMAN SKRMETTA:** Okay. Any other announcements?

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

2 **EXECUTIVE SECRETARY BRANDON FREY:** I was just going to say we see
3 Commissioner Campbell's not here, but I fully expect him back in August. And I
4 think if he wasn't held back, he would have been here today.

5 **CHAIRMAN SKRMETTA:** I understand.

6 **SECRETARY FREY:** And, Foster, if you're listening, we're waiting to see you
7 again.

8 **CHAIRMAN FRANCIS:** That's right.

9 **CHAIRMAN SKRMETTA:** And my understanding is Commissioner Campbell
10 is on the mend, and the last time somebody saw him, he was eating a plate of
11 spaghetti and having a good time, so. And I went and did the Jim Engster show on
12 Monday, and Jim and I spoke about Foster, and knew that he was on the mend, and
13 he was looking forward to being back in August. So we wish him well, and we all
14 can include him in our prayers. Commissioner announcements. Commissioner
15 Lewis, anything?

16 **COMMISSIONER LEWIS:** No, sir.

17 **CHAIRMAN SKRMETTA:** Commissioner --

18 **COMMISSIONER FRANCIS:** Yeah, I'd like to recognize -- I had a good friend
19 of mine pass away over the last week. His name is Bobby John. He and his brother
20 founded J & J Exterminating something like 50-something years ago. And a very
21 good friend of mine. It's the largest pest control corporation in Louisiana, all home-

1 owned and home-operated, so Bobby was a great guy. So I know our family, we're
2 all going to miss him.

3 **CHAIRMAN SKRMETTA:** Okay. Commissioner Coussan, anything?

4 **COMMISSIONER COUSSAN:** Yeah, thank you, Mr. Chairman. I have an
5 important announcement. This is about the notice of proceeding regarding the
6 determination and evaluation of private-use electrical networks, AKA microgrids,
7 in order to enable generation to serve new large industrial loads looking to serve
8 and locate in Louisiana. This docket was opened pursuant to my directive on April
9 15 to evaluate private-use electrical networks as a potential method to aid in the
10 interconnection of generation to serve new large industrial loads looking to locate
11 here. As we all know, time is of the essence for our electrical generation needs. And
12 it's my understanding that Staff plans to issue a procedural schedule and its first set
13 of requests for information in its docket this week. I also want to encourage any
14 stakeholder who would like to participate to intervene in the docket and respond to
15 the request for information so that the Staff can have the benefit of as many
16 perspectives as possible. Staff has informed me that all late interventions, that
17 would be late as in you haven't done it yet, will be accepted as long as the
18 stakeholder accepts the posture of the docket at the time of the intervention. I know
19 we have that actual announcement that's going to take place some point in the next
20 couple of days. I'd like Staff to be able to just kind of acknowledge that and say
21 publicly kind of what the plans are, and as we proceed, you know, I'd like the Staff
22 to, you know, recommit and double down on working as efficiently as possible so

1 that we can get to a resolution of this matter and so that we have certainty for our
2 business community as we move forward. So, Lauren Evans, I believe it's your
3 time to shine.

4 **MS. LAUREN EVANS:** Sure. Lauren Evans on behalf Staff. So we will issue the
5 notice of procedural schedule and first set of request for information sometime this
6 week. The responses will be due in about a month, and then Staff will put out a
7 draft rule. We do plan on holding a technical conference and accept comments on
8 the draft rule itself. And depending on the complexity of the feedback received, we
9 might need to send out more requests for information. You know, I want to make
10 sure everybody is aware, we're going to have a little flexibility on that. But
11 regardless, we do -- we are looking to have final rules on this by year end.

12 **COMMISSIONER COUSSAN:** Can I ask a question about technical
13 conferences?

14 **MS. EVANS:** Absolutely.

15 **COMMISSIONER COUSSAN:** Technical conferences are technical. My
16 understanding is that oftentimes we get a lot of lawyers, and we have a lot of
17 lawyers here. I'm a lawyer, Mr. Chairman's a lawyer, and our Staff has many
18 lawyers. What do you think is the best use of a technical conference's time relative
19 to intervenors, and what type of technical expertise should be brought to the table
20 by intervenors? Should it be only lawyers, or should there be other experts that the
21 intervenors bring to the table to actually offer, you know, technical advice and
22 expertise?

1 **MS. EVANS:** Sure. So obviously, we encourage lawyer participation, but I think
2 something like this where we're trying to establish rules that could affect customers
3 or large-load entities, you know, I think participation from all would be appreciated
4 because the more perspectives that Staff can get, the better evaluation, the better
5 rule we can put out.

6 **COMMISSIONER COUSSAN:** Okay. And Staff, can y'all add to that, please, as
7 far as, you know, over the years some of the best results from technical
8 conferences? Who has participated in those from the electrical engineering to
9 economist to planners? What type of input should we be getting?

10 **MS. BOWMAN:** So we certainly have input from the attorneys from the sense of,
11 like, the clarification of the rules and how the rule should be written, but from the
12 technical perspective, it's definitely subject-matter experts of our utilities, subject-
13 matter experts from the intervenors in the docket that are not our utilities,
14 stakeholder groups such as LEUG, such as the Alliance. So anyone related to the
15 subject matter gives us, definitely, some good feedback and substance to
16 contemplate when we're trying to put together the legality of the rules themselves.

17 **MS. EVANS:** And just one more thing, you know, like in a technical conference,
18 we are going to have an opportunity for written comments, but in a technical
19 conference, like I prefer them to be a little more conversational, people talking
20 about the issues, not necessarily being rigid in their responses because we're getting
21 rigid responses in the written comments. So if we can encourage in the technical

1 conference to be more conversational and allow this input from all these different
2 types of stakeholders, I think that would be best use of that time.

3 **COMMISSIONER COUSSAN:** Okay. So I'm asking for more engineers to show
4 up than lawyers.

5 **MS. EVANS:** There we go.

6 **COMMISSIONER COUSSAN:** I'm going to be very plain and clear about it, and
7 I think that would be very helpful if we can get that. I'm a big fan of engineers. I
8 think they get into the details more than we do sometimes. So with that said, I look
9 forward to the scheduling order, and if anybody has any questions, they can reach
10 out to you, as I understand?

11 **MS. EVANS:** Absolutely.

12 **COMMISSIONER COUSSAN:** Okay. And this will be posted on our website or
13 how will this be disseminated to perspective stakeholders?

14 **MS. EVANS:** The notice will go out to everyone that has already intervened in the
15 docket, but if you want me to post it to the website, I can do that as well.

16 **COMMISSIONER COUSSAN:** Yes, please.

17 **MS. EVANS:** Okay.

18 **COMMISSIONER FRANCIS:** So the date has not been picked yet? The date of
19 the conference is not done yet?

20 **MS. EVANS:** No.

21 **COMMISSIONER FRANCIS:** Okay. Who's going to emcee the meeting? Will
22 you do that Lauren?

1 **MS. EVANS:** That will be me, and I also have outside assistance, so Mr. Sisung
2 and Ms. Shelton.

3 **COMMISSIONER FRANCIS:** So if you're lawyer, you get, like, two minutes, if
4 you're businessman, you get three?

5 **MS. EVANS:** Apparently so.

6 **COMMISSIONER FRANCIS:** Okay. Are the mud engineers qualified? Can they
7 come give their opinion?

8 **MS. EVANS:** Anybody can come. It'll be open to the public.

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

10 **CHAIRMAN SKRMETTA:** All right. Will there -- Lauren, will there be cake?

11 **MS. EVANS:** No.

12 **CHAIRMAN SKRMETTA:** Okay. Checking. I would like to add one other
13 message, a solemn message, that I also had a dear friend pass away just a couple
14 days ago. He was actually my CPA, who I was actually friends with before he was
15 my CPA. It was John Theriot of firm Malcolm Dienes in Metairie, Louisiana. John
16 was a dear friend. His was brother was actually married to my cousin, and known
17 John for 40-plus years, and he was a very dear friend. He passed away at a very
18 young age of 64 years old, and I'll actually be attending services for him tomorrow.
19 And I ask y'all to also keep him in your prayers. Thank you. I will go ahead and
20 move on to the agenda, and we're moving on with, I believe, Exhibit 6.

21 **MS. BOWMAN:** Yes, sir. Exhibit Number 6 is Docket Number S-37857. This is
22 National Water Infrastructure's request for a letter of non-opposition to enter into

1 certain credit facilities, issue guarantees, and grant security interests in its assets in
2 connection with those credit facilities. It's a discussion and possible vote on Staff's
3 Report and Recommendation. On February 24 of this year, NWI filed the instant
4 request, which was published in the Commission's Official Bulletin and no
5 interventions were received. On April 23, NWI submitted its supplemental filing,
6 which provided updates and additional documentation. In the request, NWI seeks
7 to enter into credit facilities consisting of 18-month interim, non-revolving
8 construction lines of credit with an aggregate principal amount of up to 50 million
9 and a 36-month revolving line of credit with an amount of up to 6 million
10 outstanding at any time. On May 27 of this year, Staff filed its Staff Report and
11 Recommendation into the record, finding that the request was a lawful object within
12 the company's corporate purposes, necessary and appropriate, and consistent with
13 NWI's performance of its services to the public. This will not impair NWI's ability
14 to perform that service, and is consistent with the public interest and the best interest
15 of ratepayers. As such, Staff recommended that the Commission express its non-
16 opposition, subject to the Commission's standard conditions regarding loans. Staff
17 recommends that the Commission accept the Staff Report and Recommendation
18 filed into the record on May 27, 2026, and that an order is issued in this proceeding
19 effective immediately.

20 **CHAIRMAN SKRMETTA:** Any motions?

21 **COMMISSIONER COUSSAN:** I'll make it a motion to accept the Staff
22 recommendation.

1 **CHAIRMAN SKRMETTA:** Second by the Chair. I do have some questions for
2 the company before we take the final vote. If the company would come up. Thank
3 you. Just say your name for the record, and they'll give you cards I guess to --

4 **MR. MYRON LAMBERT:** Myron Lambert, CEO for National Water
5 Infrastructure.

6 **MR. DRAKE BETTIS:** Drake Bettis, CFO for National Water Infrastructure.

7 **CHAIRMAN SKRMETTA:** Thank y'all for coming up and talking about this. I
8 think this is a -- this is a significant project that's going to be taking place in
9 Ascension Parish, correct?

10 **MR. LAMBERT:** Yes, sir.

11 **CHAIRMAN SKRMETTA:** And this amount that we're talking about on this
12 non-op, is it going to make any initial impact on the consumers' bills at this time?

13 **MR. LAMBERT:** No, sir. We do have a SEWUP filing separate from this. It's our
14 first filing. Current rate is \$49. The SEWUP will allow \$10 max cap. So it will go
15 to \$59.

16 **CHAIRMAN SKRMETTA:** Fifty-nine. And what exactly has been done so far in
17 the overall plan towards the completed plan for this project?

18 **MR. LAMBERT:** So we've had initial 100% design process. We've purchased 40
19 acres of land, land's been cleared, we built a road into the site, and we're under all
20 the permitting. We've received LDH permitting. We're awaiting two permits to
21 cross two different railroads, and then also the final Corps permit.

1 **CHAIRMAN SKRMETTA:** Right. So effectively, we've gone through a lot of
2 planning and a lot of design aspects for this particular project. So what's the
3 ultimate project going to do for Ascension Parish?

4 **MR. LAMBERT:** So Ascension Parish, this has been a long-term goal of the parish
5 government, local and state officials, LDEQ, and also EPA. So we have the support
6 of EPA through a final WIFIA loan, which is the Water Innovation and Financing
7 Act, that will provide long-term, low-interest loan. The final interest rate is
8 projected to be 2.85%.

9 **CHAIRMAN SKRMETTA:** And why is it necessary to do this project for
10 Ascension?

11 **MR. LAMBERT:** Because the Pontchartrain watershed is deemed to be a
12 distressed watershed. We operate roughly 235 package sewer plants at each
13 subdivision and put it in the local watershed. So this project will remove a estimated
14 72 plants, 4 million gallons per day out of the watershed, and put it into the
15 Mississippi River.

16 **CHAIRMAN SKRMETTA:** Right. So effectively, instead of taking the water --
17 the sewage discharge and putting it into the estuaries that go into Lake
18 Pontchartrain, it will go into the Mississippi River at a higher dilution coefficient?

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

20 **CHAIRMAN SKRMETTA:** Okay. And so -- but this is the first step, right?

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

22 **CHAIRMAN SKRMETTA:** There are more steps to come, right?

1 **MR. LAMBERT:** Yeah. This is the first phase and --

2 **CHAIRMAN SKRMETTA:** So how far -- I mean, what is the cost of the project

3 right now?

4 **MR. LAMBERT:** The estimated cost, which was approved at a regionalization

5 rate case, is 184 million.

6 **CHAIRMAN SKRMETTA:** And that's the total cost of the total project?

7 **MR. LAMBERT:** That's the estimated cost that's approved, yes, sir.

8 **CHAIRMAN SKRMETTA:** And where are we right now on accumulated costs

9 so far?

10 **MR. LAMBERT:** Roughly 39 million.

11 **MR. DRAKE BETTIS:** About 42 million.

12 **CHAIRMAN SKRMETTA:** You need to push the button on your microphone

13 just --

14 **MR. BETTIS:** Forty-two million, sir.

15 **CHAIRMAN SKRMETTA:** Yeah. And so we're going to go from -- we're at 39

16 million, we're going to go to 180-plus million. And the rate anticipating right now,

17 it's going to be like, you said, \$49 a month after this?

18 **MR. LAMBERT:** Currently, we're at \$49 a month. The SEARUC filing will bring

19 it to 59.

20 **CHAIRMAN SKRMETTA:** Right. And what are we going to end up with after

21 the 180?

22 **MR. LAMBERT:** So the regionalization rate case was \$89.

1 **CHAIRMAN SKRMETTA:** Okay.

2 **MR. LAMBERT:** Once we hit the significant completion of the project, which we
3 are targeting October 2028. It's a very aggressive schedule. And then we have 18
4 months to file the final rate case.

5 **CHAIRMAN SKRMETTA:** Right. And the parish itself has had a vote on this,
6 and supports this, correct?

7 **MR. LAMBERT:** The citizens of Ascension Parish had to vote to sell the parish
8 assets, which was roughly 109 sites, and agree to -- that they didn't want to be in
9 the sewer business, to privatize it.

10 **CHAIRMAN SKRMETTA:** Okay. All right. I don't have any more questions.
11 Any questions from the Commissioners? Go ahead.

12 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. Thank you, Mr. Lambert.
13 I know in the beginning of the phase of this we had some discussions, particularly
14 with some of my constituents, about where the treatment facility was going to be.
15 And can you just walk through what has happened since those town halls and the
16 decision of NWI and also what we did to the project and its timeline and cost.

17 **MR. LAMBERT:** Yeah. So we had the not-in-my-backyard concept take place.
18 We had two sites we chose that were requested by parish government and the local
19 citizens not to be there. So we finally identified a site on Ashland Road, which is
20 in the industrial corridor next to, basically, Occidental, Shell Oil, all those -- Shell
21 Chemical. We have less than two residential customers within three miles of this
22 site. So it did delay the project by about two-and-a-half years, but the aggressive

1 timeline we've put together with Lemoine as our program manager and working
2 with our engineering company to do it this way, we were able to get our timeline
3 back under control.

4 **COMMISSIONER LEWIS:** Thank you. And did that change any of the
5 financing? Are you seeing --

6 **MR. LAMBERT:** No. The only financing that we have is we did have some cost
7 increase for high density polyethylene pipe and some PVC pipe. We were able to
8 get in those long lead-time items for an order, and we locked it in before the impact
9 of the Iran issues. So we have the POs in place. We secured the pricing and was
10 able to mitigate that process.

11 **COMMISSIONER LEWIS:** Great. Thank you.

12 **CHAIRMAN SKRMETTA:** Any other questions?

13 **COMMISSIONER FRANCIS:** Is this basically driven by the EPA and the
14 environmental conditions in the area?

15 **MR. LAMBERT:** Yes, sir. The Pontchartrain Water District is a distressed
16 watershed. The limits that we have to perform and treat the sewer to is, for instance,
17 a 10 BoV is very low. And the opportunity to have that EPA support will ward off
18 a consent decree, which would, you know, require the entire parish, which would
19 be a lot more than this 185 million.

20 **COMMISSIONER FRANCIS:** Is there any other company or project underway
21 that would solve this problem?

1 **MR. LAMBERT:** No, sir. And, you know, one other opportunity we have is we're
2 working to create water credits. There's not many water credits at all that have been
3 created. If we can work with industry, permit the water to be put into the Mississippi
4 River but sell the water to industry and create water credits, we can -- if we can
5 monetize that, we can buy the rate down for the customer. That is part of the rate
6 case that was approved in the initial regionalization project.

7 **COMMISSIONER FRANCIS:** Is there any intervenor that's opposing this?

8 **MR. LAMBERT:** No, sir.

9 **COMMISSIONER FRANCIS:** Okay. And for sure, there's no intervenor who's
10 got a better idea about how to solve the problem --

11 **MR. LAMBERT:** No, sir, they don't.

12 **COMMISSIONER FRANCIS:** All right. Thank you.

13 **CHAIRMAN SKRMETTA:** One thing I'd like to add is, there's been -- you know,
14 the -- this is part of the solution of improving the water quality and the estuary in
15 Lake Pontchartrain. The other aspect of this equation is what's going to happen in
16 the Florida Parishes, from Livingston eastward to the Pearl River. And there has
17 been -- we've had discussions with the governments in the Florida Parishes about
18 creating a sewage pipeline mechanism to, actually, interconnect with this system in
19 the future to do exactly what you're doing, which is to take that gray water after its
20 been processed in those parishes, bring it down to this facility, sell it off as a gray
21 water to the industrials for water credits, and then move it into the Mississippi River
22 where it would have a greater dilution coefficient. That should double the effect on

1 improving the water quality in the Lake Pontchartrain. So, you know, I congratulate
2 you on your plan. I know it's an expensive process, but at the same time, it's going
3 to improve the overall ecology of the region, and it's going to make a quality of life
4 better. And you're going to also not be getting fined by the Department of
5 Environmental Quality and the EPA, which is what a lot of water systems do, is
6 they get fined. We got to find ways to fix them. So thank --

7 **COMMISSIONER COUSSAN:** I have a quick question for him.

8 **CHAIRMAN SKRMETTA:** And one more question from Commissioner
9 Coussan.

10 **COMMISSIONER COUSSAN:** Thank you. Gentlemen, Louisiana's water sector
11 across the state is undergoing massive infrastructure improvements based upon
12 federal dollars in many cases. Our water-sector program has its own subcommittee
13 identifying projects. Do you benefit from monies that are being appropriated by the
14 state of Louisiana through the legislature?

15 **MR. LAMBERT:** We have not applied for any. It's all been part of the equity that
16 we've invested into the project so far, with the commitment from EPA for the
17 WIFIA year, which is the Water Innovation Financing Act.

18 **COMMISSIONER COUSSAN:** Because the water sector in Louisiana is
19 essentially for public run facilities; is that correct?

20 **MR. LAMBERT:** Correct.

21 **COMMISSIONER COUSSAN:** And you're not a public -- you're not a public
22 entity?

1 **MR. LAMBERT:** No, sir, we're not.

2 **COMMISSIONER COUSSAN:** Which is why you're in front of us?

3 **MR. LAMBERT:** Correct.

4 **COMMISSIONER COUSSAN:** So I think it's essential that we continue -- we,

5 as a body, and as stakeholders, continue to communicate, both to our legislators,

6 who I think sometimes maybe don't realize that your company and other private

7 companies like you don't benefit from that large influx of federal dollars that we've

8 been able to appropriate through the state of Louisiana through our water sector

9 program. You are getting your own financing privately and, in some cases,

10 benefitting from, you know, these national programs, but you're not benefitting

11 from the monies that are being paid for by the constituents through their taxes.

12 Those are going to public type of entities.

13 **MR. LAMBERT:** Correct. And I've had some conversation with some legislators

14 that if that funding is appropriated to a project and the project is going to go away

15 because maybe the municipality couldn't match that funding, maybe there could be

16 an emergency act that could appropriate that to a project like ours, or any other

17 water project in the state, from a utility that is currently doing a project. That way

18 we don't lose the dollars.

19 **COMMISSIONER COUSSAN:** Yeah. Because while you're not a public entity,

20 clearly you're benefitting the public, especially here in this case, in Ascension

21 Parish.

22 **MR. LAMBERT:** Right.

1 **COMMISSIONER COUSSAN:** Which you voted for your project.

2 **MR. LAMBERT:** Correct. Water utilities are a form -- a governmental activity,
3 basically we're classified that way in some municipalities.

4 **COMMISSIONER COUSSAN:** I urge you to continue your conversations with
5 the legislature to see how we can, you know, steer some of those funds to projects
6 that have public benefit, despite not being through a public entity like your own,
7 so. I think we can find a mechanism for that.

8 **MR. LAMBERT:** Yes, sir. Thank you all for your support.

9 **CHAIRMAN SKRMETTA:** Great. Any other comments? [NONE HEARD]
10 There's been a motion by Commissioner Coussan, seconded by the Chair. Any
11 opposition? [NONE HEARD] Hearing none, the matter's approved. Thank you
12 very much.

13 **MR. LAMBERT:** Thank you.

14 **CHAIRMAN SKRMETTA:** Next item, please. Number 9.

15 **MS. BOWMAN:** Yes, sir. Docket Number U-37359, this is Diversion Water
16 Company's application for an increase rates and service charges. It's a discussion
17 and possible vote on an Uncontested Stipulated Settlement. Diversion sought an
18 increase in its rates and service charges with notice of the application being
19 published in the Commission's Official Bulletin and no interventions were
20 received. Diversion is domiciled in Prairieville, Louisiana, and provides retail water
21 service to approximately 2,100 customers in Livingston and Ascension Parishes.
22 The Applicant's last rate increase occurred in July 2013. After completion of

1 discovery and submission of testimony, Diversion and Staff reached an agreement
2 in an Uncontested Stipulated Settlement allowing Diversion to increase their
3 additional revenue in the amount of \$145,605. The settlement was filed into the
4 record on May 8 of this year. Staff recommends that the Commission accept the
5 corrected uncontested stipulated settlement filed into the record on May 8, 2026.

6 **CHAIRMAN SKRMETTA:** The Chair moves to accept the Staff
7 recommendation. Any seconds?

8 **COMMISSIONER FRANCIS:** Second.

9 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Francis. Before we
10 vote, I'd like to have the company to come up. I got a few questions for them. Hey,
11 Mr. Garrety. Thank y'all for coming. Just introduce yourself. You have to push the
12 buttons on the microphone to turn them green, and then you can talk.

13 **MR. BRYON GARRETY:** I'm Bryon Garrety representing Diversion Water.

14 **CHAIRMAN SKRMETTA:** And if you want to introduce yourself, feel free.

15 **MR. PARRISH VALEGA:** Parish Valega, owner of Diversion Water.

16 **CHAIRMAN SKRMETTA:** Great. Just a couple of questions. First, you heard
17 the testimony of the previous case. Are you going to eventually interconnect with
18 this project in Ascension with NWI down the road or since you're in that
19 Prairieville sort of Metroplex?

20 **MR. VALEGA:** Most of our systems are further out on the parish line, so I don't
21 know if that will ever happen. But if it does, then it we'll look at it.

1 **CHAIRMAN SKRMETTA:** Okay. And what's the actual dollar amount per
2 customer the rate increase is going to impact each -- the average customer?

3 **MR. GARRETY:** Approximately \$4 per month.

4 **CHAIRMAN SKRMETTA:** Four dollars? Okay. All right. That's the only thing
5 that I had. Any questions from any other Commissioners?

6 **COMMISSIONER COUSSAN:** A quick question, you heard my question to the
7 last witnesses relative to state funds. Are y'all benefitting from any water sector
8 dollars?

9 **MR. GARRETY:** Not at this time. No, sir. Privately owned company and not
10 benefitting from those public dollars.

11 **COMMISSIONER COUSSAN:** Thank you.

12 **CHAIRMAN SKRMETTA:** Any other questions from any Commissioners?
13 [NONE HEARD] Hearing none -- thank you very much for coming up for the
14 moment. Appreciate it.

15 **MR. GARRETY:** Thank you.

16 **CHAIRMAN SKRMETTA:** You're excused. Matter's been moved by the Chair,
17 seconded by Commissioner Francis. Any opposition? [NONE HEARD] Hearing
18 none the matter's approved. Next item would be Item Number 3, Number 14.

19 **MS. BOWMAN:** Yes, sir. Yeah, 14. Is Docket Number U-37704. This Utilities,
20 Inc. of Louisiana's review and adjustment of base rates following merger with
21 French Settlement Water Company, modification and extension of its formula rate
22 plan, depreciation study, modifications to its tariff, and interim rate relief. It's a

1 discussion and possible vote on a Uncontested Stipulated Settlement. On August
2 12, 2025, UIL filed its application, which was published in the Commission's
3 Official Bulletin, and no interventions were received. At its December 17, 2025
4 B&E, the Commission authorized UIL to implement an interim rate increase to
5 achieve approximately one-third of the overall request, subject to refund and
6 applicable bonding requirements. This vote was memorialized in Order Number U-
7 37704. After discovery and testimony, UIL and Commission Staff reached an
8 Uncontested Stipulated Settlement, with the major terms being that UIL can renew
9 its FRP for an additional three-year term under the same terms and conditions, with
10 some clerical amendments. UIL has the opportunity to earn a 9.5 ROE, within a
11 band of 9 to 10%. They are authorized a total rate base of approximately \$40.5
12 million for water and 64 million sewer. It can adjust its base rates to increase its
13 additional revenue by an additional 4 million for water -- excuse me - 4 million for
14 sewer and another 3.2 million -- I'm sorry. Four million for water and 3.2 million
15 for sewer. This three -- there will also be a three-year phase in consolidation of the
16 former French Settlement Water Company customers to align with UIL's rates. UIL
17 can authorize to change its tariff for the Biochemical Oxygen Demand calculation,
18 and upon expiration of this three-year FRP and contemporaneous with its 2028 test
19 year filing, UIL shall file a full base rate case with the Commission. Staff
20 recommends that the Commission approve the Uncontested Stipulated Settlement
21 filed into the record on May 22 of this year.

1 **CHAIRMAN SKRMETTA:** Chair moves to accept Staff recommendation. Any
2 seconds?

3 **COMMISSIONER COUSSAN:** I second.

4 **CHAIRMAN SKRMETTA:** Second by Commissioner Coussan. Before we vote,
5 I'd like to ask the company a few questions, if they come up. All right. Thank you.
6 A couple of questions. First off, you know, the French Settlement is at the northern
7 tip of Ascension Parish, and it's all in this, sort of, zone of impact on the estuary
8 area surrounding the feed to Lake Pontchartrain on the western zone. And you
9 including this into this area, a couple questions. On these rates, number one, what
10 are we looking at as the impact in rate increases for the average customer?

11 **MS. KARA KANTROW:** Kara Kantrow on behalf of UIL, and Aaron Accardo,
12 President of UIL. On the -- as Ms. Bowman read, we had got interim rates sometime
13 back in December, which for an average water customer of UIL was about \$3.31.
14 And then this next push is going to be about \$13.90. And then the French Settlement
15 is different. Their rates were lower, and as Ms. Bowman mentioned, they're going
16 to stairstep that in there so to avoid any type of rate shock for those French
17 Settlement folks. And then on the sewer side for UIL, it was about \$4.55 increase
18 on interims, and this would be an additional 7.90.

19 **CHAIRMAN SKRMETTA:** What about water for French Settlement?

20 **MS. KANTROW:** Add \$2.29 on the interim piece, and this was an additional
21 \$9.63. So at the end of the day, French Settlement water rates for this year, average
22 customer will be about \$40.

1 **CHAIRMAN SKRMETTA:** Say again it, that last bit.

2 **MS. KANTROW:** About \$40.

3 **CHAIRMAN SKRMETTA:** Forty dollars?

4 **MS. KANTROW:** On the water side.

5 **CHAIRMAN SKRMETTA:** And that's going from 2.99?

6 **MS. KANTROW:** It's going from 28.13 to 40 -- at the end of the day--

7 **CHAIRMAN SKRMETTA:** Twenty-eight -- sorry. 28.13?

8 **MS. KANTROW:** Uh-huh.

9 **CHAIRMAN SKRMETTA:** Okay. To 40. Now, my question is, most of French

10 Settlement doesn't have a sewer system, correct?

11 **MS. KANTROW:** That's correct.

12 **CHAIRMAN SKRMETTA:** Okay. So are they paying sewer rates of any kind?

13 **MR. AARON ACCARDO:** No.

14 **CHAIRMAN SKRMETTA:** So what is the long-term plan for French Settlement

15 on sewer systems for dealing with it, because they basically have, I guess, cesspools

16 or French drains or septic tanks?

17 **MR. ACCARDO:** They basically got on-site mechanical systems, or, of course the

18 Legacy --

19 **CHAIRMAN SKRMETTA:** Sorry about that. Go ahead.

20 **MR. ACCARDO:** -- the Legacy septic systems. In some cases, there are actually

21 two subdivisions prior to the Nexus merger where UIL served only sewer and

1 French Settlement's served only water. And in those two cases, we actually serve
2 both now, but that's only two subdivisions.

3 **CHAIRMAN SKRMETTA:** All right. So is there any analysis on if these systems
4 are integral or if they're -- I mean, it's been that way for how many years now?
5 Since the beginning, right?

6 **MR. ACCARDO:** That's my understanding.

7 **CHAIRMAN SKRMETTA:** Is there any indication if these systems are leaking
8 or perforated or, you know, doing ground seepage?

9 **MR. ACCARDO:** On the wastewater side in French Settlement?

10 **CHAIRMAN SKRMETTA:** Yeah, on wastewater.

11 **MR. ACCARDO:** I really can't speak to it. I could speculate and tell you that if
12 they're as old as a lot of the things I see in the state, there could be a possibility of
13 that. Yes, sir.

14 **CHAIRMAN SKRMETTA:** But do you have any interactivity on those sewer
15 facilities?

16 **MR. ACCARDO:** Not on the wastewater facilities in French Settlement, except
17 for the two subdivisions that are referred to that were previously owned and still
18 owned by UIL.

19 **CHAIRMAN SKRMETTA:** And those actually have a sewer treatment facility?

20 **MR. ACCARDO:** Yes. We have regional treatment.

21 **CHAIRMAN SKRMETTA:** But because of the relationship as a regulated utility
22 over water and wastewater for that community, you know, I'm wondering how

1 there is not an ultimate responsibility that comes into play on that. People don't
2 have the ability to opt in and opt out, do they?

3 **MR. ACCARDO:** We don't have any wastewater service in that area. We don't
4 own it --

5 **CHAIRMAN SKRMETTA:** Okay.

6 **MR. ACCARDO:** -- and we don't provide it.

7 **CHAIRMAN SKRMETTA:** Even on those subdivisions though, you say you do?

8 **MR. ACCARDO:** It's in only the two that I referred to that were [INAUDIBLE].

9 **CHAIRMAN SKRMETTA:** Well, then you do have -- then you do have it in that
10 area.

11 **MR. ACCARDO:** Right. Just in those two subdivisions.

12 **CHAIRMAN SKRMETTA:** Right. Okay. But if those people want to do a
13 interconnect into the sewage system and they don't want to be on a septic facility
14 anymore, is the ability for them to do that now? Is there a main?

15 **MR. ACCARDO:** We don't have -- we have no mains, sewer mains, in the area.

16 **CHAIRMAN SKRMETTA:** Okay.

17 **MR. ACCARDO:** Depending on exactly where we're talking about, because the
18 service area that we serve out is spread out in different locations, of course. But
19 there may be other providers that would be more viable for them to interconnect
20 with to get off a, say a, individual treatment plant onto a regional system.

21 **CHAIRMAN SKRMETTA:** Okay.

22 **MR. ACCARDO:** I would have to explore that and, you know [INAUDIBLE] --

1 **CHAIRMAN SKRMETTA:** I'd like y'all to look into just the viability of these
2 septic systems to make sure they're just not old and leaking and they're just not
3 paying attention to them, because it may be something that has to be looked long-
4 term with LDEQ. But to clarify something, you said that the water on the overall
5 system is now at \$17 approximately?

6 **MS. KANTROW:** On the UIL system, it's -

7 **CHAIRMAN SKRMETTA:** The UIL system.

8 **MS. KANTROW:** -- currently \$40 and it would go up to 57.84. I was talking --
9 that was the increase.

10 **CHAIRMAN SKRMETTA:** Okay.

11 **MS. KANTROW:** It went from 3 something in the interim and then --

12 **CHAIRMAN SKRMETTA:** So it's a unified rate?

13 **MS. KANTROW:** For UIL water, French Settlement water, and then UIL sewer.
14 And then we did ask for the average customers.

15 **CHAIRMAN SKRMETTA:** Right. So but UIL and French Settlement are now
16 going to have the same water rate?

17 **MS. KANTROW:** No. So, I mean, as we mentioned, because French Settlement's
18 water rate started off so much lower, we're going to stairstep that in to avoid --

19 **CHAIRMAN SKRMETTA:** Right.

20 **MS. KANTROW:** -- a rate shock over the next three years.

21 **CHAIRMAN SKRMETTA:** Okay. What are the steps?

1 **MS. KANTROW:** They are to align with the FRP filings that are going to happen
2 every year, so I don't 100% know what would happen next year --

3 **CHAIRMAN SKRMETTA:** So you have to come in for the approval every year?

4 **MS. KANTROW:** When we file our annual report -- when UIL files its annual
5 report, the Staff and the company will work so that it's like a third, a third, a third.
6 So by the end of the three years, hopefully we'll have some rate parity with French
7 and UIL, that's the goal.

8 **CHAIRMAN SKRMETTA:** So right now it's going to be at 40. You had an
9 increase of, what, 17?

10 **MS. KANTROW:** For UIL or French?

11 **CHAIRMAN SKRMETTA:** Well, that's what I'm trying to get to.

12 **MS. KANTROW:** Okay. So for UIL, it will go from \$40.63 to 57.84. For French
13 Settlement, it will be 28.13 to \$40.05.

14 **CHAIRMAN SKRMETTA:** So your goal is to get that 40 up to 57?

15 **MS. KANTROW:** Or whatever the FRP dictates at the time.

16 **CHAIRMAN SKRMETTA:** Right. Whatever the dictate is to get it to -- towards
17 a unified rate.

18 **MS. KANTROW:** Right. I mean, in, you know, you would -- UIL is going to
19 slightly drop so it kind of goes like this. So hopefully that [INAUDIBLE].

20 **CHAIRMAN SKRMETTA:** Right. So there'll be a decrease and an increase
21 towards a unified rate.

22 **MS. KANTROW:** Depending on the FRP filings.

1 **CHAIRMAN SKRMETTA:** That'd be the goal.

2 **MS. KANTROW:** Yes.

3 **CHAIRMAN SKRMETTA:** Right. Okay. Well, as long as the Staff understands

4 that's the goal, so that's the important thing.

5 **MR. ACCARDO:** Commissioner, I would add that one of the reasons or the logic

6 behind phasing French Settlement in, aside from the fact their initial rates are lower,

7 is as you know, their service level is due to the capacity issues with the failing wells

8 --

9 **CHAIRMAN SKRMETTA:** Right.

10 **MR. ACCARDO:** -- that are there, and then lots of main issues --

11 **CHAIRMAN SKRMETTA:** No. If you had to put in the other well, so how is that

12 going?

13 **MR. ACCARDO:** We're 2,000 feet deep going to 3,000 feet on the Delia Street

14 well. So we're almost finished.

15 **CHAIRMAN SKRMETTA:** Okay.

16 **MR. ACCARDO:** We'll be on time with what we committed to this year.

17 **CHAIRMAN SKRMETTA:** Okay. Thank you. All right. So what they're looking

18 at is potentially somewhere from this \$28 mark right now in French Settlement to,

19 after three years, it'll be somewhere in the mid 50's or early 50's?

20 **MS. KANTROW:** I think that would be fair.

21 **CHAIRMAN SKRMETTA:** Okay. All right. I don't have any more questions.

22 Any questions from any of the Commissioners?

1 **COMMISSIONER FRANCIS:** I'd like to follow-up on Commissioner Skrmetta
2 --
3 **CHAIRMAN SKRMETTA:** Go ahead.
4 **COMMISSIONER FRANCIS:** -- briefly. Who is the governing body in this
5 French Settlement area? Do they have a council, or is it the police jury, or --
6 **MR. ACCARDO:** The village itself does have a council. I work very closely with
7 them and Mayor Aydell.
8 **COMMISSIONER FRANCIS:** Have they ever said anything about possibly
9 building a sewer system in that area?
10 **MR. ACCARDO:** No, they have not.
11 **COMMISSIONER FRANCIS:** Okay. All right.
12 **MR. ACCARDO:** I think it would -- and, again, I'll have to do more research for
13 Commissioner Skrmetta and all of you, but I think it would be perhaps something
14 that's handled more at the parish level. But I also know that there are, you know,
15 they've got their own issues as well, and I'm in --
16 **CHAIRMAN SKRMETTA:** French Settlement is in Livingston, isn't it?
17 **MR. ACCARDO:** It's in -- a little bit of it's in Livingston --
18 **CHAIRMAN SKRMETTA:** The other is in Ascension?
19 **MR. ACCARDO:** Right. In Ascension. So we've got --
20 **CHAIRMAN SKRMETTA:** So it depends on what side of the bayou you're on?
21 **MR. ACCARDO:** That's right.
22 **CHAIRMAN SKRMETTA:** Okay.

1 **MR. ACCARDO:** You've got different issues with the parishes on their own needs
2 from a wastewater perspective, and, of course, we're in discussions with them
3 constantly as to how we can help. As I think, Commissioner Skrmetta, you know,
4 in cases in St. Tammy Parish this year, we've established an emergency
5 interconnect with the Town of Abita because they were having some issues on the
6 wastewater side. The water side, with the Tulane's primary research -- Primate
7 Research Center. So we're doing that as often as we can in order -- not only to, I'll
8 say selfishly as a company, we like the expansion opportunities, but also just as a
9 good neighbor when wells are failing and it leaves customers without water and
10 there's no secondary backups. And we're right there and we can quickly construct
11 an interconnect. It makes sense for everybody.

12 **CHAIRMAN SKRMETTA:** I assume that area's just growing population-wise.

13 **MR. ACCARDO:** Where?

14 **CHAIRMAN SKRMETTA:** That area is growing, French Settlement, that area is
15 growing population?

16 **MR. ACCARDO:** I wouldn't say very much.

17 **COMMISSIONER FRANCIS:** Okay. Sorry.

18 **MR. ACCARDO:** We do get some development, but we don't have any
19 subdivision level. It's single-home construction, and it's fairly slow.

20 **CHAIRMAN FRANCIS:** Okay. All right.

21 **CHAIRMAN SKRMETTA:** Have you -- one last question. Have you interacted
22 with Ascension Parish Government and NWI about the future development on

1 what's going to be happening with the development of the NWI system with
2 movement of wastewater?

3 **MR. ACCARDO:** We haven't recently, but we were very involved with the parish
4 prior to NWI's involvement, and we understand the project and what the goals of
5 the project are, yes.

6 **CHAIRMAN SKRMETTA:** Well, I would suggest that maybe it's time to become
7 more engaged with them.

8 **MR. ACCARDO:** Be engaged.

9 **CHAIRMAN SKRMETTA:** Because if we're looking at 2028 implementation,
10 now's the time.

11 **MR. ACCARDO:** Yes, sir. Understood.

12 **CHAIRMAN SKRMETTA:** Any other questions? [HEARING NONE] All right.
13 Hearing none, you're excused. Thank you. The matter's been moved -- let's see I
14 moved for it and, JP, you seconded it?

15 **COMMISSIONER COUSSAN:** Yes.

16 **CHAIRMAN SKRMETTA:** And seconded by Commissioner Coussan. Any
17 opposition? [NONE HEARD] Matter's approved. Next item is Number 22.

18 **MS. BOWMAN:** Yes, sir. Exhibit Number 22 is Docket U-37584. This is
19 Magnolia Water Utility Operating Company's request for an extension of a formula
20 rate plan. It's a discussion and possible vote on a final recommendation of the ALJ,
21 and this is at the request of the Chair. In this proceeding, Magnolia sought a renewal
22 and extension of its formula rate plan. It's initial FRP was approved by Commission

1 Order 35822, and began with test year 2022, and expired with test year 2024.
2 Commission Staff recommends that Magnolia be authorized to review its FRP --
3 renew its FRP for an additional year -- additional three-years under the same terms
4 and conditions as previously approved, with certain language modifications and
5 changes related to its capital structure. Intervenor in the docket, who are Magnolia
6 customers, oppose this request. Generally, the intervenors contend that Magnolia's
7 annual FRP filings and Commission Staff's analysis were incomplete and based on
8 unsubstantiated financial reports of expenses and repairs. The Tribunal concluded
9 that while the parties presented many issues as contested, the inquiry in the
10 proceeding was limited to whether Magnolia should be granted an extension of its
11 current formula rate plan. Commission Staff recommended that Magnolia be
12 authorized for that, again subject to language modifications. Magnolia included a
13 status update of all completed and pending capital improvement projects, including
14 from LDEQ and LDH compliance documents with their annual filing, and include
15 a status update of all line-itemed charges approved by the Commission in each
16 annual filing. The Tribunal disagreed with the intervenors' argument that
17 Magnolia's request was deficient in that it was filed two-and-a-half months after
18 the deadline detailed in Order Number U-35822. The Tribunal determined that it
19 was clearly the intent of Order Number U-35822 that, upon the conclusion of the
20 initial FRP, Magnolia should return to the Commission for some kind of rate
21 proceeding, and that the denial of Magnolia's request for being untimely, as
22 requested by the intervenors, would contradict the intent of that deadline. Based

1 upon the testimony and evidence presented at hearing, the Tribunal determined that
2 Magnolia's request, with the modifications recommended by Staff, is appropriate.
3 This would annually review Magnolia's books -- intervenors have also taken issue
4 with Magnolia's aggressive acquisition of water and wastewater systems in
5 Louisiana. The Tribunal determined that the proceedings is limited to whether
6 Magnolia's initial FRP should be renewed, and that it was inappropriate to make
7 any determinations about Magnolia's acquisition strategy in this proceeding.
8 Intervenors have made several complaints regarding Magnolia's water quality. The
9 Tribunal determined that whether a utility meets standards for drinking water
10 quality is a determination made by LDH. Further, while intervenors argued that
11 Magnolia's water quality was insufficient, no expert evidence was presented, which
12 contradicted the determinations of LDH and LDEQ. Intervenors also raised several
13 issues related to two other dockets, U-35822 and U-37570. Neither of those orders
14 were appealed and are considered final of the Commission. The Tribunal
15 determined that this proceeding was not the proper setting to address any concerns
16 raised by those two orders. Additionally, intervenors alleged that the Magnolia's
17 failure to produce certain documents. There have been numerous evidentiary
18 rulings in this matter, and in those rulings, no determinations were made that
19 Magnolia failed to comply with any rulings issued by the presiding Administrative
20 Law Judge. Based upon the testimony and evidence presented at the hearing, the
21 Administrative Law Judge recommends that: Magnolia be authorized to renew its
22 FRP for an additional three-year term for test years 2025, 2026 and 2027 under the

1 same terms and conditions as are previously approved, with certain language
2 modifications related to changes in their capital structure. The procedural deadlines
3 for Magnolia's 2025 Test Year shall be extended 30 days from the date of issuance
4 of this order; Magnolia shall file into the record of this proceedings a new or revised
5 tariff; Magnolia shall include with each annual review filing, a complete status
6 update of all completed and pending capital improvement projects; they shall
7 continue to maintain compliance with other regulatory authorities; they shall
8 include with each annual FRP review filing, a complete status update of its open
9 LDEQ compliance and LDH violations; they shall include with each annual review
10 filing, a complete status update of line-itemed surcharges approved by this
11 Commission; and upon the expiration of this three-year FRP, Magnolia shall file
12 for a full rate review with the Commission in conjunction with its 2027 Test Year
13 annual report filing. That is the final recommendation of the judge. We do have
14 several yellow cards on this one.

15 **CHAIRMAN SKRMETTA:** How many yellow cards do we have for time
16 management?

17 **MS. BOWMAN:** Six.

18 **CHAIRMAN SKRMETTA:** Six? Okay. We'll get to those. I want to hear from
19 the company first, and then after, we'll excuse the company, and then we'll bring
20 up the public comment. I'm going to put a motion on the floor. Chair moves to
21 accept Staff -- actually, to affirm the ALJ recommendation and -- we don't -- and
22 does that also require a Staff recommendation, too, or just the --

1 **MS. KANTROW:** No, sir. Just the ALJ recommendation.

2 **CHAIRMAN SKRMETTA:** Okay. Chair moves to accept the ALJ
3 recommendation. Any seconds?

4 **COMMISSIONER FRANCIS:** Second.

5 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Francis. Go ahead and
6 bring -- before we vote, we'll go ahead and bring up the company, Magnolia. And
7 who on Staff was lead on this? I see a lot of fingers.

8 **MR. ARVIND VISWANATHAN:** That would be me, Commissioner. Arvind
9 Viswanathan on behalf of Commission Staff.

10 **CHAIRMAN SKRMETTA:** Who?

11 **MR. VISWANATHAN:** Arvind Viswanathan.

12 **CHAIRMAN SKRMETTA:** Arvind?

13 **MR. VISWANATHAN:** Yes, sir.

14 **CHAIRMAN SKRMETTA:** Okay. Okay. It kept going around the room, so.

15 **MR. VISWANATHAN:** Everyone wants a docket [INAUDIBLE] --

16 **CHAIRMAN SKRMETTA:** I thought the cameraman was going to be ending up
17 with this one. Okay. Hey, you can introduce yourself for the record.

18 **MR. JOSIAH COX:** My name is Josiah Cox. I'm the President of Magnolia Water
19 and the CEO of Central States Water Resources.

20 **CHAIRMAN SKRMETTA:** Okay. And it's my understanding that what we're
21 doing here today is a continuation of the existing FRP for an additional period of
22 time, and then we're moving towards -- then moving into a rate case, which will

1 provide for a permanent rate. And then we're also moving in with an audit that is
2 going to come to forward to do the step-by-step following of all the steps associated
3 with the operations of the company and the development of the projects. Is that
4 right, Arvind?

5 **MR. VISWANATHAN:** If the Commission does vote to accept the Judge's final
6 recommendation --

7 **CHAIRMAN SKRMETTA:** Yeah. Well, that's the aspect of what this is.

8 **MR. VISWANATHAN:** Yes, Judge -- yes, Commissioner, outside of the potential
9 audit that you mentioned, I believe there will be a separate --

10 **CHAIRMAN SKRMETTA:** So we have to do a second vote on the audit?

11 **MS. BOWMAN:** Yes.

12 **MR. VISWANATHAN:** Yes.

13 **CHAIRMAN SKRMETTA:** Okay. So you want to -- should we just do it now
14 and put it on the floor as part of this?

15 **MS. BOWMAN:** We could, yes.

16 **CHAIRMAN SKRMETTA:** Do we have a motion for that?

17 **MS. BOWMAN:** Well, would you like me to read the directive?

18 **CHAIRMAN SKRMETTA:** Yeah, go ahead. I thought we had -- go ahead.

19 **MS. BOWMAN:** So the ALJ recommendation is one vote in consideration related
20 to Magnolia's --

21 **CHAIRMAN SKRMETTA:** Okay.

1 **MS. BOWMAN:** -- FRP, and then the Commission, if it so chooses, we have a
2 proposed directive to move forward with an audit of Magnolia, but I have to read
3 that one.

4 **CHAIRMAN SKRMETTA:** Put it on deck and let's get a vote and that way we'll
5 do them both one after the other. If it's -- if one's successful, we'll be able to move
6 right into the second.

7 **COMMISSIONER COUSSAN:** Do we have to take a vote on the directive?

8 **MS. BOWMAN:** Unless there's opposition.

9 **CHAIRMAN SKRMETTA:** Oh. Well, then you just read the directive then.

10 **MS. BOWMAN:** Yes.

11 **CHAIRMAN SKRMETTA:** Go ahead.

12 **MS. BOWMAN:** So the Commission has been made aware of complaints
13 regarding Magnolia Water Utility Operating Company which have surfaced in
14 interventions into active dockets, complaints to district offices, and in parish
15 resolutions directed at both Magnolia and this Commission. These complaints have
16 varied and have generally been regarded -- regarding water service quality as well
17 as lack of transparency for repairs and upgrades. As such, I direct Staff to initiate
18 an independent investigative audit of Magnolia on its billing, customer service, and
19 acquisition practices, as well as its compliance with other regulatory agencies.
20 Notice of this audit will be filed in the Commission's Official Bulletin for purposes
21 of initiating the audit and providing notice to the public that such an audit will be
22 conducted. However, as with any Commission audit, there will be no intervention

1 or participation from the public until after the Staff has concluded the audit.
2 Commission Staff has authorized to seek an outside consultant to conduct the audit
3 as well as any other outside assistance as necessary. In addition, Staff shall
4 coordinated with Louisiana Department of Health, Louisiana Department of
5 Environmental Quality, and any relevant state or federal regulatory agency who
6 regulates Magnolia. In conducting this audit, Staff shall exercise all reasonable and
7 best efforts to bring the results of this independent audit back to the Commission
8 timely but no later than February 2027.

9 **CHAIRMAN SKRMETTA:** Okay. Thank you. That's just teed up for afterwards.
10 Why don't you go ahead and tell us about what you're seeking today, because I
11 know it's not a rate increase. I know it's the FRP -- extension of the FRP, and then
12 moving towards the rate case. So tell us, kind of, what's going on.

13 **MR. JOSIAH COX:** Yeah. So we've been in a multi-year formula rate plan in the
14 state of Louisiana. So as you well know, I think we've been in the state for going
15 on seven years. You know, in seven years we invested a little over \$410 million.
16 We brought 250-plus systems from environmental non-compliance to compliance.
17 That's the largest movement by a single entity in state history. So the FRP was
18 really designed for us to, you know, continually bring these systems back into
19 compliance and smooth out rate increases over a long period of time, as there's a
20 ton capital to be deployed. As you may or may not be aware, the American Society
21 of Civil Engineers has said that, you know, Louisiana faces about \$40 billion water
22 and wastewater investment that's kind of required to maintain compliance over the

1 next, you know, 10 to 15 years. You know, the American Society of Civil Engineers
2 has given a D rating for water in the state of Louisiana and a C-minus rating for
3 wastewater. So really, you know, as a company we've been hyper focused on that.
4 You know, we've taken referral systems, systems under EPA consent decrees, so
5 that a FRP mechanism is what's allowed us to attract capital to the state. Just to be
6 clear, you know, I've heard a lot of noise from the public and, you know, we have
7 invested \$410 million and we've still never pulled a single dollar out of state. We
8 still have a negative retained earnings of over \$4 million. And the reason for that
9 is, as we buy these systems, the initial -- we close on them, we're adopting the rates
10 that existed at the time of closing, and those rates are not sufficient to cover costs.
11 The reason why they're not sufficient to cover costs is because the systems we buy
12 are completely failed. You know, for example, the TESI group of systems that is
13 spread out around the Lafayette area. You know, they were at -- a number of those
14 plants, I would say, you know, 60 or 70 of them were not functional. So the day we
15 turn on a pump, we turn on the, you know, the blowers, we start adding disinfection
16 chemicals. Also, you're running up cost that there is no coverage for in terms -- in
17 the existing rates. That was very similar for us when we bought the Mo-Dad set of
18 systems. Remember those are actually around here in Ascension Parish. Those are
19 110 systems. You know, they were another group of systems that, I think in the 110
20 systems, there should have been 220 blowers operating, there were 40. So that kind
21 of tells you the level of disrepair. In terms of the FRP filing, we filed this in May
22 16, 2024 or '25. You know, November was the Staff -- you know, the Staff report

1 and order. We had a February hearing, so it's been about 13 months over the course
2 of this whole process. Obviously, you know, we need to have stability in terms of
3 an understanding, you know, the process in which they continue to make the
4 investments necessary to comply with all the EPA regulations.

5 **CHAIRMAN SKRMETTA:** When you talked about the American Society of
6 Civil Engineers rating systems that started as a D, I know that LDH has a rating
7 system for water quality as well, an alphabet style. Is it associated with the
8 American Society of Civil Engineers rating system or is it different?

9 **MR. COX:** It's different, but they use similar -- so they're only using EPA
10 requirements to be able to come up with -- EPA and state regulations requirements
11 to come up with a letter grade. Like, you know, are you doing all your required
12 testing; are you, you know, monitoring all your disinfection chemicals, like it's a -
13 - it's a whole set checklists. It's really, kind of, EPA, LDH derived.

14 **CHAIRMAN SKRMETTA:** Okay. So all of those derive from the EPA?

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

16 **CHAIRMAN SKRMETTA:** Okay.

17 **COMMISSIONER COUSSAN:** Can I ask a quick question?

18 **CHAIRMAN SKRMETTA:** Just one more quick question, I'm going to hand it
19 off. We had a consent decree problem with TESI that had gone on for 20-some odd
20 years when you took over one of the TESI systems. And I was just curious, what's
21 the status of that?

1 **MR. COX:** Yeah. So we have completed those systems. We were finishing up
2 some checklist items on some, so we expect to be fully out of the EPA consent
3 decree by the end of this year. It takes -- we have to -- just since, you know, that
4 system was under a 20-plus year consent decree with the EPA. When we stepped
5 in to buy TESI, we had to negotiate with the Department of Justice because they're
6 the ones who run the EPA consent decree process. And we had to give them a
7 timeline. Well, that timeline doesn't just haven't to do with improvements, it's
8 multiple months of passing tests post the improvements are done. So we have to do
9 all this construction, put it in place, and then continue to test after the construction
10 in place to prove that the improvements we made meet EPA requirements.

11 **CHAIRMAN SKRMETTA:** Okay.

12 **MR. COX:** So we expect them to be done this year.

13 **CHAIRMAN SKRMETTA:** And I know the Department of Justice cut your
14 timeline when you took it over, so I was just curious if you were able to find the
15 timeline and complete the tasks. That's all.

16 **MR. COX:** We are.

17 **CHAIRMAN SKRMETTA:** All right. I'm going to turn it over to Commissioner
18 Coussan.

19 **COMMISSIONER COUSSAN:** Thank you. I had a quick question, follow-up
20 relative to the scoring system. When that was put in place at the legislature over the
21 last few years, you were in support of it?

22 **MR. COX:** That's correct.

1 **COMMISSIONER COUSSAN:** You were aware of it?

2 **MR. COX:** Yes, sir.

3 **COMMISSIONER COUSSAN:** And did y'all play a role in that as well as far as,

4 kind of, how things happened in other states or from a best practices standpoint?

5 **MR. COX:** We were for that. That was really an EPA/LDH kind of mandate to do

6 that because a bunch of I -- what we saw as a bunch of state legislators got tired of

7 getting continual complaints from their constituents, you know, loss of water

8 service, brown water, all that kind of great stuff.

9 **COMMISSIONER COUSSAN:** I received the scores recently. You know, what

10 was your analysis of the scores relative to your entities?

11 **MR. COX:** Yeah. I mean, you know, we're all A's, maybe one B. And that B's a

12 system we've owned less than a year. So, you know, the rest of the state is, you

13 know, I mean, they're -- you know, water world is kind of bifurcated. You have a

14 bunch of municipalities, you know, parishes that do it well. And then there are a

15 bunch of other people that they probably shouldn't be in the utility business. And

16 that shows in the scores. And there are tons of D's and F's across the state, and

17 those are mixed between small private guys and parish water associations, on and

18 on and on.

19 **COMMISSIONER COUSSAN:** Because the parish -- the public facilities and the

20 private facilities are all on the scoring system?

21 **MR. COX:** That's correct.

22 **COMMISSIONER COUSSAN:** Okay.

1 **MR. COX:** There's no differentiation.

2 **COMMISSIONER COUSSAN:** And that's a public document for anybody to
3 see?

4 **MR. COX:** That's correct.

5 **COMMISSIONER COUSSAN:** So you teed me up for my next question about -
6 - I know when you spoke generically about the bifurcated nature of good systems
7 and bad systems, but the systems that you own across the state are relative to your
8 FRP. How many different categories do you have as far as the clients and the
9 constituents for us? How many different categories do you have? You have
10 residential, you have commercial.

11 **MR. COX:** Yes. We basically have three tiers of, you know, rate classes. And then
12 inside of those three tiers there's multiple customer types, right? So our Tier 1
13 systems are ones that kind of the lowest technology. So it would be lagoons and
14 hydro tanks with no kind of -- no other generation or anything associated with that.
15 And those typically kind of, you know, rural areas that are not discharging into
16 sensitive ecosystems, right? We have our Tier 2, which is the vast majority of our
17 customers, which is our standard kind of residential rate. And those systems are all
18 -- they're on the wastewater side. They're all systems that require tertiary treatment
19 with the technical term. And then on the Tier 3, we have a number of Tier 3 water
20 systems. I think we only have one, maybe two, Tier 3 sewer systems. That's
21 conveyance only. What we're purchasing as a whole -- we're wholesale purchasing
22 from a neighboring water provider, and then reselling it inside subdivisions.

1 **COMMISSIONER COUSSAN:** So these three different classifications, these
2 tiers, are they geographically segmented?

3 **MR. COX:** No. They're technology neighborhood segmented. So the same class
4 of system is getting the same type of rate.

5 **COMMISSIONER COUSSAN:** Okay. And, you know, how would you describe
6 the sharing of the cost of that -- of a tier? Let's talk about the residential rate, Tier
7 2. Would you -- you know, you talked about the failing systems that you bought,
8 but you also acquired systems that require less capital improvement. In some cases,
9 you know, when they're all in the same tier, it could be that there's some
10 neighborhoods that pay a little bit more where another system is totally failed and
11 that system -- that system has to be replaced. The other system doesn't have to be
12 replaced. But the costs are all within the same tier.

13 **MR. COX:** Yeah. So I think, Commissioner, you're talking about the cross-
14 subsidization and, you know, so, you know, it's interesting that, you know, the --
15 to think the water and gas industry has been cross-subsidized for decades it's on the
16 water business it's not. So but what you're saying is, hey, on a per-customer basis,
17 do some systems cost more to fix initially than others? And the answer is yes, right?
18 Now, all the systems that we buy have some form of environmental noncompliance
19 or LDH issues, so. That's literally how we go and target those systems. We actually
20 built a database of all the violations in the state, and those are the systems we go
21 and talk to. But every system over a 5 to 10-year period requires the same amount
22 of respect. Because system A may have a completely filled plant, system B just

1 needs, you know, stuff turned on and minor adjustments, but the system B, in the
2 next 5 to 10 years, is going to need the same plant replacement, right? In our larger
3 systems, their operating costs are lower on a per-capita basis, but the amount of line
4 replacement -- so think all the underground infrastructure is fully depreciated, all
5 this stuff is 30 years old. That is all going to take replacement over the next 10
6 years, right? So in the end, everyone is paying their own freight over the right time
7 period.

8 **COMMISSIONER COUSSAN:** And your long-term perspective as a utility is the
9 same reason we have longer terms as elected officials, because these are long-term
10 issues.

11 **MR. COX:** That is correct. These are very long-term issues.

12 **COMMISSIONER COUSSAN:** I have one more question, but I'll turn it over to
13 anybody else.

14 **CHAIRMAN SKRMETTA:** Commissioner Lewis.

15 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. Thank you, Josiah, for
16 your comments. I want to go back to something where Commissioner Coussan was
17 and looking at your Tier 2 rate structures. And when I look at Magnolia's Tier 2
18 water rates compared to the remaining companies in there, you are at the top end,
19 primarily at the top. So I'm curious about what are your affordability measures that
20 you're prepared to do within this existing FRP, and then the following rate case that
21 this order requires you to do.

1 **MR. COX:** Commissioner Lewis, we plan on opening a separate docket to do a --
2 to have a low-income tier, right? And that will be kind of outside the FRP filing
3 and expect those in the next couple of weeks. What we plan on using is the same
4 income-measured, the low-income tier for gas and electric, and those are all -- that
5 income verification is all done by a third-party so we don't have to handle any of
6 that financial information, that propriety personal information. Our proposal will
7 be in the next -- in the next year -- in the next test year. We, as a company, will just
8 -- whoever qualifies will have a low-income tier, so less than the total tier rate, and
9 then we will just eat those costs for a year, and then come back and talk about what
10 the actual costs were to you as a Commission is really our plan. You know, we've
11 looked at Entergy's adoption of that, and the percentage rate of how many
12 customers are on that as a percent of their total populations, we don't -- we actually
13 don't believe we are going to have that much uptake, but we're willing to do that
14 as an affordability measure for the people who are the most impacted by these rates.
15 **COMMISSIONER LEWIS:** Okay. Thank you. And on that, I know this order
16 does require a rate case in Test Year '27, and so, while I don't want you to get ahead
17 of your filing, I am curious, in this extension is there significant work that you do
18 see that you'll be making rate adjustments when you file that rate case?
19 **MR. COX:** Are you talking about inside the FRP over the next couple of years?
20 **COMMISSIONER LEWIS:** No, no. It wouldn't --
21 **MR. COX:** The final -- the end of the whole thing.

1 **COMMISSIONER LEWIS:** At the end of everything. Because right now we're
2 talking about an extension to get you to a rate case, so I'm curious -- like I said, I
3 don't want you to get ahead of your filing, but what are you forecasting this
4 extension -- if this extension is granted, what are you forecasting to see when you
5 file that rate case? Will there be significant rate adjustments to these tiers,
6 potentially?

7 **MR. COX:** Yeah. So they're going to do two things here. So one, we've had a huge
8 focus as a company on expense, right? Because every dollar of expense we
9 eliminate, we can spend eight on capital over the same net rate impact for
10 customers. So we've attacked, we then source operations, we bought bio-solids
11 handling, we then sourced some construction functions, all trying to, you know,
12 lower our total expenses across the board. And, you know, what we see is a much
13 more moderated rate increases for our existing customers for the next number of
14 years because of those efforts. Now, when we buy a new system and they get
15 brought into our tariff, that's a different deal, right? That's a -- you know, because
16 there's -- that's is a jump, and these systems are failed for a reason. They haven't
17 sought rate relief for sometimes decades at a time, but besides though, we think
18 we're at that -- we're at the scale now that the absorption from the investments we
19 need to make is going to be significantly less of a rate impact to customers.

20 **COMMISSIONER LEWIS:** Okay. Great. Thank you. You heard the proposed
21 directive of an audit, and we have heard significantly from constituents about water
22 quality and your acquisition strategy. Will you fully participate and cooperate if

1 this body does decide to do an audit and provide all the information needed to -- for
2 us to investigate?

3 **MR. COX:** We're going to go above, above, and beyond. We welcome this audit.
4 We want, you know, we've heard transparency questions and, you know, as a
5 utility, I will tell you Commissioners, probably, like, I've tried really hard to
6 communicate with you and LDH and LDEQ about all the work we're doing. That
7 message is clearly not resonating with my customers in the way it should. So we
8 are really going to make a push over the next couple years. We've done a ton of
9 community meetings. We actually don't get that much participation in those, so
10 we're trying to figure out the median in which to like talk about the work we're
11 doing and get that pushed down. So, but beyond that, this audit, I think, is a great
12 thing for us for everyone to see. Here's all of the, I mean, \$410 million I think is
13 investment in the state speaks for itself, right? And we've never pulled any money
14 out. And I would love to be able to get that message out and a third-party looking
15 at it to kind of quell any questions about what we're doing across the state.

16 **COMMISSIONER LEWIS:** Thank you. And back to something Commissioner
17 Coussan said earlier, and this is for you and Staff. I would, in this audit, would love
18 to see an engineering consultant, potentially an engineering report on the
19 infrastructure and the investments, because I do think that is important for us not
20 only to look at the regulatory aspects and the audit aspects from a financial
21 standpoint, but also an engineering perspective from the infrastructure aspect,

1 which can directly tie into the financial aspects of this audit. So I would -- if you
2 were acceptable to that, I would like Staff to consider that in their --

3 **CHAIRMAN SKRMETTA:** That's open in the directive. It's open in the directive
4 for a professional services.

5 **SECRETARY FREY:** Yeah. I think it says any additional assistance we need.

6 **MS. BOWMAN:** Yes.

7 **SECRETARY FREY:** So that certainly is within the scope.

8 **CHAIRMAN SKRMETTA:** Yep.

9 **COMMISSIONER LEWIS:** Great. Thank you. And my last question for you at
10 this point is, there's been significant questions that I've received over the last day
11 about since the final ALJ recommendation came out just last week, if there are any
12 reasons why we are moving a little bit on an expedited process, not that it's
13 uncommon at the Commission. But is there a financial risk to you if you don't have
14 this FRP extension going into place now instead of August for an oral perspective
15 or, but -- help me understand the severity of the time --

16 **MR. COX:** Yeah.

17 **COMMISSIONER LEWIS:** -- of this being on the agenda today.

18 **MR. COX:** Absolutely. I understand, Commissioner, your question. From our
19 perspective, we've been at this for 13 months, so, you know, we thought we have -
20 - we've given an adequate time. But beyond that, I mean, capital formation really
21 is dependent on having a stable regulatory framework, right? And one of the
22 reasons why we've been able to invest like we have in this state because we had

1 this FRP and because, you know, investors understand the process in which this
2 gets done, gives them, you know, certainty and comfort to be able -- to be able to
3 invest more in this state. So timing does matter, because capital formation matters
4 to us a lot. We have a lot of the improvements still to make, those kind of things.
5 And like I told you before, we've run at a cash loss in this state. So, you know,
6 we're continually explaining to our investors, like, hey, this is a -- as Commissioner
7 Coussan said, this is a 25-, 30-year investment. So that same regulatory framework
8 is very key for us.

9 **COMMISSIONER LEWIS:** Thank you. And question for Staff, in the last three
10 test years you've looked through and you've disallowed about \$2.5 million. Can
11 you explain exactly what those disallowances were, or what did you notice and why
12 we got to about a 2.4 million disallowance in the three years?

13 **MS. ROBIN PENDERGRASS:** Yes, Commissioner. Disallowances were for
14 contributions. They were for -- they were for anything that was outside of the test
15 year. For anything that we didn't have invoices or receipts for, for proof. Donations,
16 gifts, things like that. Things of that nature.

17 **COMMISSIONER LEWIS:** And we review that each year in the test year --

18 **MS. PENDERGRASS:** Every year.

19 **COMMISSIONER LEWIS:** -- and looking through all those financial documents.

20 **MS. PENDERGRASS:** Every year.

21 **COMMISSIONER LEWIS:** Okay. Great. Thank you. Thank you, Mr. Chairman.

22 **CHAIRMAN SKRMETTA:** Commissioner Coussan.

1 **COMMISSIONER COUSSAN:** My last question was the same question I've
2 asked everyone. You've been engaged by the state of Louisiana to look at some
3 municipal systems that have failed. You're aware of our water sector of where it
4 has been invested, where it has not been invested. Does your company, relative to
5 these systems that we're here for today under the FRP, does it benefit from the
6 water sector?

7 **MR. COX:** It does not. I mean, in fact, you think we were the first company the
8 LDH ever appointed as the receiver for a water system in the aftermath of Hurricane
9 Laura or in the Lake Charles area. And even though they appointed us as a receiver
10 because the existing owner simply walked away from the system, there were no
11 state dollars because we are an investor-owned utility. I would say we experienced
12 the same thing. We were the emergency manager of the city of Tallulah, which had,
13 you know, extreme water quality, kind of human health issues when we stepped in,
14 and that is under -- being run over GOHSEPs, which is a whole different program.
15 But even in that, there's no dollars for us as an investor-owned to be able to access.
16 Now, I will say, when ARPA money was out, you know, that actually had some
17 provisions where investor-owned could apply. When the ARPA money went out,
18 we -- I think we were 110 of the 300 applications for state money was Magnolia
19 Water. We received none of that. And the reason for that is because their mainly --
20 it's income adjusted in terms of median income for the households for people that
21 those systems serve as municipalities that have no cash, right? So we kind of fall
22 outside those two tests, and that's why we're not eligible.

1 **COMMISSIONER COUSSAN:** Well, again, you know, when you see and
2 compare to some municipal rates and see that their rates are a little lower, they're
3 also not accounting publicly for the fact that they're getting public dollars to invest
4 in their infrastructure, and they're cross-subsidizing with other, you know, utilities
5 in their same systems. And you don't get the benefit of that, relative to other utilities
6 like gas and water.

7 **MR. COX:** That is correct. The Columbia Water Center just published a report that
8 talked about the cost of investor-owned water versus the cost of public sector water,
9 right? And when you factor in the fact that we have to pay taxes, we pay income
10 taxes, and we don't have general revenue bonds to be able to subsidize -- can't cross
11 subsidize in our -- so the investor-owned water is actually slightly cheaper, right,
12 when you factor all those things in than public sector water is.

13 **COMMISSIONER COUSSAN:** Would you mind sharing that article with the
14 Commission?

15 **MR. COX:** Absolutely.

16 **COMMISSIONER COUSSAN:** Or you can give it to our Staff, and they'll share
17 it with us.

18 **MR. COX:** Absolutely.

19 **COMMISSIONER COUSSAN:** Appreciate it. That's all the questions I have.

20 **CHAIRMAN SKRMETTA:** Any other questions from anyone else? [NONE
21 HEARD] Okay. I'm going to excuse you guys, and then we're going to start with
22 the yellow cards. And as folks come up, I'm going to ask, --

1 **MR. COX:** Thank you.

2 **CHAIRMAN SKRMETTA:** -- I guess, Staff -- thank you -- ask y'all to do --

3 who's going to be our timekeeper? Colby, you know, give them five minutes, I

4 guess, and if they speak for less than that, that's fine, we'll move us through the

5 timeframe. So shuffle the deck and pull them out one at a time and invite them up.

6 You can put three on deck if you want.

7 **MS. BOWMAN:** You want two at the table and three on deck?

8 **CHAIRMAN SKRMETTA:** Well, they'll still be one out, so however you want

9 to do it.

10 **MS. BOWMAN:** I was going to do two at a time because there's six.

11 **CHAIRMAN SKRMETTA:** Two at a time.

12 **MS. BOWMAN:** Okay.

13 **CHAIRMAN SKRMETTA:** There you go.

14 **MS. BOWMAN:** So Ms. Cindy Case-Brown and Ms. Washington, I'm sorry, I just

15 can't -- I can't see your first name. So if you two want to come to the table first.

16 **CHAIRMAN SKRMETTA:** Colby, when the time runs out, please, you know,

17 interrupt us.

18 **COMMISSIONER COUSSAN:** I can help you with that, too.

19 **CHAIRMAN SKRMETTA:** I understand.

20 **COMMISSIONER COUSSAN:** Help him with the time.

21 **CHAIRMAN SKRMETTA:** Okay. Well, you can be the timekeeper, there you

22 go. And they got the cards already signed so you don't have to worry about that.

1 And just figure out which one of y'all wants to go first, and -- your microphone is
2 not on. You have to push the button so it turns green, and then pull them a little
3 closer because we'll be able to hear you better. So you have to push it, and then you
4 can start.

5 **MS. CINDY CASE-BROWN:** All right.

6 **COMMISSIONER COUSSAN:** Pull it a little closer.

7 **CHAIRMAN SKRMETTA:** Yeah. It really has to be close.

8 **COMMISSIONER COUSSAN:** As close as possible.

9 **MS. CASE-BROWN:** Okay. Even closer.

10 **CHAIRMAN SKRMETTA:** Closer.

11 **COMMISSIONER COUSSAN:** That's good.

12 **MS. CASE-BROWN:** Closer. Okay.

13 **COMMISSIONER COUSSAN:** There we go.

14 **MS. CASE-BROWN:** So last time --

15 **MS. BOWMAN:** Wait. And introduce yourself, please.

16 **MS. CASE-BROWN:** My name is Cindy Case-Brown. I am a resident of St.
17 Tammany Parish, and I am a Magnolia customer. So last time I was sitting before
18 you asking for help with Magnolia, I was offered extra time because I was smiling.
19 Well, Commissioner even added, it must not be that bad. Ten months later, and I'm
20 back, and I'm not smiling. After that vote, a Commissioner said, today Magnolia
21 wins. And this is example of what the ratepayers got. Still the highest rates in the
22 state, to a base of \$126.80. I have the proof, if you'd like to see it. Increased

1 expenses for service sewer repairs, discolored and odorous water, low pressure, boil
2 water advisories, water backing up into our homes, backflow expense, billing
3 errors. And I have my current bill, if you'd like to see it. Accusations of spreading
4 false information, overflowing wastewater into residential ditches. And this
5 happened just yesterday, and I emailed all of you the sandbags that were tossed on
6 top of the sewer this morning as a remedy. That is not a solution to overflowing
7 wastewater. Documented noncompliance continues across regulatory agencies for
8 Magnolia, reportable noncompliance through the EPA, LDEQ documented no
9 storm water pollution prevention plan -- that was on 5/27 of '26. And inconsistent
10 reporting practices are all ongoing issues. In what Magnolia's counsel refers to as
11 my, quote, frivolous crusade, I've been called, quote, vile and vexatious, and I've
12 been threatened with fines and imprisonment. If ratepayers are paying for the work
13 Magnolia claims to have done, then every penny needs to be accounted for. Mr.
14 Cox testified under oath on February 9, '26, at the hearing that the company had, in
15 fact, had a profit, which is contradictory to what he just said. So CSWR has
16 expanded into eight additional states since beginning operations in Louisiana. Show
17 us the money. Clearly, there's a profit. The rates customers are paying were
18 determined using pro forma numbers developed by an auditor with SEC violations
19 and with less than 1% of documented expenses. Counsel for Magnolia stated in his
20 post-hearing brief, publicly available, that if the receipts were not provided, then
21 the expenses, quote, do not, in fact, exist. I can show proof of the \$9,085.23 that I
22 have spent, almost 15% of my annual salary, seeking proof over the past 13 months

1 of how my rates have been determined. I should -- I should never have needed to
2 do this. This is what you are elected to do. It is time to prioritize the people.
3 Commissioner Skrmetta, you have wholly failed at any glimpse of transparency.
4 The recommendation of the Administrative Law Judge fails to address the complete
5 lack of verifiable financial evidence and is harmful to the ratepayers. I have heard
6 the Ezell, Ernst, Cox sales pitch ad nauseum. Their opinions, and the opinion of the
7 audit director, do not substantiate the request for extension of the current formula
8 rate plan. The people defending Magnolia are the individuals who have, in fact,
9 received money from them, not the customers. Ratepayers demand real numbers
10 and proven expenses to justify rates. Please move forward with an independent,
11 third-party full financial audit.

12 **COMMISSIONER LEWIS:** Thank you, Ms. Case-Brown. First, I want to thank
13 you for participating and your engagement. I think it's very important for citizens
14 to do so, and you have been engaged. And I get your emails, I read them. We've
15 been in contact. The question I have for you, I know you brought up some of the
16 water quality issues that, quite frankly, we depend on the Department of
17 Environmental Quality and the Department of Health. Out of my curiosity, have
18 you also filed complaints with those departments, and are they looking at any of
19 your claims there?

20 **MS. CASE-BROWN:** I have a spreadsheet of 40 -- 40 reports done just through
21 the Greenleaves neighborhood, and it -- it outlines who the reports were made to.
22 It's been to the Public Service Commission. I know you already know that. I've

1 sent everything through the parish council as well as LDH and, if applicable,
2 LDEQ, and also EPA.

3 **COMMISSIONER LEWIS:** Okay.

4 **MS. CASE-BROWN:** And I have documented of all of it.

5 **COMMISSIONER LEWIS:** Okay. Great. Thank you.

6 **MS. CASE-BROWN:** Absolutely.

7 **CHAIRMAN SKRMETTA:** And, ma'am, you're next. Just introduce yourself
8 and go ahead.

9 **MS. GILDA WASHINGTON:** My name is -- I'm Gilda Washington, and I'm a
10 Magnolia customer. You know, she basically said everything, but all I want to say
11 is, I've been there 20 years, over 20 years in my residence. And our water bill went
12 from, like, \$25 a month -- I pay, like, \$137 now. I'm the only person in my home.
13 No one else lives there but me. And, you know, we don't have good water. I have
14 to purchase water. I get water delivered to my home monthly because the water out
15 of the faucet, we can't use it. We can't drink it. We have tested it. It's no good. So
16 I don't have allergies, but I'm quite sure if I had allergies, it would -- it would take
17 my skin or whatever. So, you know, I'm just here in support of, you know, the rest
18 of the customers that's trying to stand up for Magnolia to do the right thing and at
19 least give us some quality water, you know. It was working on a well not too far
20 from us. We went by the well yesterday, it's shut down. It's nobody's there. The
21 company has left. We spoke to the guy, the neighbor who stays across the street
22 who have been monitoring it, and it he said the other company left out because said

1 they didn't qualify to move any further with the, you know, the digging. They said
2 they hit an artesian well. And so they didn't have not the equipment or they was not
3 qualified to complete the project. So another company is supposed to be coming in.
4 So we have yet to see the other company. So it's just a dead well sitting down there.
5 They have foul odors coming, you know, from residents where the tank sit behind
6 their houses, and, you know, it's just awful. So we just, you know, we just want
7 Magnolia to do the right thing. You know, I mean, we don't mind paying for water,
8 but we want to pay for what we get. And that's my complaint. Thank you.

9 **CHAIRMAN SKRMETTA:** Thank you, ma'am. All right. We appreciate y'all's
10 testimony. The next two people, if you can bring them up. We'll do one at a time.
11 Okay.

12 **MS. BOWMAN:** Okay. So next is Ms. Connie Norris.

13 **CHAIRMAN SKRMETTA:** Okay.

14 **MS. CONNIE NORRIS:** Good morning.

15 **COMMISSIONER COUSSAN:** Good morning.

16 **MS. NORRIS:** [INAUDIBLE]

17 **COMMISSIONER COUSSAN:** Make it green.

18 **CHAIRMAN SKRMETTA:** You have to press the button, and then you'll just
19 start whenever you're ready.

20 **MS. NORRIS:** Good morning. And I, too, am before you again. I was before you
21 guys August 2025. And I'm sitting here again very discouraged, let me say this.
22 For six years, I've lived in Belair Subdivision. When I first moved there, I didn't

1 have any problems with my water. Magnolia Water took over, and it's been a
2 nightmare ever since. I've had everything happen to me, you know, unimaginable.
3 I pay for water. I have to buy water. And this has been going on for the past five or
4 six years. I have a situation where my immune system is impaired. So a lot of things
5 that happen to me may not happen to some of the customers, and I've had skin
6 rashes, I've had blisters in my mouth, you know, from the water that I accidentally
7 used to brush my teeth. And I shouldn't be subjected to that and still have to pay a
8 water bill. Also, I want to talk to and ask had any of the Commissioners seen the
9 resolutions from the St. Tammany Parish? Have you read and understood the
10 resolutions? Well, I won't present that. The other issue I have is that in the rate case
11 when we -- we talked about it, it's because of the fact that 35822 did state that --
12 and, Mr. Skrmetta, there was a meeting also, I want to interject that, that you came
13 to the Harbor Center and talked to us and told us that we would only have to endure
14 the increases which was approximately \$10 million when they first came in, for
15 three years. That expired in 2024, early 2025. The formula rate plan is unjustified
16 at this particular point because of the order that you all issued in 35822. And so this
17 is one of the reasons that the intervenors had such a staunch opinion about how the
18 actual extension would actually approve. I don't have an issue with a company that
19 is going to provide quality water. It is a life necessity. It's not something optional
20 for us. We need to have water. Louisiana is surrounded by water. We should be
21 selling water ourselves. And to have to pay these astronomical fees for water is
22 unimaginable. And you have a lot of people who are baby boomers, people who

1 can't afford to pay for this water, and we even have -- not just in Belair, so this is
2 six years for us. Our well is still out of -- not working properly, and it's, in the
3 words of Councilman Laughlin, limping along trying to support the homes that are
4 connected to it. I have not had -- or we have not had anyone to come out to our area
5 to even discuss it. There's been Better Business Bureau reports, we filed complaints
6 and asked -- no one from Magnolia has come out to talk to us, even try to do any
7 type of mediation or even discuss with the customers period -- or the consumers,
8 anything to try to do any mediation. But they did find time to go to Money Hill, so
9 we're going to have to -- when they do that audit, I think we need to be able to sit
10 down with them as well and talk to them so that they can hear some of the issue --
11 the real issues that we have. And again, I hope and pray that the council will -- and
12 the Commission will follow the rules and the orders that were in the 1994 orders as
13 well as the orders that were written in the 35822 and apply with the TESI orders.
14 Thank you.

15 **CHAIRMAN SKRMETTA:** Yes, ma'am. Thank you.

16 **COMMISSIONER LEWIS:** Really quickly, Mr. Chairman. Thank you. Thank
17 you, Ms. Norris. And I also want to commend you as an intervenor. I've seen that
18 you've been active in participating in our dockets, and I appreciate your
19 engagement and your involvement. My question is the same that I asked Ms. Case-
20 Brown, because of your involvement, have you also been making, specifically,
21 complaints to LDH and DEQ, and have you gotten any responses from those
22 agencies on the water quality side of the issue?

1 **MS. NORRIS:** We've made several complaints, and I have them documented. And
2 I can provide copies of them as well. There are complaints where there were
3 numerous unresolved boil water advisories, but the LDH didn't go back. There's
4 also been some reports that put out that there are known carcinogens still present
5 from the byproducts of the chlorine, the -- or whatever products their disinfectants
6 that they're using, that are pretty dangerous to health, and it can cause some life-
7 long issues. I've also called and spoken with several people in DEQ. And I do have
8 from their response, I have that. I also have the Better Business Bureau reports,
9 which, by the way, the Better Business Bureau gives Magnolia Water a F. And
10 there are numerous Better Business Bureau reports across states, not just Louisiana,
11 of individuals that have had problems and -- same problems that we are having
12 now. And just recently in DeRidder, they're having issues as well. And they are
13 trying to, to my understanding--and this is just through what I've heard, I don't
14 know, but I've read that they're trying to get their water systems back from
15 Magnolia because of the same issues we have, which is the brown water, the water
16 -- and I have a filtration system on my home, and my water is still -- when you test
17 the tap water, it's contaminated. The total dissolved solids are always over 400. I
18 haven't had a day in the past three to four years where the total dissolved solids has
19 been below 400.

20 **COMMISSIONER LEWIS:** Okay. Great. And thank you. And I will follow-up
21 with those two departments on your issues.

22 **MS. NORRIS:** Yes, yes, yes.

1 **CHAIRMAN SKRMETTA:** Thank you, ma'am. Appreciate it.

2 **MS. BOWMAN:** Next is Chris Justin.

3 **CHAIRMAN SKRMETTA:** You can go ahead and start when you're ready.

4 **MR. CHRIS JUSTIN:** Sure.

5 **COMMISSIONER COUSSAN:** Welcome back, welcome back.

6 **MR. JUSTIN:** Good to see you -- yeah, good to see you again, Commissioners.

7 My name is Chris Justin. I am a licensed professional engineer, and a former

8 consultant for the Commission. I'd like y'all to picture a rich man holding out his

9 hand, saying give me some money, I'm broke. But behind his back is his left hand

10 clenching a fist. You would never just take his word for it. You'd say, I know you're

11 rich, you just put your money in your other hand. The recommendation that you are

12 considering only looked at Mr. Josiah Cox's right hand. Magnolia Water, crying

13 broke, charging three times the state average, billing Slidell customers \$116 a

14 month before they use a single drop of water. His left hand is its parent company

15 CSWR. And nobody in this room has looked at how much money it's making off

16 the backs of Louisiana customers. Do not rubber stamp this self-dealing sleight of

17 hand. Vote no on the FRP extension. Send it to a full rate case, and make Mr. Josiah

18 Cox show the riches he's hiding in his left hand.

19 **CHAIRMAN SKRMETTA:** Thank you. Any questions? Nope? Thank you very

20 much. Next person, please.

21 **MS. BOWMAN:** Next is Mr. John Young.

22 **CHAIRMAN SKRMETTA:** Okay. Start whenever you're ready.

1 **MR. JOHN YOUNG:** Good morning, Mr. Chairman, members of the
2 Commission. My name is John Young. I live at 3406 -- 3408 6th Street in Metairie,
3 Louisiana. I come before you today, and thank you for the opportunity to address
4 you, to voice the concerns, the frustrations, and sometimes the outright anger that
5 has been communicated to me over the past three months at various neighborhood
6 meetings, community associations, town hall meetings, and by various elected
7 officials in areas where Magnolia Water services customers. The pushback on
8 Magnolia, I can tell you is real, pervasive, and substantial. The three main areas
9 that have been communicated to me, it's obviously the high rates, particularly the
10 high rates for the water; particularly the high minimum rate of water. And you have
11 complaints from various different sectors of our society. You have complaints from
12 the young families who are struggling to raise a family with children. You have the
13 complaints from the elderly people who are on fixed income, and then you have
14 complaints from low-income people. You know, it's affordability issue, and water
15 is not a luxury they can cut out. It's a necessity of life. The second thing is the water
16 quality and clarity. I have been sent numerous photographs of bathtubs filled with
17 brown water, drinking glasses filled with brown water. When I ask what -- and I
18 understand that's LDH's responsibility. Sometimes the people tell me, well, LDH
19 says it's clean. Well, I don't know about you, but I don't think I want to drink clean
20 brown water, and I don't know that anybody really would want to drink clean brown
21 water, especially in 21st century America. So that's an issue. And then the other
22 issue that I've heard from all different neighborhoods is the lack of customer

1 service, the lack of customer response. It is completely lacking. There're several
2 issues with that. So I understand, you know, from looking at the situation that this
3 a long-simmering problem that had been in existence due to failure to maintain
4 these systems by the prior owner's. Failure to -- it was a series of years of neglect,
5 but here we are and we have to address this situation. I would respectfully request
6 that you not move forward with Number 22 today, and I would respectfully, again,
7 suggest that you seriously consider doing the following, which I understand is
8 already on the table, but open a docket and do a complete audit and investigation
9 of Magnolia's water rates, so there can be some transparency and accountability
10 because the perception -- perception is reality. And I can tell you the reality based
11 on the perception with the existing Magnolia water customers is they're not getting
12 a fair deal. There is no transparency, there's no accountability, and it's a complete
13 lack of trust. The second thing is, you know, hold Magnolia's feet to the fire on the
14 water quality and clarity issue. There should be no reason, again, in 21st century
15 America, where when you turn on the tap, brown water comes out. I mean, that
16 wouldn't be acceptable for you and your family, I'm sure. It wouldn't be acceptable
17 to the Magnolia representatives' families. Third, obviously, you know, hold
18 Magnolia's feet to the fire on customer service. They have to increase their level
19 and responsiveness of customer service. I've heard it across the board, and it's
20 consistent and it's pervasive. Fourth suggestion I might make is, obviously, to the
21 extent you can, try to require some more systematic or create a framework for more
22 systematic coordination and communication between the Public Service

1 Commission, the Louisiana Department of Public -- the Louisiana Department of
2 Health, and DEQ, so that everybody is singing from the song sheet of music and
3 can communicate a consistent message to the Magnolia customers. Obviously,
4 another suggestion, and Commissioner Coussan mentioned it, and I mentioned this
5 in various community meetings I have is, obviously, I know it's a tough sell, but
6 look at ways to work with our state legislative delegation and our federal
7 delegation. I realize it's not a municipal system, but certainly investigate any and
8 all ways we can draw down some money, or funds under the Clean Water Act or
9 whatever act may be applicable to provide some funds for this infrastructure that
10 needs to be improved, so those cost savings can be passed on --

11 **CHAIRMAN SKRMETTA:** Your time's expired, but thank you for your
12 comments. And if anybody have any questions --

13 **COMMISSIONER COUSSAN:** We'll take note of that. You want to finish your
14 sentence?

15 **CHAIRMAN SKRMETTA:** Yeah. No. I want you to finish up. I just want to let
16 you know.

17 **MR. YOUNG:** All right. The last thing I would say is, you know, consider placing
18 a moratorium on Magnolia so that they -- they're not in a position to take over any
19 additional water systems to create a sense of urgency until those complaints of the
20 existing Magnolia water customers are completely satisfied and resolved. Thank
21 you very much for your time, and I'm sorry I went over.

22 **CHAIRMAN SKRMETTA:** Oh, that's okay. Thank you very much.

1 **COMMISSIONER FRANCIS:** Mr. Chairman.

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

3 **COMMISSIONER FRANCIS:** I want to ask and direct this to Secretary --

4 **CHAIRMAN SKRMETTA:** We have one more -- we have one more witness.

5 **COMMISSIONER FRANCIS:** Okay. Go ahead. All right. I'll wait.

6 **CHAIRMAN SKRMETTA:** One more -- we have another card?

7 **MS. BOWMAN:** Yes. And the last is Representative Hilferty.

8 **CHAIRMAN SKRMETTA:** Okay. The mic's on, so just -- you might have to pull

9 it close because it doesn't pick up very well.

10 **REPRESENTATIVE STEPHANIE HILFERTY:** Thank you, Commissioners. I

11 appreciate this time. My name is Stephanie Hilferty. I'm a State Representative

12 representing District 94. The ALJ issued this draft order on June 10. Here we are

13 on June 17, and it is on your agenda for a vote. While representatives for Magnolia

14 Water and their owner said, wow, we feel like we've been dealing with this for 13

15 to 14 months. The public has not had access to this document. The public did not

16 know this would be on a supplemental agenda. I have been receiving text messages

17 from property owner associations that are affected by Magnolia Water saying, oh,

18 my gosh, should I get there? Should I come and testify? Do I have time to make it?

19 I think that speaks to the rushed nature of this vote. And I would ask that you delay

20 this vote to your August meeting. In speaking with residents across Magnolia's

21 areas represented, there are transparency issues, responsiveness issues, and

22 excessive rate hikes. I've spoken with people who said their bills went from \$20 to

1 \$30 to \$120 and \$30. That is a substantial rate hike. I've spoken to elderly people
2 on fixed income. I was just in Aston Park, and I met with 10 neighbors in the middle
3 of a median, and fortunately we had cloud cover, but we met and talked about
4 Magnolia Water's failures in Ashton Park's neighborhood of Slidell. And a retired
5 teacher told me, I can't take any more rate hikes, I'm not getting an increase in pay.
6 That speaks to the situation we're dealing with here. We just heard Magnolia say
7 they anticipate another rate hike after the next -- a moderate rate hike after the next
8 formula rate plan. The residents that have Magnolia Water cannot deal with another
9 moderate rate hike. They have seen an excessive rate hike, and a moderate rate hike
10 on top of that would only be adding insult to injury. I ask that you immediately go
11 straight to a rate case, that you put a stop to any more acquisition by Magnolia
12 Water. And to Magnolia Water, I'd ask that they listen to their ratepayers. They
13 said we've had town halls, so few people show up. Well, they are showing up when
14 I come to speak to them, and they were telling me about the issues with Magnolia
15 Water. So I think that they are probably not doing proper outreach. And I would
16 encourage them to, because they will see how angry their ratepayers are at the
17 service they are getting from Magnolia. With that, I would ask that you delay this
18 to give yourselves as well as Magnolia the ability to hear from these ratepayers and
19 hear their rage. Thank you.

20 **CHAIRMAN SKRMETTA:** Thank you. Any questions? [NONE HEARD] Thank
21 you very much. Going to go ahead and ask Magnolia's representatives to come
22 back up again. We have questions from the Commissioners.

1 **COMMISSIONER COUSSAN:** Mr. Chairman, while they're making their way
2 up, can we open it for --

3 **CHAIRMAN SKRMETTA:** Sure. Absolutely.

4 **COMMISSIONER COUSSAN:** Commissioner, you had a question for Staff?

5 **COMMISSIONER FRANCIS:** Yeah. Commissioner Frey, you know, there's
6 overlapping missions here, like, what with Health and DEQ. Can we talk to the
7 other agencies about putting this under one jurisdiction?

8 **SECRETARY FREY:** Well, we work with those other agencies, and they file, you
9 know, on a fairly regular basis, I get letters from either LDH or LDEQ if there's a
10 compliance action being taken for whoever the system may be. Those are routed --
11 I know we maintain those in the database in our Utilities Department. But the
12 jurisdiction those agencies have is separate and apart from us. I mean, it's, you
13 know, no different than a Entergy needing to go to DEQ to get an air permit for a
14 generator. I mean, it's outside of our -- their staffs are probably, conservatively, 30
15 times the size of ours, particularly the LDH. So, I mean, I don't know that that's
16 something we can undertake without quadrupling our -- increasing our Staff
17 tenfold. Because you've got engineering, you've got scientists, et cetera, on staff at
18 both of those agencies.

19 **COMMISSIONER FRANCIS:** Okay. Good answer.

20 **COMMISSIONER COUSSAN:** Can you expand upon that and define what our
21 jurisdiction is?

1 **SECRETARY FREY:** Sure. I mean, we're, you know, we're regulating public
2 utilities and in then the utility sphere of things, it's rates, terms, and conditions of
3 service. So we're looking at rate structures, we're looking at tariffs, at rate of return,
4 return on rate base, return on equity, formula rates, et cetera. I mean, we're
5 essentially the financial regulator, I guess, would be the best way to look at it. I
6 mean, yes, there are certain rules we have that bring service quality in, but a lot of
7 that is tied to those other agencies. You know, I know there has been some -- I've
8 had a lot of discussions as well about the grading system, and I had someone
9 specifically ask, well, how are you allowing this company to get an A grade? And
10 I made it clear, that's not us at all. It's LDH that has that grading criteria. I know -
11 - I do remember, you know, we sat in on those discussions, and I think you were in
12 the Senate when Senator Mills had that adopted. And if you recall, he also wanted
13 to do a similar grading system for wastewater. It never moved forward for whatever
14 reason. But that's the extent of our role. I mean, we have -- when there are issues
15 with these agencies and we have -- when I was in Ms. Bowman's role, we were
16 actively involved with failing systems that had multiple citations and fines or
17 findings from those agencies, and we can take action at that time. I think that's
18 clearly within our roles. It's within the formula rate plan, so yes, what they do can
19 impact us. I don't know that we've had any of those with Magnolia. So I mean, I
20 know you've asked, Commissioner Lewis, if those have been submitted. I mean, if
21 we get a finding from those agencies, we will take action. We've done it in the past,
22 so.

1 **COMMISSIONER COUSSAN:** What would be our --

2 **COMMISSIONER FRANCIS:** I want to say something.

3 **COMMISSIONER COUSSAN:** Yes, sir. Go ahead.

4 **COMMISSIONER FRANCIS:** So Public Service Commission, our job is to -- is

5 the money, to watch the money, to run fair rates. And if we're going to audit, we

6 need to audit the fair rates.

7 **SECRETARY FREY:** Yes.

8 **COMMISSIONER FRANCIS:** But we don't -- we don't say what's good quality

9 water and not. Isn't that up to another division to do that? We're hearing a lot of

10 complaints about bad water, you know.

11 **SECRETARY FREY:** Right.

12 **COMMISSIONER FRANCIS:** And of course, bad money, too much money. But

13 the bad water, that's another division, another piece of government to address that.

14 So if we're going to audit, we're going to audit the money. But we're not going to

15 be auditing the water quality. Isn't that true?

16 **SECRETARY FREY:** Correct. Now, the engineering aspect of it, though,

17 Commissioner Lewis brought up, and what we have -- not having an engineering

18 Staff, we are reliant on those other agencies who do have -- LDH and LDEQ do

19 have engineers. So we've, you know, sometimes look at their reports, but what

20 I've seen in those scenarios is they have standards and -- this was an issue with

21 LDH going back about 10 years. I think they've modified their stance that their

22 engineers requiring certain infrastructure to be put in place without being cognizant

1 of the cost associated with it. So there was the 10 States Standards. I know,
2 Commissioner Skrmetta, you definitely remember that one. That it was some
3 standards from northern states that were being applied to Louisiana.

4 **CHAIRMAN SKRMETTA:** Everything above the Ohio drainage.

5 **SECRETARY FREY:** Exactly. And you had scenarios where a utility might be
6 required to put in a \$15,000 piece of infrastructure with 100 customers, where a
7 \$2,000 piece of infrastructure would have done the same job.

8 **COMMISSIONER FRANCIS:** Right.

9 **SECRETARY FREY:** Just wouldn't have been so -- that's where it's important to
10 have engineers to look independently at what they've put in, you know. They're
11 putting it in as consistent with the requirements of these other agencies, but let's
12 make sure they're putting in the proper infrastructure or that it's doing what it is. I
13 think we have a role there. Absent us of hiring an engineer, we could essentially try
14 to bring those people into the investigation.

15 **COMMISSIONER FRANCIS:** Well, that's all I wanted to ask. Make
16 understanding clearly, I like Commissioner Skrmetta's idea about an audit, but it
17 just seems like what are we going to audit, what's in our box, and it is the financial
18 aspects of it.

19 **SECRETARY FREY:** It's financial in the dollars --

20 **COMMISSIONER FRANCIS:** And it's not the -- we're not going to audit the
21 water quality, are we? Isn't that another division -- government agency to do that?

1 **SECRETARY FREY:** Not directly. I think it's part of the financial audit, and
2 looking at the dollars that have been put in the system and combining that with
3 engineering, we're looking at stuff that has been done to the system to get to that
4 point.

5 **COMMISSIONER FRANCIS:** If we hire a consultant, I just wondered what's
6 this consultant's qualifications? Is it a CPA type? We going to look at the money,
7 or --

8 **SECRETARY FREY:** Yes. I think -- well, both. I think we'll -- whether we're
9 taking bids, and we've done this in the past. I know we've done it, like, on some of
10 the service quality audits of the electric systems where we hire a traditional rate
11 consultant, you know, accountant, CPA, but having them partner with an engineer
12 firm to do that.

13 **COMMISSIONER FRANCIS:** So we're going to do an engineering firm that
14 does work CPA, accounting work and also knows water quality?

15 **SECRETARY FREY:** More infrastructure than quality. I mean, I think that's what
16 the engineer's function is going to be, is to look at the infrastructure.

17 **COMMISSIONER FRANCIS:** All right. I'm good.

18 **CHAIRMAN SKRMETTA:** Commissioner Coussan has a question.

19 **COMMISSIONER COUSSAN:** Would it be accurate to say that the connection
20 between those two is that we're insuring that they're not gold plating their
21 infrastructure?

22 **SECRETARY FREY:** Absolutely. That the --

1 **COMMISSIONER COUSSAN:** So that's part of the engineering aspect of it.

2 **SECRETARY FREY:** Yes. Absolutely.

3 **COMMISSIONER COUSSAN:** Because you can go from a \$15,000 piece of
4 equipment to a \$2,000 equipment, and both are going to get the job done. One of it
5 has a bigger return, which we wouldn't necessarily want them to get that.

6 **SECRETARY FREY:** And my brain wasn't getting to the gold plating, but that's
7 exactly what we called it back then. Where you put in a pump that did not need to
8 be put in, it was the top of the line. Where a similar pump for a fraction of the cost
9 would have done the same work.

10 **COMMISSIONER COUSSAN:** Okay. My last question for Staff before we turn
11 it over for the utility to close.

12 **CHAIRMAN SKRMETTA:** I got a question, too.

13 **COMMISSIONER COUSSAN:** Yes. So oftentimes when the legislature is
14 advocating for something that's outside of their jurisdiction and they are not going
15 to pass a law, they pass resolutions. If we wanted to communicate to these divisions,
16 LDH, LDEQ, you know, relative to something like our support for water quality,
17 our support for things that are in their jurisdiction that we'd really like them to look
18 at, put an extra effort into. We can't direct them to act, because that's outside of our
19 jurisdiction.

20 **SECRETARY FREY:** Right.

21 **VICE CHAIRMAN COUSSAN:** But we do support their regulatory authority,
22 and we want the quality of the water to be improved, we want the EPA standards

1 to be applied stringently and on our utilities that we're regulating. I'd like to
2 communicate to these -- should we come up with -- and I'm not asking us to do it
3 on the run, but, you know, I'd like to pass a resolution, which I assume will be
4 unanimous about these issues so it's not just -- it's not our issue because we don't
5 want, you know, because we're the financial auditors, which may be accurate, but
6 we also do want to support those other divisions to do their job. And so I'd like a
7 resolution necessarily to be drafted in that respect, and we can vote on it either --
8 whether you tell me we can do it outside of this meeting, you know, or at the next
9 meeting we come up with a directive in that regard, because I do want to
10 communicate that, not only to the divisions, LDH and LDEQ, but also to our
11 constituents. Yes, it's not in our jurisdiction, we absolutely support it, and we
12 should -- we do think that it should apply. So I think it just -- it's a closing the gap
13 of all of the -- we all end up with a email address that says Louisiana.gov. We all
14 should be working together.

15 **SECRETARY FREY:** And I will take what you said just now as a directive in
16 concept. I know that's a legislative term. And we will have a resolution next month.
17 I think we can put that up.

18 **CHAIRMAN SKRMETTA:** Well, in August.

19 **SECRETARY FREY:** August, yes. And, look, to your point, Commissioner, we
20 have -- DEQ shares the building with us. And I know Secretary Burdette well. I
21 mean, I think that's very easy. LDH, we don't have as much overlap with, them
22 being in a separate building, but, I mean, that's certainly something we can do. And

1 I'm going to look at Lauren on this one, but I know historically, with, you know,
2 we talked about TESI and the acquisition there. And I'm trying to remember if Mo-
3 Dad was the other one where we had a lot of noncompliance. We would typically
4 have those representatives come to the meeting from those agencies to testify if
5 necessary, because there was noncompliance and there were active -- their
6 terminology is a little bit different than ours. Whether it's a citation, or a notice of
7 violation, or something to that extent. So we -- that is something we have
8 historically done, but to take it to your step, we can certainly do that as well.

9 **COMMISSIONER FRANCIS:** So we're going to --

10 **CHAIRMAN SKRMETTA:** Go ahead, Mike.

11 **COMMISSIONER FRANCIS:** We're going to make a resolution that tell DEQ
12 to do their job? We're going to send it over to them? Is that what we're doing?

13 **SECRETARY FREY:** I don't know that that's what it'll say.

14 **COMMISSIONER FRANCIS:** Do you get -- do y'all get calls from DEQ, though,
15 to get the water clean? Y'all hearing a lot of that from the DEQ? That's their job to
16 --

17 **SECRETARY FREY:** LDH and water quality.

18 **COMMISSIONER FRANCIS:** LDH or whatever.

19 **MR. COX:** You asking me, Commissioner?

20 **COMMISSIONER FRANCIS:** Yes. Are they calling you, asking you why aren't
21 you straightening out the water?

1 **MR. COX:** No. We do have customers complain, and LDH does go out. And what
2 they find is that we're compliant.

3 **COMMISSIONER FRANCIS:** So these other government agencies are not
4 calling you, or not hearing from these constituents?

5 **MR. COX:** They are hearing from the constituents. The constituents are
6 complaining --

7 **COMMISSIONER FRANCIS:** And those agencies, are they telling you to get it
8 straight?

9 **MR. COX:** Well, they're going out on site with us.

10 **COMMISSIONER FRANCIS:** Okay.

11 **MR. COX:** So we have to go out, like so if a customer complains that I have brown
12 water, I have water that's not compliant.

13 **COMMISSIONER FRANCIS:** Right.

14 **MR. COX:** Or you heard Ms. Brown talk about, like, a stormwater -- sanitary sewer
15 overflow, gets her rainwater, and there's a surcharge, right?

16 **COMMISSIONER FRANCIS:** Right.

17 **MR. COX:** So those complaints go in, LDH will dispatch staff, and we will go
18 meet them on site. So they'll go tour the water facility. We'll test the water at the -
19 - outside the spigot of the house. We'll -- you know, those kind of things to see if
20 we're compliant, right? And to date, we've been in compliance for all of those.

21 **COMMISSIONER FRANCIS:** Do these constituents with the problems, do they
22 know to go to these agencies to complain about the brown water?

1 **MR. COX:** They are complaining. They are complaining.

2 **COMMISSIONER FRANCIS:** Okay. Well, I don't disagree with Commissioner

3 Coussan's resolution, okay? I just -- look, what's our job, and what's the other

4 agencies' job? We need stick to our -- what we're hired to do. And if we're going

5 to hire an auditor, it needs to be a financial auditor. That's what I hear our people

6 complain about. But to hire an auditor to look for brown water, that's another

7 agency's job.

8 **CHAIRMAN SKRMETTA:** Yeah. We're not -- the audit is strictly financial.

9 **COMMISSIONER FRANCIS:** Okay. Good. Good.

10 **CHAIRMAN SKRMETTA:** I do have -- I will make one suggestion, which is, I

11 know a lot -- and Brandon, you and I kind of went through this, actually, before

12 anybody up here except me was here, that we went and had arguments with LDH

13 on water issues. Particularly, you mentioned the 10 States Standards.

14 **SECRETARY FREY:** Yes.

15 **CHAIRMAN SKRMETTA:** Because they wanted us to make redundant wells

16 that were going to cost tons of money. But a lot of this goes back to when we had

17 the advent of the brain amoebas that took place in the state. Legislature came in and

18 accelerated the amount of chlorine into the systems. That was directed through

19 LDH, and the excess chlorine into the systems interacted with a lot of the, you

20 know, what I would call it, well water, and then we'd bring it in and treat it. And

21 that would interact with the minerals in the water, turn it brown or gray, and then

22 you would have this problem, brown water would actually be from the chemicals

1 that the state was ordering through the -- LDH to put in it. So I think it would be
2 advantageous for, not just the Commission, for also the public to be invited to have
3 LDH to come here and put on a technical conference on how water's treated, how's
4 it's dealt with, and how it could be done. Not during a Commission meeting, but
5 on a technical meeting that they could come and explain to the process. Talk about
6 how water comes out the ground, what it looks like, how chemicals and what their
7 rules are can affect it. We know that there are certain filters that could be put into
8 place, but they have excessive costs associated with them to remove these
9 discoloration elements. But I think it could be a good lesson from experts, the folks
10 that are just average folks like us, who are just talking about what we hear from the
11 peripheral. And so I think that it's a good thing for us to look at while we're doing
12 an actual financial audit and we're going to do a resolution, tell them, hey, we think
13 that this is an important issue, that we're getting a lot of complaints from our
14 customers. We ask you to look into the issue of this contamination.

15 **COMMISSIONER FRANCIS:** Okay.

16 **CHAIRMAN SKRMETTA:** And could you also come and do a technical
17 conference on how water and water decolorization is the causation, the
18 management, and looking at potential cures of it. And I think that we can get around
19 this whole issue by looking at it from a multi-part approach.

20 **SECRETARY FREY:** Do you really -- the amoeba thing, that was in there
21 somewhere, no pun intended, but I do remember that.

22 **CHAIRMAN SKRMETTA:** Wait, wait, wait. Okay.

1 **SECRETARY FREY:** But the iron manganese was --

2 **CHAIRMAN SKRMETTA:** Right. Iron manganese were the two primary --

3 **SECRETARY FREY:** -- were the two elements. I remember getting a chemistry

4 lesson when that was going on about 15 years ago, 10 years ago.

5 **CHAIRMAN SKRMETTA:** Right. It was a night and day moment. People's

6 water went from clear to gray or brown overnight from the addition of certain levels

7 of chlorine.

8 **SECRETARY FREY:** Yes. Reaction to those elements.

9 **CHAIRMAN SKRMETTA:** So anyway, I think we are where we are. I think

10 Commissioner Coussan had some questions for the company.

11 **COMMISSIONER COUSSAN:** Yeah, typically I, you know, with all of the

12 testimony, I just wanted to bring you back up in closing because you're advocating

13 for a position and give you three minutes to respond before we decide what to do

14 moving forward.

15 **MR. COX:** Yeah. I guess I'll just respond to the comments as I heard them. You

16 know, Ms. Brown talked about, hey, I said we were cash-flow positive. I'm going

17 to say we're not making money. Well, we are cash-flow positive, but we're running

18 in arrears because we racked up so much debt taking over these systems. When I

19 say operational expense, because we adopted those low tariffs. So we have not paid

20 that operational loss off. That's -- to clarify that. And I think you heard Ms. Norris

21 talk about a well. That was a well ordered by the Commission. So that was in the

22 Meadows system. So we had a well that we had a major collapse on. We brought it

1 back online, and we agreed to drill new deep water wells. We recently finished that
2 project. We transferred it now from the well driller to the actual drinking water
3 company, so that's the transfer once the well driller gets done. I think it's a 2,500-
4 foot well, so it's very deep. So that's -- we're transitioning to the guys who are
5 actually going to bring it online. So that's where we're at in that project. But that
6 was a Commission ordered project, actually. So we did complete that. I would say,
7 in terms of the, you know, we address -- we take water quality very seriously. You
8 can look -- one thing I like about the water and sewer business is it's pass/fail. Like,
9 it's coming out of the tap, it's coming out of the end of a pipe. This isn't -- this isn't
10 subjective. I don't -- like, I, you know, we can argue about it all, but it is a chemistry
11 test on either side, right? And our record speaks for itself in terms of the amount of
12 improvement we've made, the quality of service we deliver. Now, are there
13 constituents in the water that people that people want further treatment of? Fine.
14 And we can talk about that. But in terms of safety and health, we are above and
15 beyond on that, so. And then to go back to the financing piece here, which is really
16 before you, you know, we -- I believe we've done great efforts in this state to change
17 the tenor of the conversation and actual, like, real investments. It's not like people
18 are waiting in line to turn on these failed systems. You know, when the Governor
19 has a problem, there's not a plethora of people to call. It's us. Because we're the
20 only guys that really have experience turning around these failed systems. In order
21 to continue that, and continue the guys that can take over these failed systems, we

1 need a stable regulatory framework, and that's why we're here before you today.
2 That's what it takes for capital formation.

3 **COMMISSIONER FRANCIS:** You're on a formula rate plan?

4 **MR. COX:** What did you say?

5 **COMMISSIONER FRANCIS:** Your company's under the formula rate plan?

6 **MR. COX:** That's what we're looking for that the extension of the formula rate
7 plan.

8 **COMMISSIONER FRANCIS:** Is the formula rate plan -- does that give you an
9 ability to look at the money that the company is handling and their profits and their
10 expenses?

11 **MS. PENDERGRASS:** Yes, Commissioner.

12 **COMMISSIONER FRANCIS:** Okay. So that's all in line items in the formula
13 rate plan that we look at under each company. Okay. So -- but we still are suggesting
14 that we need the audit on top of that? You're suggesting we need the audit to look
15 at the money, look a little deeper?

16 **MS. PENDERGRASS:** That's what the people want.

17 **COMMISSIONER FRANCIS:** Okay. All right. Okay. Well, what the people
18 want. All right. Good.

19 **COMMISSIONER COUSSAN:** I saw some -- there's a ongoing discussion in
20 Jefferson Parish about rates for a water utility. Do y'all have anything to do with
21 the Jefferson Parish Municipal water rates that are being discussed widely in social
22 media?

1 **MR. COX:** We do not.

2 **COMMISSIONER COUSSAN:** Okay. I just want to clarify --

3 **CHAIRMAN SKRMETTA:** I can tell you about that.

4 **COMMISSIONER COUSSAN:** Well, no, it's another time. I just want to make

5 sure that these guys don't have anything to do --

6 **CHAIRMAN SKRMETTA:** No, no, no. Half of my water bill is my garbage bill.

7 So when I get a \$400 water bill, it's comes every two months, and half of it's for

8 garbage and half of it's for water.

9 **COMMISSIONER COUSSAN:** Mr. Chairman, you don't regulate that, do you?

10 **CHAIRMAN SKRMETTA:** No. I get regulated by it.

11 **COMMISSIONER COUSSAN:** Okay.

12 **CHAIRMAN SKRMETTA:** It's a difference.

13 **CHAIRMAN LEWIS:** Thank you, Mr. Chairman. Mr. Cox, there was a mention,

14 I can't remember, I believe it was Ms. Norris about a resolution from the St.

15 Tammany Parish council that we received last night, Resolution C7307AA. Are

16 you aware of this resolution that the St. Tammany Parish council passed requesting

17 that -- in the title, requesting that in connection with the applications for rate

18 increases by utilities, Louisiana Public Service Commission consider the

19 disproportionate economic burden placed upon utility customers with older

20 properties and the utility providers' terms of service?

21 **MR. COX:** Yeah. Yes. I believe I do. This is talking about their service lines

22 connecting to our distribution mains.

1 **COMMISSIONER LEWIS:** Okay. So you are working with the St. Tammany
2 Parish government on --

3 **MR. COX:** So, listen, Commissioners, this is handled differently in different states.
4 So what we're talking about is -- and unfortunately, particularly in St. Tammany
5 Parish because your developer-built systems, these homeowners, their lateral lines,
6 you know, and their water main lines are extremely long. You know, so the mains
7 were placed far away, so there's a long connection. Sometimes they're under cul-
8 de-sacs, all of that. So traditionally, from a Commission standpoint here in the state
9 of Louisiana, if they have a lateral problem, all of the repairs associated -- that's
10 their property, not ours, right? Or to the homeowner. And I do, when you think
11 about, do a lateral fix underneath the cul-de-sac is an expensive proposition, it really
12 is. So traditionally, in the state, that has been the homeowner's, you know,
13 responsibility for that. I think what they're looking at, like, hey, can we shift the
14 burden of that and have the utility take care of those, especially in extenuating
15 circumstances? You know, for example, you know, in the Lafayette area, there are
16 a number of sewer main laterals that are wide, so it would be two residents
17 connecting to a private lateral, connecting to our distribution. So we could address
18 that in an FRP, saying, hey, we now, above a certain threshold, would take
19 responsibility for that, help the homeowner. We're open to any of that, but that's
20 what it would take, is the inside a FRP, saying, hey, we're going to take
21 responsibility for these lateral replacements. Because those laterals are failing, you

1 know, right now the same way these sewer systems have failed, because they're
2 old.

3 **COMMISSIONER LEWIS:** Okay. Great. Thank you. And briefly, I know you
4 generically responded to what we heard from the constituents and the
5 representatives of constituents today. I guess my question for you is, and I know
6 you mentioned this earlier, that you've done community meetings, people haven't
7 showed up, but we've got -- my office, even though I don't represent as many
8 customers, still get calls. Will you commit to continue engagement? And even if
9 it's talking to 10 people, 12 people, 20 people, and doing it on a consistent basis
10 with the information as we go through the audit period, as we go through the FRP
11 extension, and providing that information to the consumers in ways that they can
12 address you, address the company, and also bring their concerns up? Because I
13 think, from what I heard today, is that they feel their concerns aren't being
14 addressed and aren't being heard. And I think that's an important step that a
15 regulated utility must take, is ensuring that your customers have your ear.

16 **MR. COX:** I would say, Commissioners, if I would name something that we have
17 fallen down on, it's not doing enough community engagement. I think we took the
18 wrong signals from people not coming to these big community meetings, and I
19 think that grassroots engagement is something that we are definitely committed to
20 over the next year. Homeowner association meetings, those kind of things, to be
21 able to, like, explain. People may not like the explanation. And, you know, this is
22 difficult business. You know, how many people can actually name a single piece

1 of water infrastructure in their community? They know where their water meter is,
2 they know where a sewer manhole is. Most people don't, right? So they talk about
3 something that they flush and it goes away, but it's really expensive to treat in the
4 back end, it's hard to communicate. So that's -- the onus is on us, so yes,
5 Commissioner, I commit -- we commit to do that.

6 **COMMISSIONER LEWIS:** Great. And the last request I would make for you is
7 as you are developing, your cost of study service -- your cost-of-service study for
8 your rate case, I implore you to look at a creative rate designs and looking at maybe
9 multi-year ratemaking, looking at performance-based rate making. I want you to
10 propose some innovative ways that we are seeing across the nation, because I think
11 this is important for us as affordability becomes a serious issue, not just under
12 water, under anything that we regulate here. It's imperative that we relook and
13 reimagine ratemaking in ways that we have seen studies done. And so I'm
14 imploring you, even though we may grant you an extension today on that FRP and
15 we're mandating a rate case, that that rate case look at alternative ratemaking
16 policies and not just kind of what we've been doing over the last 50 years would be
17 my request.

18 **MR. COX:** Absolutely. We'll make that part of our FRP filing.

19 **COMMISSIONER LEWIS:** Thank you.

20 **CHAIRMAN SKRMETTA:** Any other questions? [NONE HEARD] Okay.
21 Thank you very much. We have a motion by the Chair, seconded by Commissioner

1 Francis. Any opposition? [NONE HEARD] Hearing none, the matter is approved.
2 Next items.
3 **MS. BOWMAN:** And then --
4 **CHAIRMAN SKRMETTA:** I'm sorry.
5 **COMMISSIONER COUSSAN:** I'm sorry, but before you move forward, we have
6 a directive --
7 **CHAIRMAN SKRMETTA:** Oh, the directive is --
8 **MS. BOWMAN:** Yes.
9 **CHAIRMAN SKRMETTA:** Any opposition to the directive? [HEARING
10 NONE] Hearing none, the matter's -- hearing none, the matter's done.
11 **VICE CHAIRMAN COUSSAN:** So the audit is moving -- so the audit moving
12 forward.
13 **CHAIRMAN SKRMETTA:** Audit is moving forward, and --
14 **VICE CHAIRMAN COUSSAN:** Unanimously.
15 **MS. BOWMAN:** Yes.
16 **CHAIRMAN SKRMETTA:** Unanimously. All right. Because it's unopposed,
17 right? And so we're going to move back to -- want to take a break, or?
18 **COMMISSIONER COUSSAN:** I need to walk out, so we can take a break or
19 move forward without me.
20 **CHAIRMAN SKRMETTA:** Want to take five minutes? Because the next one's
21 Cantium. Okay. Let's -- we're going to take a five-minute break.
22 **[OFF THE RECORD]**

1 **[BACK ON THE RECORD]**

2 **CHAIRMAN SKRMETTA:** We're going to go ahead and move on with the
3 agenda with, I think, Kathryn, with Number 2?

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

5 **CHAIRMAN SKRMETTA:** Okay. You can go ahead and do the in re.

6 **MS. BOWMAN:** The Exhibit Number 2 is Docket Number T-37136. It's Cantium
7 versus Rosefield's complaint against Rosefield for transportation and terminalling
8 the crude oil of a common carrier without a tariff on file with the Commission at
9 rates that are excessive and request that Rosefield pay reparations, refunds, and
10 damages for charges above just and reasonable rates. It's a discussion and possible
11 vote on Rosefield's motion to rehear Order Number T-37136-A's escrow
12 requirement. At the March and April 2026 B&E, the Commission directed Staff to
13 coordinate with Rosefield to establish an escrow account for all payments made
14 since October '23 to Rosefield by Cantium as well as all future payments. The
15 amount to be put in the escrow account is the difference between 67 cents, which
16 is the previously approved FERC rate, and \$2.50, the current rate being charged by
17 Rosefield that is disputed by Cantium. The action was memorialized in Order T-
18 37136-A, which was issued April 24 of this year. On May 4 of this year, Rosefield
19 filed a request for rehearing, pursuant to Commission Rule 43, seeking the
20 Commission rehear said order only as to Ordering Paragraph 2, which requires the
21 establishment of the escrow account. On May 29, Rosefield filed a supplement
22 filing to its request, which was the affidavit of Michael Glickert, who provides

1 financial services to Rosefield. In its request, Rosefield argues that Order T-37136-
2 A results from substantial errors of procedure and the absence of evidence. These
3 arguments are based on Rosefield's contention that the Commission has not made
4 a determination of jurisdiction under the amended law, and thus, does not have
5 jurisdiction to issue the Escrow Order; the order improperly impairs Rosefield's
6 contractual rights; and the Escrow Order was issued without advance notice or
7 meaningful opportunity for Rosefield to be heard. Cantium filed a memorandum in
8 opposition to this request for rehearing, arguing Rosefield's request should be
9 denied given its continued efforts to delay this matter while receiving a windfall at
10 the expense of Cantium. And that, as Rosefield is a standalone entity owned by two
11 individual trusts, the probability of Cantium receiving any funds for overpayment
12 at the end of this matter is unlikely. Staff believes that Rosefield was provided
13 proper notice for the Commission to establish the escrow account and that the
14 Commission has jurisdiction to establish the said account. However, in order to
15 allow Rosefield to note its concerns, Staff recommends the Commission grant the
16 request for rehearing and allow the parties an opportunity to reiterate their positions
17 on this matter.

18 **CHAIRMAN SKRMETTA:** Okay. Let's go over the ground rules on this. And
19 the parties can come on up to the mic, Cantfield and Rosefield. We can actually --
20 they can come to the table. Well, okay, well, one at a time. So the person seeking
21 would be you, I guess, Rosefield.

22 **MS. JAMIE WATTS:** That's correct.

1 **CHAIRMAN SKRMETTA:** So let's go ahead and do this, and talk about the
2 ground rules for this. Kathryn, why don't you explain them on the limitations that
3 we put on the rehearing.

4 **MS. BOWMAN:** Sure. So this is just a request for rehearing. And I did speak to
5 Ms. Watts about this yesterday, so she is aware, and I believe Cantium is aware as
6 well, that the only arguments that are provided today are pertaining to the
7 Commission's ordering language in Paragraph 2 requiring the escrow account. And
8 that, consistent with common practice for appellate arguments, I recommend, and
9 I believe the Commissioners agree, to limit each party's time to approximately 10
10 minutes. Obviously, subject to questions that the Commissioners may have.

11 **CHAIRMAN SKRMETTA:** Okay. All right. So you understand where we are on
12 that then, Jamie, right?

13 **MS. WATTS:** Yes.

14 **CHAIRMAN SKRMETTA:** Okay. Why don't you go ahead and begin, and I
15 guess, timekeeper, y'all can kind of keep an eye on it.

16 **MS. BOWMAN:** So for procedural mechanisms, I do think we need a motion and
17 a second to rehear.

18 **CHAIRMAN SKRMETTA:** We need a motion and a second?

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

20 **CHAIRMAN SKRMETTA:** Okay. Chair moves to move forward with the
21 rehearing.

22 **COMMISSIONER LEWIS:** Second.

1 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any opposition?

2 [NONE HEARD] We are moving forward with the rehearing.

3 **MS. WATTS:** Thank you, Commissioners. Jamie Watts with the Long Law Firm

4 on behalf of Rosefield Fourchon Operating, LLC. As Ms. Bowman explained,

5 Rosefield is requesting rehearing of LPSC Order T-37136-A, specifically

6 Paragraph 2, which I'll refer to as the escrow order. And I have passed out copies

7 of the exhibits that were attached to the Rosefield's filings related to the request for

8 rehearing. Each of the Commissioners has a packet as well as the Court Reporter.

9 **CHAIRMAN SKRMETTA:** This is what you're talking about?

10 **MS. WATTS:** Yes. Yes, Commissioner. Ms. Bowman, Mr. Frey, Staff Counsel,

11 and opposing counsel. And those exhibits do not include any new documents. The

12 LPSC and Cantium have had those documents for approximately 30 days. With

13 respect to Paragraph 2 of the Escrow Order, I wanted -- it's very short. I wanted to

14 specifically quote it. It says, Rosefield shall work with Commission Staff to

15 establish an escrow account for all payments made since October 2023, by Harvest

16 or Cantium to Rosefield above 67 cents per barrel. So that is the specific items that

17 we're requesting rehearing on. Our request does not relate to the Commission's

18 remand of the jurisdictional determination under the amended law that's pending

19 before the ALJ with a hearing set for July 7 and 8. Rule 43 of the Commission's

20 procedural rules allows the Commission to rehear one of its orders when it results

21 from substantial errors of procedure in the absence of evidence, such that the case

22 cannot be determined justly and fairly upon the record. And Rosefield submits that

1 there are both multiple substantial errors of procedure and absence of evidence that
2 result in an order that was not determined justly and fairly on the record and must
3 be withdrawn. Again, specific to Paragraph 2 of the order that I previously
4 referenced. So there are five -- at least five substantial errors of procedure with
5 respect to the Escrow Order. The LPSC's Escrow Order requires escrow of all
6 amounts conceivably in dispute. This is despite the LPSC remanding the
7 jurisdictional determination to the ALJ to conduct a hearing to apply the new law,
8 consistent with the 19th JDC's remand and that of the Commission. The LPSC has
9 no constitutional or statutory authority to require escrow of essentially all amounts
10 in dispute. While the LPSC has authority to determine a reasonable rate for the
11 entities it regulates, that determination requires an analysis that the LPSC has not
12 yet had an opportunity to conduct because the issue of jurisdiction is still pending.
13 However, the LPSC has arbitrarily and improperly set a rate of 67 cents per barrel
14 for Rosefield's terminalling services. What is that rate based on? What information
15 in the record supports 67 cents per barrel as an appropriate terminalling fee for
16 Rosefield? There is nothing in the record other than an argument of Cantium's
17 counsel. Now, the Escrow Order requires all amounts Rosefield has received above
18 67 cents per barrel from Cantium or on its behalf to be escrowed, both retroactively
19 and prospectively, for an indefinite period of time. And that, Commissioners, is an
20 unconstitutional confiscation of Rosefield's property and a violation of the 14th
21 Amendment to the U.S. Constitution. Now, despite the Commission Rules 43 about
22 rehearing, that says setting a motion for rehearing suspends the order, Cantium, in

1 the complete absence of authority in the LPSC order, has been self-escrowing all
2 amounts over 67 cents per barrel since March '26, before this Commission's written
3 order was issued.

4 **VICE CHAIRMAN COUSSAN:** Who has been?

5 **MS. WATTS:** Cantium. And that is Exhibit A in your packet, the first document.
6 It is an email from Cantium to Rosefield attached to remittance where Cantium has
7 taken the position that it is authorized to self-escrow, dating back to March, any
8 amounts over 67 cents a barrel and only pay 67 cents to Rosefield. Rosefield doesn't
9 know what type of account its funds are held in, it doesn't know if its funds are
10 segregated from other Cantium funds, it doesn't know if there's interest being
11 earned on those funds, and, if so, what the status of the interest is. The LPSC should
12 not permit Cantium to self-escrow any funds. It is contrary to the order that says
13 Rosefield and the Commission Staff shall work to establish an escrow account,
14 which work is ongoing, Commissioners. Now, the LPSC's Escrow Order also
15 violates Rosefield's due process. There is insufficient public notice. There has been
16 reference to an agenda item in September 2025 that mentioned security. Thereafter,
17 there was no mention of any type of escrow arrangement, and there hasn't been.
18 Even for the March meeting, that agenda item did not include the word escrow or
19 security. So a prior agenda item six months before a meeting is not sufficient public
20 notice for Rosefield or anyone else who may have a public interest to know that the
21 Commission was going to take that action. And in Cantium's filings, they have
22 referenced some type of private meeting with Commissioners that Rosefield had on

1 a related but different matter as being sufficient private notice. It's improper for
2 Cantium to suggest that a private discussion between Rosefield and a
3 Commissioner is equivalent to public notice. Now, the LPSC's Escrow Order also
4 violates the Constitution's Contracts Clause. It interferes with Rosefield's freedom
5 to contract. And those are the multiple substantial procedural errors associated with
6 the Escrow Order. Now, regarding the absence of evidence. There is no evidence
7 in the record upon which the LPSC can reasonably rely to order escrow of all
8 amounts over 67 cents a barrel. There's been no exhibits and no testimony
9 supporting the 67 cents per barrel terminalling rate. The basis for that rate was
10 approved in a consent agreement and stipulation among FERC and Chevron
11 regarding the South Timbalier Pipeline System in 1984. There was no rate
12 proceeding. It was a settlement and consent agreement. The LPSC wasn't involved.
13 Rosefield wasn't involved. Cantium wasn't involved. That consent agreement
14 addressed assets that are in addition to the Rosefield terminal that Rosefield owns
15 and operates now. And that stipulation agreement from 1984 is publicly available,
16 but Cantium hasn't offered it in this proceeding so far. And that stipulation
17 agreement, Commissioners, it's essentially a black box settlement that this
18 Commission is very familiar with. It is an agreement among the regulator and the
19 impacted party or parties that says we're going to agree on this situation for these
20 purposes, and it has no precedential value. For that to be the basis of a escrow order
21 for this Commission to require all, essentially all, of Rosefield's funds to be
22 withheld is improper. The LPSC is authorized, but it is not required to approve a

1 security arrangement when a regulated entity has an LPSC-approved rate and then
2 the regulated entity seeks an increase. That is Louisiana Revised Statute 45:1163.1
3 that Cantium has referenced in prior pleadings. If the increased rate is later
4 determined to be excessive after a rate proceeding at the LPSC, then the security
5 agreement facilitates the refund. That is not an applicable remedy for Cantium at
6 this juncture. Instead, the appropriate remedy for Cantium is what they have pled
7 in their complaint. Revised Statute 45:255 allows Cantium to be reimbursed any
8 excess amounts after there's a determination of jurisdiction and determination of a
9 rate. Rosefield does not dispute that, that is in Cantium's pleading. Now,
10 Commissioners, to draw an analogy, it's as if Cantium is the plaintiff in a personal
11 injury lawsuit, and Rosefield is the defendant, and the Commission is the judge or
12 jury. And before damages have been established, and while liability is still
13 unresolved, Cantium has asked, and the LPSC has allowed, essentially all damages
14 to be paid by the defense up front. That is putting the cart way before the horse.
15 Now, the financial impact of the Escrow Order, this is addressed in Exhibit A to
16 Rosefield's supplement rehearing request. It's the affidavit of Michael Glickert,
17 which Ms. Bowman referenced, and this was originally provided in context of
18 injunction proceedings. So Cantium and the LPSC have had this affidavit for about
19 30 days. This affidavit by Rosefield's CFO states or explains Rosefield's significant
20 investments to acquire and improve the Fourchon terminal, to return the second of
21 three tanks to service, and ongoing work to return the third tank to service and other
22 investments. Just to remind y'all, the status of the Fourchon terminal when

1 Rosefield acquired in August 2023, only one of the three tanks was in operation.
2 And when Chevron sold it -- that's when Chevron sold it to Rosefield. And at that
3 time, Chevron was charging 67 cents per barrel pursuant to that FERC stipulation
4 and consent agreement. Cantium -- at the closing, Chevron -- or shortly thereafter,
5 Chevron canceled that rate, Cantium did not oppose it. At that point in time, in late
6 August of 2023, nominations on behalf of Cantium for September of 2023 had
7 already been made, and the 67-cent rate was in effect. Eighteen days after closing,
8 on September 10, Rosefield issued its non-jurisdictional tariff for terminalling
9 services at 2.50 a barrel with an effective date of October 1, 2023. It was the earliest
10 possible time frame for Rosefield to issue its tariff at its appropriate rate for
11 operation. Sixty-seven cents per barrel has never been a commercially reasonable
12 rate for Rosefield to acquire, to renovate, to operate the Fourchon terminal. Now,
13 this is an interesting point, the volume of barrels that were handled by the Fourchon
14 terminal now is approximately 25% of the volume when Chevron's legacy rate of
15 67 cents was charged. This is also included in the affidavit of Rosefield's CFO. So
16 if you do the math, if the current volume is one-fourth of the volume when Chevron
17 operated the Fourchon terminal, the cost to operate at the reduced volume will need
18 to increase. So 4 times 67 cents equals \$2.68. That's more than the \$2.50 rate that
19 Rosefield has in its tariff and charging to Cantium. The LPSC's Escrow Order
20 requires a \$1.83 per barrel to be escrowed. The LPSC's Escrow Order equates to a
21 reduction of Rosefield's monthly revenues by 75%. There is publicly available
22 information also attached to Mr. Glickert's affidavit that reports that in 2024 --

1 **CHAIRMAN SKRMETTA:** The Staff is indicating a time element, so if you want
2 to wrap it up.

3 **MS. WATTS:** Yes, sir. Thank you. In 2024, Cantium's revenue was \$473 million,
4 so at 2.50 a barrel the cost to Cantium was 1.5% of its annual revenue in 2024.
5 Commissioners, Cantium does not rebut any of Rosefield's financial arguments in
6 its opposition. Instead, it says it hasn't benefited from them. Currently, Cantium is
7 extending the duration of its storage and seeking to utilize the second tank
8 simultaneously with the first tank. Clearly, it's benefitting. And to conclude,
9 Commissioners, I ask that the Escrow Order be withdrawn, and I ask that the
10 exhibits that are before you as attached to Rosefield's rehearing filings,
11 confirmation that they be admitted into evidence for all purposes pursuant to Rule
12 27 of the PSC's rules.

13 **CHAIRMAN SKRMETTA:** Okay. Thank you very much. And we'll now hear
14 from -- actually, is it appropriate for question, or should we go through the -- I think
15 it's better to hear from the other side. And I think we'll come back if we want to
16 ask questions after that. So we'll hear from Cantium.

17 **COMMISSIONER LEWIS:** Okay.

18 **CHAIRMAN SKRMETTA:** Since it's a hearing, effectively. And they're going
19 to keep time, and so they'll notify me, and I'll let you know when you have to wrap
20 it up.

21 **MR. MATTHEW SIMONE:** Thank you, Commissioner Skrmetta. Matthew
22 Simone here on behalf of Cantium, LLC. First and foremost, I think it's important

1 to understand and to address the hypocrisy and fundamental unfairness with
2 Rosefield's position. They said today, as they've said over and over again, Cantium
3 can wait. Keep paying us, \$500,000 a month, they can get their money in the end,
4 it's no big deal. You can get the money in the end, just wait. You can do that. Two
5 years, four years, just wait. Now, what does this escrow do? It does that exact same
6 thing to both parties. It treats both parties fairly, and that's saying there's a disputed
7 amount of money, let's put it in escrow, and both parties then are treated the exact
8 same. That's what we're asking for, to treat both parties the same. And why do we
9 even have to ask for a security in an escrow to begin with? That's because for the
10 past two years, Rosefield has taken every chance they can to delay and delay this
11 matter while they continue to reap a windfall on the backs of Cantium. They've
12 asked for over 10 stays, appeals, injunctions to the LPSC, the ALJ, two courts at
13 the 19th JDC, and even once to the Department of Conservation and Energy. It's
14 been pervasive the amount of delay that they've taken, and that's why this is
15 needed. Further, as the affidavit that's submitted pretty much tells us, they might
16 not be able to pay these funds in the end. That's what that affidavit comes down to.
17 Their way in the business and might not be able to pay Cantium back for the funds
18 that they've charged. Now, also let's keep the facts straight on this. In their filings,
19 they keep telling you that this is a terminal and you've never regulated terminals. I
20 agree with that, you're not regulating terminals. This is a pipeline. Two, they talk
21 how the jurisdictional issue is still up for debate. It's not. That has been ruled upon
22 in December 2024 by the ALJ, by you all in 2025, and most recently in April 2026,

1 in which you state, quote, this Commission has jurisdiction over Rosefield. It is not
2 up for debate. Now, let's look at the law on this issue, too. The statutory authority
3 for providing the escrow or requiring the escrow is in Louisiana Revised Statute
4 45:1163.1(D). This allows for this Commission to require any increase in service
5 while that rate determination is being made. Now, what Rosefield is trying to tell
6 you is that, well, you haven't had a ratemaking for this. That's right. We had one
7 scheduled to be happening this October. We've been trying to get there. But it's
8 only because Rosefield has been pushing us back over and over and over again for
9 months and months and now years and years. And Number 2, we agree, you haven't
10 regulated them before. You know why? Because they failed to come and -- to you
11 and register as they should as a pipeline common carrier. So they're saying, this
12 law doesn't apply to us. You know why? Because we didn't follow the law. They're
13 saying, we broke the law, we didn't follow what we're supposed to do, and because
14 we did that, that means that you all can't regulate us. Now, in my opinion, that's
15 not fair. That seems like I get pulled over by a police officer for speeding and say,
16 you can't give me a ticket, I never registered my car, and I never got a license, so
17 I'm free to go. That's not how this works. There's legal terms and reality. But the
18 legal term is the Clean Hands Doctrine. They came to you violating statutes, and
19 they are trying to hide behind their violations to not allow you to exercise your
20 jurisdiction over them. Ms. Watts is correct. This is not litigation, and because it's
21 not litigation, you all have different authority. And we cited you case after case
22 after case in which an escrow has been put in place. We cited to you the law, what

1 this is able to do, so you do have the authority to provide this escrow. Also, the
2 Supreme Court cases talk about why it is not confiscatory. To be confiscatory, it
3 has to be outside the bounds of Constitution, and that is fundamentally unfair. And
4 let me back up for a second on this. The law says that they're supposed to have
5 registered with you, and then if they increase, they ask for your approval to increase.
6 They didn't do any of that. What this Commission could do within the bounds of
7 its jurisdiction and authority is say, you never asked us for an increase; therefore,
8 you should not have increased, it was not a valid increase, and go refund all the
9 money back to Cantium right until you figure it out. That's what you could have
10 done. I agree that it's fundamentally fair to both parties to say, let's put them in
11 escrow until you all figure it out. I'd rather you say, give the money back to Cantium
12 right now. That'd be fantastic. But that's not what we're asking for. We're asking
13 for just a measure of fairness that's going to protect both parties in escrow. Briefly
14 on the due process points, Rosefield was here. I re-watched the March and April
15 hearings in which they argued due process. They briefed their arguments to you all.
16 They argued it in front of you all. They didn't submit any evidence with that, and
17 that was before there was any notion of live testimony. It came in later. They had
18 their chance, they used it. Last, there's an argument about contractual rights. That
19 this is an interference with a contractual rights. I think that's wholly inappropriate
20 here. The contract between the parties says that the rate that will be paid will be the
21 tariff rate, the applicable tariff rate. That invites you to come and set a rate and take
22 ahold of this contract. It asks you to do that. And that's what we're doing here.

1 Briefly, again, getting to some of the points made by Ms. Watts. The insinuation
2 that a FERC-related tariff is just a consent is just not accurate. I cannot imagine a
3 world in which you go to FERC and say, hey, I want to pay this rate, and FERC
4 says, you're right, I'll regulate you, I'm not going to do my job. I'll just let you pay
5 whatever you want. That's not how that works. And that's why the 67 cents was
6 not some sort of just silly, arbitrary number. It was a FERC-approved rate, and it's
7 why it should be applying here. There's no guessing as to the 67 cents. It's also the
8 rate that Rosefield used for the end of October and September. And if they thought
9 they didn't have to, what means that they had even to ask us to increase it? They
10 could have just increased it, but they knew better. That this is a tariff rate and that
11 they need to get approval, except they failed to get the actual approval. As to the
12 affidavit, the affidavit is incredibly self-serving. All talks about our expenses
13 without any numbers, without any backup, without any data, and it also doesn't say
14 where did the \$14 million and overcharges that Cantium paid you, where'd it all
15 go? You run a small facility. I understand one person is the employee on site, if
16 he's ever there. This is not ideal where, you know, they shouldn't do it. However,
17 the point of all that is saying that this one affidavit does not get to meet the
18 operations and revenue. That's rate setting. We'll do that when we get there. We'd
19 love to get there sooner if we possibly could. Any insinuation that this gentleman,
20 who's a CFO for a somewhat-related company to Rosefield, knows Cantium's
21 finances is also ludicrous. That's like me saying that I can go and tell you the
22 finance stability of some company by just looking at it online one time. I don't think

1 that's appropriate. Last, there is, you know, a lot of statements made by Ms. Watts
2 without any evidence whatsoever about the duration and storage of what may be
3 going on right now. I think that that's not appropriate as she's not providing
4 evidence without foundation or support to it. The fact that that's happening here is
5 just a little disappointing. And, Commissioners, that's all that I have in response.
6 I'm happy to answer any questions you all have.

7 **CHAIRMAN SKRMETTA:** Okay. Before we move on, I know Commissioner
8 Lewis had a question for Ms. Watts. Do you want to move on with your question
9 for her, or you want to -- whichever one you want to do first. So, go ahead.

10 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. Matt, going off of your,
11 kind of, last statement, do you -- does Cantium believe that the escrow amount
12 ordered by the Commission, that 67 cents, is appropriately tailored to protect your
13 interest?

14 **MR. SIMONE:** Yes, we do.

15 **COMMISSIONER LEWIS:** Okay. And is it -- my understanding, and then I'll
16 ask this also, is that the escrow concept was briefed before the March Order, is that
17 -- and they were reply and responses in those order -- in those briefs as well about
18 an escrow account?

19 **MR. SIMONE:** Commissioner Lewis, that's correct.

20 **COMMISSIONER LEWIS:** Okay. Thank you.

21 **MR. SIMONE:** Thank you.

1 **CHAIRMAN SKRMETTA:** Any questions before you go? Any questions from
2 other Commissioners? [NONE HEARD] Okay. Y'all are excused. Do you have a
3 question for Ms. Watts?

4 **COMMISSIONER LEWIS:** Yes, sir. Thank you.

5 **CHAIRMAN SKRMETTA:** Jamie, if you want to come up.

6 **COMMISSIONER LEWIS:** Thank you, Ms. Watts. A question for you, aside
7 from the affidavit as stated Exhibit A, is there any other new information Rosefield
8 believes that warrants a rehearing of the Escrow Order?

9 **MS. WATTS:** New information, Commissioner, is the email attached to our
10 rehearing request that supports the fact that Cantium is self-escrowing in violation
11 of the specific verbiage of Paragraph 2 of the Escrow Order, which is the Escrow
12 Order. And comments made regarding the ability of the Commission to set a rate
13 that causes an entity to operate at a loss, those are comments by the Commission
14 Staff in their briefing and in the injunction proceedings. Commission Staff
15 recognized that the Commission cannot require an entity to operate at a rate that
16 requires -- that results in it operating at a loss, and that is what is happening here
17 with Rosefield. So, yes, there is that packet of exhibits are -- is all new information
18 that has not been presented to the Commission before today. And I reiterate my
19 request that there be a ruling on the admissibility of those exhibits for purposes of
20 further review by other Tribunals.

21 **COMMISSIONER LEWIS:** Absolutely. Can I -- Staff, can you respond to that,
22 please, for me?

1 **CHAIRMAN SKRMETTA:** Are we required to make a ruling on the exhibits?

2 **MS. BOWMAN:** You are not. You are -- the Rule 27 that Ms. Watts referenced

3 says you can, as I --

4 **CHAIRMAN SKRMETTA:** Does it say shall or may?

5 **MS. BOWMAN:** It does not say shall.

6 **CHAIRMAN SKRMETTA:** Okay.

7 **MS. BOWMAN:** Before I finish -- well, let's finish that. Everything is in the

8 record. The record is in front of you guys today related to this request for rehearing,

9 so when Rosefield decides to appeal this order, they will have everything in the

10 record at the 19th, as the Commission always does, which is lodge the entire record

11 for the 19th to review.

12 **CHAIRMAN SKRMETTA:** Okay. So it is what it is and so we're just going to

13 proceed with what's in the record?

14 **MS. BOWMAN:** And may I just comment very quickly?

15 **COMMISSIONER LEWIS:** Yes, please.

16 **MS. BOWMAN:** Ms. Watts indicated that Staff admitted to saying that Rosefield

17 had and I'm going to paraphrase, but essentially a lower rate of return, and that was

18 compensatory. No. All Staff said in its brief and opposition to the injunction that

19 was filed at the 19th, was that the Commission has yet to determine a rate for

20 Rosefield because we have yet to get to a hearing on the merits in this matter.

21 **CHAIRMAN SKRMETTA:** Okay. Thank you.

22 **COMMISSIONER LEWIS:** Thank you.

1 **MS. WATTS:** And, Commissioners, if I may very briefly reply, just to clarify. I
2 may have misspoken, or perhaps there needs to be some clarification, but the
3 statement by Staff that I was referring to, that's attached as Exhibit 1 in your packet,
4 Exhibit 1 to Rosefield's reply, was that that is the Commission's job to balance the
5 interest of all parties and to ensure jurisdictional entities have the opportunity to
6 earn a fair return. So that's what I was quoting from Staff. I believe that's different
7 from Ms. Bowman.

8 **CHAIRMAN SKRMETTA:** Okay.

9 **COMMISSIONER LEWIS:** Okay.

10 **CHAIRMAN SKRMETTA:** Go ahead.

11 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. Thank you, Ms. Watts,
12 for that response. Again, if you can go to the affidavit, and I believe it is Page 3,
13 Line 13 or Part 13 where the affidavit states that the LPSC Escrow Order, if not
14 reversed or enjoined, will cause and will continue to cause Rosefield immediate
15 and irreparable harm by forcing it to operate at a loss, depriving it of its funds
16 necessary to sustain terminal operations, and jeopardizing its ability to continue as
17 going on. So My question is: if the escrow requirement is removed, what alternative
18 mechanisms would Rosefield propose to protect the funds that may ultimately be
19 subjected to refunds or reparations?

20 **MS. WATTS:** I'm glad you asked that, Commissioner. Rosefield would be willing
21 to consider some alternative security arrangement, such as a bond. That is
22 something that we explored several months ago in this process. So there are other

1 options for proving security that would protect the parties involved that are less
2 impactful and, frankly, dangerous than escrowing everything in excess of 67 cents
3 per barrel.

4 **COMMISSIONER LEWIS:** Yeah. Thank you. And last question for Staff, there
5 was mention about the escrow order, and I believe, Ms. Watts, you called this
6 Exhibit A around Cantium making -- depositing payments directly into the escrow
7 itself. Ms. Bowman, my question to you is: does the order specify how payments
8 of the escrow should be?

9 **MS. BOWMAN:** So -- I should have that order in front of me. I do not. The actual
10 ordering -- thank you. The actual ordering language says, Rosefield shall work with
11 Commission Staff to establish an escrow account for all payments made since
12 October '23 by Harvest or Cantium to Rosefield above 67 cents. The order should
13 be read in its entirety, which if you go back to the Commission consideration
14 section, which is the motion that was read into the record that day, it says that the
15 remand does not alter the Commission's action taken at the March 2026 B&E
16 directing Rosefield to work with Staff related to that. And I should have this in front
17 of me, and I apologize for not being fully prepared, the March B&E minutes --

18 **CHAIRMAN SKRMETTA:** I got it.

19 **MS. BOWMAN:** -- and the motion there was more specific that indicated that for
20 payments made by Cantium to Rosefield from August, excuse me, October '23
21 through March 2026, should be put into escrow by Rosefield because Rosefield had
22 already received those payments. Those payments had been remitted. The language

1 then said anything in the futures payments shall just be put into the escrow. It was
2 silent as to should that be by Rosefield or should that be by Cantium. So it's up to
3 the Commission if they just wanted to alter that to say, or just clarify on the record
4 today to say, Cantium, separate the funds, remit the 67 cents per barrel to Rosefield,
5 and the difference, the 1.83, into the escrow account that will be created. I think
6 that clarification on the record today suffices.

7 **MS. WATTS:** And, Commissioner, if I may just to add further clarification,
8 Rosefield and Ms. Bowman have -- myself, personally, and Ms. Bowman, have
9 communicated about the establishment of an escrow account. Ms. Bowman, after
10 seeking input from Rosefield, presented Rosefield with three options for the escrow
11 account. Rosefield communicated with her about the selected option. That escrow
12 facility has provided a draft escrow agreement that Rosefield is reviewing. It
13 contains some errors. For example, it does not say 67 cents; it has an erroneous
14 number that needs to be corrected. So Rosefield and the LPSC Staff are in
15 compliance with the specific requirement to work together to establish an escrow
16 account. It does not yet exist today.

17 **COMMISSIONER LEWIS:** Thank you. Thank you, Mr. Chairman.

18 **CHAIRMAN SKRMETTA:** Okay. I'm going to do two things. First off, I'd like
19 to, you know, get a couple statements. First off, I'm a big believer in credit and
20 refund. And that's not just about looking forward, it's about looking backwards.
21 And when the Commission does make a final determination, if there is a differential
22 in this, I think that the Commission will order credit and refund on this. Okay?

1 Second thing is, the problem with looking at a bond versus an escrow account is,
2 the bond is going to be an estimate. And the bond's not going to be doing a set -- I
3 mean, it's going to be a set amount. It's not going to have a fluid basis to it. And so
4 with the escrow, we're going to have an accurate amount of what the potential is as
5 well, so it's going to be more accurate and the bond cost money. and where the
6 escrow account technically, it's not going to cost the same amount of expense. I do
7 think it's interesting just for discussion or just to say it, that the Commission itself
8 does not have its own escrow facility or, if you want to call it a registry, which it
9 should. And I think that the Commission needs to establish that. And this is for
10 Brandon, I guess, and for Kathryn to look at, that the Commission should establish
11 its own registry system outside of the State Treasury. And to have this -- or breaking
12 it into separate accounts as necessary. Whenever we're doing transportation cases
13 or cases like this or anything else, let the state -- if we need to put things in the
14 registry of the Commission, that we can have the mechanism set in place, and we
15 won't have to go fishing around for something. But I will go ahead and make a
16 motion at this time if it's appropriate. Or have you got the applied motion ready?

17 **MS. WATTS:** And, Commissioner, if I may, I apologize for interruption, but I
18 would like to respond to the evidentiary issue.

19 **CHAIRMAN SKRMETTA:** What evidence?

20 **MS. WATTS:** The request that there be a ruling on the admissibility of our
21 exhibits. And I heard what you said. I heard what Ms. Bowman said.

22 **CHAIRMAN SKRMETTA:** Okay.

1 **MS. WATTS:** And if I would like just --

2 **CHAIRMAN SKRMETTA:** Sure. Go ahead.

3 **MS. WATTS:** -- very briefly. I agree with Ms. Bowman that filings, exhibits, other

4 matters that are part of the LPSC's record are sent up to a reviewing court.

5 However, that is different from exhibits and evidence being admitted for that

6 purpose.

7 **CHAIRMAN SKRMETTA:** Okay. Well, were you -- when you were preparing

8 for this, were you notified that this was going to be to rehear argument only?

9 **MS. WATTS:** Commissioner, I had a conversation with Ms. Bowman late

10 yesterday afternoon followed -- I mean, following a conversation I had with

11 Commissioner Lewis that said we were going to be provided some time for

12 argument.

13 **CHAIRMAN SKRMETTA:** Okay. But it says here argument only. Only

14 arguments that are provided on the ordering language in Paragraph 2 of the Escrow

15 Account. It doesn't say about submission of new documentation or anything else.

16 **MS. WATTS:** I'm sorry, Commissioner, can you tell me where you're reading

17 from?

18 **CHAIRMAN SKRMETTA:** I'm reading it from the Staff's information to us.

19 **MS. WATTS:** Okay. I don't have that.

20 **CHAIRMAN SKRMETTA:** Well, this is what the Staff's telling me, so --

21 **MS. WATTS:** But Rosefield wasn't aware of that.

22 **CHAIRMAN SKRMETTA:** -- I understand.

1 **MS. WATTS:** And, Commissioner, from a --

2 **CHAIRMAN SKRMETTA:** Well, I'm talking.

3 **MS. WATTS:** Excuse me. I'm sorry.

4 **CHAIRMAN SKRMETTA:** That's okay. We'll interrupt each other later. But the

5 point is, is that if we're here to make an argument, it's argument time. It's not time

6 to introduce new evidence. Okay? At that time, you've had multiple opportunities

7 to introduce evidence as you want. And the Staff says rules do not require the

8 introduction of evidence. I mean, I don't see why we need to just keep layering on

9 more potential for new argument if the Staff says we don't have to do it. I'm relying

10 on Staff's statement. Okay? And the Staff says this is an argument. It's not, you

11 know, just want to stack more -- because, I mean, what I know about this is great

12 and it's something I can look at, but you already have all the information. So I'm

13 going to ask Kathryn her position on this, and we're going to rely on Staff for their

14 position on introduction of this information. But I'm here just for argument, it's not

15 argument and introduction of evidence. So --

16 **MS. WATTS:** Commissioner --

17 **CHAIRMAN SKRMETTA:** -- let's hear -- let's -- let's --

18 **MS. WATTS:** -- the parties were not made aware that this was limited to argument.

19 This is in response to the August -- I mean, I'm sorry -- the April order specific to

20 escrow.

21 **CHAIRMAN SKRMETTA:** Okay. What is the purpose of your appearance here

22 today?

1 **MS. WATTS:** My purpose here is to present legal argument and evidence to the
2 Commission.

3 **CHAIRMAN SKRMETTA:** Wait, wait. Just stop right there. You just said you're
4 here to present an argument.

5 **MS. WATTS:** And evidence. Would the Commission allow me the opportunity to
6 proffer --

7 **CHAIRMAN SKRMETTA:** Wait. I want to hear what Kathryn has to say. Stop
8 right there, and let's hear what she has to say on this.

9 **MS. BOWMAN:** So I guess I'm a little confused as to what Ms. Watts is seeking.
10 Rule 27 that she cites does allow, not mandate, that you guys as the Commissioners
11 can examine witness and rule upon admissibility of evidence. However, what is
12 before us is a request for rehearing of an order, not whether or not Ms. Watts' record
13 and evidence, which is in the record, which has been filed into the record, whether
14 or not that is admissible. So that is not what is before -- no one has challenged the
15 admissibility, so there's not a proper posture for you guys to rule on admissibility,
16 in my opinion, because there's not a question of admissibility at this time.

17 **CHAIRMAN SKRMETTA:** So you advising us not to rule on the admissibility?

18 **MS. BOWMAN:** Yes.

19 **CHAIRMAN SKRMETTA:** Okay. There's the answer. Relying on Staff, we're
20 not going to rule on the admissibility at this time.

21 **MS. WATTS:** May I be allowed to proffer the evidence?

22 **CHAIRMAN SKRMETTA:** Ask Kathryn. Can she proffer it?

1 **MS. BOWMAN:** Sure.

2 **CHAIRMAN SKRMETTA:** Okay. Go ahead. Your evidence is proffered. I mean,
3 you've proffered the evidence, right?

4 **MS. WATTS:** Would you like for me to identify what's being proffered.

5 **CHAIRMAN SKRMETTA:** Sure. Go ahead. You can identify it for Staff.

6 **MS. WATTS:** Exhibit A to Rosefield's request for rehearing is an email from
7 Kimberly Martinez at Cantium dated April 20, 2026. Exhibit A to the supplement
8 to Rosefield's request for a rehearing is an email from Katherine Frank to Kathryn
9 Bowman, Mr. Simone, and others, dated Thursday, May 14, 2026, that attaches the
10 affidavit of Michael Glickert that was originally presented in the 19th JDC. Exhibit
11 1 to Rosefield's reply to Cantium's opposition, and this is a corrected version, is an
12 excerpt from the Louisiana Public Service Commission's opposition to Rosefield's
13 petition for injunction, also in the 19th JDC. And Exhibit 2 is an excerpt from the
14 March 2026 B&E transcript with respect to this matter. And I would ask that those
15 exhibits each be proffered for the record.

16 **CHAIRMAN SKRMETTA:** Okay. Thank you. And, Kathryn, she has put them
17 in the record and proffered them for the record. Okay? All right. Thank you, ma'am.
18 Yeah, go ahead.

19 **MR. SIMONE:** Just one quick question. I believe that Ms. Bowman did ask for
20 the point of clarity on deposit of the escrow from Cantium moving forward that I
21 don't think was addressed, and I just would ask --

22 **CHAIRMAN SKRMETTA:** I'm not finished yet.

1 **MR. SIMONE:** Thank you, Commissioner Skrmetta.

2 **CHAIRMAN SKRMETTA:** We're on our way.

3 **MR. SIMONE:** Yes, sir. I understand.

4 **CHAIRMAN SKRMETTA:** Okay. I would like -- and also the issue on the

5 particular escrow element is, I'm going to offer that through motion about how the

6 escrow payment is to be paid.

7 **MS. BOWMAN:** Okay.

8 **CHAIRMAN SKRMETTA:** I'd like to offer it through the motion, or do you have

9 it prepped already? We talked about this on how we were going to do this, the

10 progress of the depositing and how it was going to function into the escrow, right?

11 So from Cantium to the escrow account, correct?

12 **MS. BOWMAN:** I mean, if that is the Commission's intention, yes.

13 **CHAIRMAN SKRMETTA:** Well, that's my -- I put this in the motion, right?

14 **MS. BOWMAN:** I don't have a motion.

15 **CHAIRMAN SKRMETTA:** No. I'm talking -- I'm about to make a motion.

16 **MS. BOWMAN:** Oh. Okay. Well, that's fine.

17 **CHAIRMAN SKRMETTA:** So want to have that in the motion, correct?

18 **MS. BOWMAN:** Got it.

19 **CHAIRMAN SKRMETTA:** Okay. All right. So the Chair moves that the

20 Commission Staff establish an escrow account for all payments made by Cantium

21 -- actually, all payments since October 2023 by Harvest or Cantium to Rosefield

22 above 67 cents per barrel be paid by Rosefield to the Commission-identified escrow

1 account, to be held in escrow until such time as the matter is resolved either by
2 judicial action or by the Commission. Does that satisfy?

3 **MS. BOWMAN:** I need to read it. I'm sorry.

4 **CHAIRMAN SKRMETTA:** I'm telegraphing it to you right now.

5 **MS. BOWMAN:** Did you cover -- I was trying to write. Did you cover future
6 payments, March -- or now June through --

7 **CHAIRMAN SKRMETTA:** I'm going to repeat it and I'm going to go slow --

8 **MS. BOWMAN:** Please, thank you.

9 **CHAIRMAN SKRMETTA:** -- because Lauren's going to write it down.

10 **MS. EVANS:** Sure.

11 **CHAIRMAN SKRMETTA:** Chair moves that the Commission Staff establish an
12 escrow account for the payment of all payments made since October 2023 by
13 Harvest or Cantium to Rosefield and forward, until such time as all litigation is
14 complete, in an amount of 67 cents per barrel to the escrow account service as
15 identified by the Staff.

16 **MS. BOWMAN:** I think it's --

17 **CHAIRMAN SKRMETTA:** Is that going to count? Is that going to cover it?

18 **MS. BOWMAN:** I don't think the amount is correct.

19 **CHAIRMAN SKRMETTA:** Sixty-seven cents per barrel?

20 **MS. BOWMAN:** I think it's the delta. The original motion and the order says the
21 delta between the 67 cents and the current \$2.50 rate.

22 **CHAIRMAN SKRMETTA:** I said above 67 cents, so that's --

1 **MS. BOWMAN:** Okay. Then, yes, sir.

2 **CHAIRMAN SKRMETTA:** Above 67 cents per barrel. That's the delta between
3 67 cents and whatever it is.

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

5 **CHAIRMAN SKRMETTA:** So the amount above 67 cents per barrel. I think that
6 accurately does it. So that identifies that the payment will be made by Rosefield to
7 the identified escrow account. The payments made by Harvest or Cantium to the
8 identified escrow account to be held until such time as the litigation matter is
9 complete. Correct?

10 **MS. BOWMAN:** I believe so.

11 **CHAIRMAN SKRMETTA:** All right. I'm going to ask both of y'all, does that
12 satisfy Cantium? Does that satisfy you as far as being accurate?

13 **MS. WATTS:** Rosefield maintains its objection.

14 **CHAIRMAN SKRMETTA:** Yeah, I understand the general objection to the
15 action itself, but I want to make sure with the language associated with this.

16 **MS. WATTS:** If that is --

17 **CHAIRMAN SKRMETTA:** We want to protect your capital. We want to make
18 sure that it satisfies that. We want to make sure that Cantium, that you're satisfied
19 with the direction of how this moves into an escrow account that the Staff identifies.

20 **MR. SIMONE:** Commissioner, I believe I am in agreement. And that agreement
21 is that Cantium will pay the above 67 cents per barrel moving forward directly into
22 the escrow account.

1 **CHAIRMAN SKRMETTA:** Correct.

2 **MR. SIMONE:** That's -- I agree with that.

3 **MS. WATTS:** And I believe that was the original intention of the order.

4 **CHAIRMAN SKRMETTA:** And that's since October 2023, right?

5 **MS. WATTS:** The previous order --

6 **MR. SIMONE:** From October '23 until the March B&E, the money they've

7 already got those time -- through those dates --

8 **CHAIRMAN SKRMETTA:** Okay.

9 **MR. SIMONE:** -- Rosefield will say --

10 **CHAIRMAN SKRMETTA:** So it's from today?

11 **MR. SIMONE:** No, no, no. I think it goes back to the March B&E date.

12 **CHAIRMAN SKRMETTA:** Okay. So you did pay from October 2023 to March?

13 **MR. SIMONE:** That we've already paid, yes.

14 **CHAIRMAN SKRMETTA:** Okay. So it's really March 2026.

15 **MR. SIMONE:** Moving forward the --

16 **MS. WATTS:** In March, they started withholding funds.

17 **CHAIRMAN SKRMETTA:** So it's March 2026.

18 **MR. SIMONE:** March '26.

19 **CHAIRMAN SKRMETTA:** So unfortunately in the dicta, it says October 2023.

20 So let's make it March 2026 forward.

21 **MS. BOWMAN:** Well, so -- okay. Let's start back at the beginning. We have two

22 separate payments --

1 **CHAIRMAN SKRMETTA:** Okay. Well, then identify them for the purpose.

2 **MS. BOWMAN:** -- that need to be made.

3 **CHAIRMAN SKRMETTA:** Okay.

4 **MS. BOWMAN:** From October 2023 --

5 **CHAIRMAN SKRMETTA:** 2023, and that's from Harvest and/or Cantium?

6 **MS. BOWMAN:** Harvest and/or Cantium paid Rosefield --

7 **CHAIRMAN SKRMETTA:** Right.

8 **MS. BOWMAN:** -- from October 2023 through March 2026.

9 **CHAIRMAN SKRMETTA:** Six -- okay. That's left out of the dicta.

10 **MS. BOWMAN:** So those payments have already been remitted to Rosefield.

11 **CHAIRMAN SKRMETTA:** Okay.

12 **MS. BOWMAN:** So if the Commission wants all disputed funds to be placed in

13 the escrow account --

14 **CHAIRMAN SKRMETTA:** They have to credit --

15 **MS. BOWMAN:** Rosefield must put --

16 **CHAIRMAN SKRMETTA:** -- recover those.

17 **MS. BOWMAN:** Yes. Rosefield must put those funds into the escrow.

18 **CHAIRMAN SKRMETTA:** Yep.

19 **MS. BOWMAN:** From March 2026 moving forward, Cantium has the

20 responsibility of putting the difference -- or anything above 67 cents per barrel into

21 escrow account.

22 **CHAIRMAN SKRMETTA:** Okay. You want to try again?

1 **MS. BOWMAN:** Well, I think that's clear.

2 **CHAIRMAN SKRMETTA:** I think it's clear. So they're basically making two

3 separate identifiable payments?

4 **MS. BOWMAN:** Yes.

5 **CHAIRMAN SKRMETTA:** The first payment will be that all payments made

6 between October 2023 by Harvest or Cantium to Rosefield between October 2023

7 until March 2026, correct?

8 **MS. BOWMAN:** Correct.

9 **CHAIRMAN SKRMETTA:** Shall be paid into the escrow account, correct?

10 **MS. BOWMAN:** By Rosefield.

11 **CHAIRMAN SKRMETTA:** By Rosefield. And then after that, from 2026 --

12 March 2026, forward until such time as the litigation is complete and satisfied by

13 complete judgment, that they shall pay into the escrow account established by the

14 Commission any amount above 67 cents per barrel by Cantium to Rosefield.

15 **MS. BOWMAN:** Correct.

16 **CHAIRMAN SKRMETTA:** Okay. Fair enough? Correct?

17 **MR. SIMONE:** Correct.

18 **CHAIRMAN SKRMETTA:** Correct. Okay. This is my motion. Any seconds?

19 **COMMISSIONER COUSSAN:** I'll second.

20 **CHAIRMAN SKRMETTA:** Second by Commissioner Coussan. Any opposition?

21 [NONE HEARD] Hearing none, the matter's approved. Sorry for the delay on that,

22 folks.

1 **MR. SIMONE:** Thank you.

2 **CHAIRMAN SKRMETTA:** All right. Move on to the next item, please, which I

3 believe will be --

4 **MS. BOWMAN:** Exhibit 3.

5 **CHAIRMAN SKRMETTA:** Oh. Do we have to deny the motion for rehearing?

6 **COMMISSIONER COUSSAN:** No, no. We approved the motion for rehearing.

7 **MS. BOWMAN:** We approved the motion for rehearing, but we denied -- we

8 approved the request to rehear. You denied the rehearing itself. Does that make --

9 it's semantics.

10 **CHAIRMAN SKRMETTA:** Okay.

11 **MS. BOWMAN:** But given your motion was to establish -- reestablish the escrow

12 account --

13 **CHAIRMAN SKRMETTA:** Do we need to do any further action on this particular

14 item before moving forward?

15 **MS. BOWMAN:** I think it would be clearer if you guys did a motion to deny

16 Rosefield's rehearing.

17 **CHAIRMAN SKRMETTA:** Okay. Chair moves to deny Rosefield's rehearing.

18 Any seconds?

19 **COMMISSIONER COUSSAN:** I'll second.

20 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Coussan. Any

21 opposition? [NONE HEARD] Hearing none, their motion is denied. Okay. Thank

22 you for pointing that out.

1 **MS. BOWMAN:** Exhibit Number 3 is Docket Number T-37789. This is the
2 Commission versus Rodney Dupre doing business as Jace's Towing. It's alleged
3 violation of Revised Statute 45:161 through 180.1 and General Order dated
4 November 8, 1999, by operating intrastate without Commission authority, as well
5 as violation of General Order dated December 20, 2024, for exceeding state
6 prescribed rates, allegedly having occurred on or about October 4, '25. This is a
7 discussion and possible vote on the recommendation of the Administrative Law
8 Judge. Staff investigated the towing company after receiving a complaint and
9 determined that they had conducted a nonconsensual tow without Commission
10 authority and had exceeded prescribed towing rates. Staff then issued a citation,
11 which was published in the Commission's Official Bulletin, and the company did
12 not appear at the hearing. Staff argued that the company performed a nonconsensual
13 tow without authority and exceeded the prescribed rates, and requested that there
14 would be a refund of the overcharge. Based on the evidence admitted at the hearing
15 in this matter, the ALJ issued a recommendation on June 5 of this year finding that
16 Rodney Dupre doing business as Jace's Towing is guilty of violating the Revised
17 Statutes 45:161 through 180.1 and the Commission's general orders by operating
18 intrastate without authority exceeding the state-prescribed rates, and that the
19 company shall pay a \$1,000 fine pursuant to the Revised Statutes for violating the
20 Revised Statutes and the Commission's general order. They should also pay a \$25
21 citation fee, that all of those fines and fees shall be paid in certified funds within 30
22 days effective of this order, and that the company shall refund to the constituent

1 that complained the amount of \$171.84 in certified funds and submit proof of
2 payment of the same to the Commission within 30 days of this order.

3 **COMMISSIONER LEWIS:** Motion to accept the Administrative Law Judge
4 recommendations.

5 **COMMISSIONER COUSSAN:** Second.

6 **CHAIRMAN SKRMETTA:** Second by -- moved by Commissioner Lewis,
7 second by Commissioner Coussan. Any opposition? [NONE HEARD] Hearing
8 none, so ordered. Next item, please.

9 **MS. BOWMAN:** Exhibit Number 4 is Docket Number T-37844. This is the
10 Commission versus Keep it Moving Services. It's an alleged violation of the
11 Revised Statute 45:168 and General Orders dated July 1, 1921, as amended, April
12 3, 2008, as amended, and July 12, 2013 by exceeding rates as outlined in the
13 company's tariff, while operating under Common Carrier Certificate Number 7508-
14 A. This is a discussion and possible vote pursuant to Rule 57 on the affidavit and
15 stipulation executed by the carrier, so we will need two votes. As a result of an
16 investigation by Staff, a citation was issued to the company based on these
17 aforementioned allegations and violations. And in response to that citation, the
18 president of the company executed an affidavit admitting to all violations and
19 agreed to an imposition of a \$25 citation fee and \$1,000 fine, with 500 being
20 suspended, contingent on the condition that they agree to refund the overcharges
21 for the moving services. They agreed to provide proof of the aforementioned
22 refund, and they agreed to follow the Commission's rules and regulations regarding

1 estimates of regulated household good movers, as well as pay certified funds to the
2 Commission by date certain. The Staff recommends that the Commission exercise
3 its original and primary jurisdiction under Rule 57 to consider the affidavit and
4 stipulation, and accept that affidavit and stipulation executed on May 4, 2026.

5 **CHAIRMAN SKRMETTA:** Move to bring the matter up under Rule 57.

6 **COMMISSIONER LEWIS:** Second.

7 **CHAIRMAN SKRMETTA:** Second by Commissioner Lewis. Any opposition?

8 [NONE HEARD] Hearing none, so ordered. Move to accept Staff's affidavit and
9 stipulation. Any seconds?

10 **COMMISSIONER LEWIS:** Second.

11 **CHAIRMAN SKRMETTA:** Second by Commissioner Lewis. Any opposition?

12 [NONE HEARD] Hearing none, the matter's approved. Next item, please.

13 **MS. BOWMAN:** Exhibit Number 5 is Docket Number T-37907. It's the
14 Commission versus Jeff Middlebrooks Trucking regarding a violation of the
15 revised statutes by operating beyond the scope of authority in Common Carrier
16 Certificate Number 8683. It's a discussion and possible vote pursuant to Rule 57
17 on an affidavit and stipulation. As a result of an investigation, Transportation Staff
18 issued a citation to the company. And in response to that citation, the owner
19 executed an affidavit and stipulation based -- admitting to the violations. In that,
20 the carrier also agreed to the imposition of a \$25 citation fee and a \$2,000, fine with
21 500 being suspended contingent on the following conditions. The company will
22 plead guilty to the violations, that they will not be found guilty or enter a plea of

1 not guilty or no contest for a period of one year of any violations of the
2 Commission's rules and regulations, agree to cease transporting regulated waste for
3 disposal other than saltwater until the carrier obtains a common carrier certificate
4 for the other types of waste, agree to implement changes to the company's training
5 policy and remit payment in the amount of \$1,525 payable to the Commission. Staff
6 recommends that the Commission exercise its original and primary jurisdiction
7 under Rule 57 to consider the affidavit and stipulation, and accept the same, which
8 was executed on May 20, 2026.

9 **COMMISSIONER FRANCIS:** Motion to accept --

10 **CHAIRMAN SKRMETTA:** Second. Moved by Commissioner Francis to bring it
11 up under Rule 57, second by the Chair. Any opposition? [NONE HEARD] Hearing
12 none, the matter's approved. Next. Move to accept affidavit and stipulation. Any
13 seconds?

14 **COMMISSIONER LEWIS:** Second.

15 **COMMISSIONER FRANCIS:** Second.

16 **CHAIRMAN SKRMETTA:** Second by Commissioner Lewis. Any opposition?
17 [NONE HEARD] Hearing none, the matter's approved.

18 **MS. BOWMAN:** We've already handled Exhibit 6, so we will move on to Exhibit
19 7, which is Docket Number S-37881. This is Cleco Power's request for an extension
20 and amendment of blanket financing authorization, and it's a discussion and
21 possible vote on Staff Report and Recommendation. On March 24 of this year,
22 Cleco filed its application seeking to amend its its current four-year blanket

1 financing for an additional year. The application was published in the
2 Commission's Official Bulletin, and no interventions were filed. The application
3 seeks to extend the blanket financing through the end of 2027 and restate the current
4 remaining blanket authorization as \$660 million. Cleco reiterates the fact that the
5 program has now worked well from the standpoint of all parties for a period of
6 nearly 20 years, allowing Cleco to respond timely to changes in the capital markets,
7 while ensuring extensive and active Commission oversight and review of those
8 proposed financial transactions. Staff found that the current blanket financing
9 authorization has operated as intended. There have been four requests for financing
10 authority filed by the Commission, with no problems within the operation of the
11 blanket authority were noted by Staff or the company. On June 3 of this year, Staff
12 filed its Report and Recommendation, concluding that the authorization should be
13 renewed. Staff reviewed the stipulated terms in effect under the Commission's
14 current blanket authority and found that the same terms, with a few minor
15 modifications, should carry forward. Staff recommends that the company's blanket
16 financing authority for long-term and short-term financings be amended to provide
17 for a remaining blanket financing authorization of 660 million and extended for a
18 term through December 31, 2027, subject to the terms filed in Staff's Report and
19 Recommendation on June 3, 2026.

20 **CHAIRMAN SKRMETTA:** Move to accept Staff Recommendation. Any
21 seconds?

22 **COMMISSIONER FRANCIS:** Second.

1 **CHAIRMAN SKRMETTA:** Matter's moved by Chair, seconded by
2 Commissioner Francis. Any opposition? [NONE HEARD] Hearing none, the
3 matter's approved. Next item, please.

4 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-37225. This is Entergy's
5 application for approval of a natural gas cost stabilization program. It's a discussion
6 and possible vote on an Uncontested Stipulated Settlement. On May 29, 2024,
7 Entergy filed its application, which was developed from its Natural Gas
8 Stabilization Pilot Program required by Commission General Order Number R-
9 32975. Specifically, the company sought a finding that the proposed stabilization
10 program, including the volumes and instruments proposed, is reasonable and in the
11 public interest, and prudent. It was also published in the Commission's Official
12 Bulletin and LEUG intervened. After discovery and the filing of testimony, Entergy
13 and Staff reached an Uncontested Stipulated Settlement, which was not opposed by
14 LEUG. Staff recommends that the Commission approve that uncontested stipulated
15 settlement filed into the record on May 26 of this year.

16 **CHAIRMAN SKRMETTA:** Chair moves to accept Staff recommendation. Any
17 seconds?

18 **COMMISSIONER LEWIS:** Second.

19 **CHAIRMAN SKRMETTA:** Second by Commissioner Lewis. Any opposition?
20 [NONE HEARD] Hearing none, so ordered.

21 **MS. BOWMAN:** We have handled Exhibit 9, so we will move on to Exhibit
22 Number 10, which is Docket Number U-37563. This is Entergy's application for

1 certification of the Adams Creek-Robert 230 kV project pursuant to General Order
2 dated September 10, 2024, which is the Transmission Siting Order. It's a discussion
3 and possible vote on a final recommendation of the ALJ. Entergy sought
4 certification pursuant to the Commission's general order that the public
5 convenience and necessity would be served by the completion and siting of the
6 transmission project on the North Shore of Lake Pontchartrain, as part of the larger
7 Amite South Transmission Project. The project is sited in ELL's Amite South
8 Planning Region with a cost estimate of approximately \$198 million. Entergy's
9 application in this docket is the last of five filings before the Commission presenting
10 the Amite South Transmission Project, which is a three-phase transmission project
11 to construct new and upgraded transmission facilities within Amite South.
12 According to Entergy, the project is an essential step to facilitate the industrial
13 block load growth underway in the larger Amite South region and make possible
14 the economic and reliability benefits it will provide. And Entergy contends that the
15 project will significantly improve Entergy's ability to mitigate the risk of events
16 like the May 2025 load shed. Commission Staff's position was that the Commission
17 can find that the project will serve the public convenience and necessity, is in the
18 public interest and in the interests of affected ratepayers in accordance with the
19 Commission's order, and can be approved pursuant to that order, subject to Staff's
20 recommended and uncontested conditions. Further, the Staff says the project
21 provides added flexibility for generation planning, improved resilience to extreme
22 events, and expanded load-serving capabilities, even if not immediately required.

1 LEUG urged the Commission to deny the certification of the proposed project,
2 arguing that Entergy's own probability assessments of its forecasted new block load
3 additions and the evidentiary record does not demonstrate that enough load has a
4 reasonable probability of actually materializing to support Entergy's claims. Based
5 upon the testimony presented at hearing, the Tribunal was unable to conclude that
6 the construction of the project is a reasonable and cost-effective solution to the
7 problem being addressed, i.e., the block load growth. Hence, a question to be
8 addressed is whether construction of the project is a reasonable and cost-effective
9 solution to the May 2025 load shed event. On behalf of Staff, Mr. Sisung testified
10 that if the recommended changes to the MISO Temporary IROL procedures had
11 been in place, MISO would not have required the load shed. And the After-Action
12 Report informs that MISO noted that no single project can guarantee to have
13 averted the load shed event. Considering the totality of the evidence, the Tribunal
14 was unable to conclude that the project is in the public interest, and her
15 recommendation is that the project as described in Entergy's April 2, 2025,
16 application, testimony, and exhibits does not serve the public convenience and
17 necessity. Therefore, is not in the public interest and is not in the interest of the
18 affected ratepayers. Therefore, the application should be denied. I also have a
19 motion from Commissioner Skrmetta, if you would like me to read it.

20 **CHAIRMAN SKRMETTA:** Yeah, go ahead.

21 **MS. BOWMAN:** It is my view that the benefits of the project exceed the cost. It
22 will not only provide an additional north-south route into the Amite South load

1 pocket but will also provide an additional 100 megawatt of load-serving and import
2 capabilities. The project will also increase reliability and prevent thermal overload
3 as block loads are added to the system in the future. It will provide increase to
4 extreme weather event resilience. And had the project been in service at the time,
5 it would have prevented the May 25, 2025, load shed event. Therefore, I move that
6 the Commission reject the final recommendation of the Administrative Law Judge
7 and find that the Adams Creek to Robert 230 kV project is in the public interest, its
8 siting and completion will serve the public convenience and necessity, and the
9 project complies with the requirements of the Commission's 2024 Siting Order. In
10 addition, Staff testimony recommended various reporting requirements in its direct
11 testimony which were not contested. This approval adopts Staff's recommended
12 reporting requirements filed into the record on September 16, 2025, specifically,
13 those requirements are referenced at Pages 17 through 18 of the direct testimony of
14 R. Lane Sisung and Pages 21 through 23 of the direct testimony of John Chapman.
15 **CHAIRMAN SKRMETTA:** Thank you. That is my motion, so moved. Any
16 seconds?
17 **COMMISSIONER FRANCIS:** Second.
18 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Francis. Any
19 opposition? [NONE HEARD] Hearing none, the matter is approved. Next item,
20 please.
21 **MS. BOWMAN:** Exhibit Number 11 is Docket Number U-37586. It's Concordia's
22 application for an increase in rates, including interim rates, tariff modifications, and

1 for the establishment of an emergency reserve fund. It's a discussion and possible
2 vote on an Uncontested Stipulated Settlement. Concordia filed its application, and
3 it was published in the Commission's Official Bulletin with no interventions.
4 Concordia requested to implement 60% of the overall requested increase, or
5 approximately 1.8 million, as interim, and also sought approval of a 1.1 million
6 reserve fund to be collected over three years with an immediate implementation. At
7 the June 2025 Commission meeting, the Commission voted to grant Concordia's
8 interim rates subject to certain terms. On October 25, 2025, Staff filed the direct
9 testimony in support and recommendation, and on November 24, 2025, Concordia
10 filed objections. Subsequent to the filing of testimony, Concordia and Staff reached
11 a resolution on all issues, resulting in an Uncontested Stipulated Settlement being
12 filed into the record on May 12, 2026. Staff recommends that the Commission
13 accept that Uncontested Stipulated Settlement filed into the record on May 12,
14 2026.

15 **CHAIRMAN SKRMETTA:** Chair moves to accept the Staff recommendation.
16 Any seconds?

17 **COMMISSIONER FRANCIS:** Second.

18 **CHAIRMAN SKRMETTA:** Second by Commissioner Francis. Any opposition?
19 [NONE HEARD] Hearing none, the matter is approved. And next item, please.

20 **MS. BOWMAN:** The next couple of items are similar to one another, just so you
21 guys know. The first is Exhibit 12, which is Docket Number 37602. It's the
22 Commission's audit of the purchase gas adjustment filings for CenterPoint Energy

1 Arkla for the period of January '23 through March '25. It's a discussion and
2 possible vote on a joint report and draft order. The Commission authorized the PGA
3 audit of the monthly financial filings submitted by Arkla pursuant to our PGA
4 General Order. And we hired Henderson Ridge to conduct those reviews. We filed
5 Staff's audit report into the record on February 24 of this year, finding that all costs
6 incurred were reasonable and prudent, and that there was nothing -- ineligible costs
7 were not passed through. Arkla has reviewed the Staff report and has no opposition
8 to the findings, conclusions, and recommendations therein. And the joint report and
9 draft order was filed into the record on May 1 of this year. Staff recommends that
10 the Commission accept the joint report and -- and issue the draft order filed into the
11 record on May 1, 2026.

12 **CHAIRMAN SKRMETTA:** Chair moves to accept the Staff recommendation.
13 Any seconds?

14 **COMMISSIONER FRANCIS:** Second.

15 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Francis. Any
16 opposition? [NONE HEARD] Hearing none, the matter's approved. Next item,
17 please.

18 **MS. BOWMAN:** Next item is Exhibit 13, which is the audit of the purchase gas
19 adjustment for CenterPoint Energy Entex for the same period of time, January '23
20 through March 31, 2025. It's a discussion and possible vote on a joint report and
21 draft order. Same as the last one, we authorized the purchase gas adjustment audits.
22 We hired Henderson Ridge to conduct those audits, and they found that all the costs

1 incurred and recovered were reasonable and prudent, and that there were no
2 ineligible costs passed through the PGA mechanism for recovery. Staff filed its
3 audit report into the record on February 24, 2026, and after reviewing that report,
4 Entex indicated no oppositions to the findings, conclusion, and recommendation.
5 Therefore, a joint report and draft order were filed into the record on May 1 of this
6 year. Staff recommends that the Commission accept that joint report and issue the
7 draft order filed into the record on May 1, 2026.

8 **CHAIRMAN SKRMETTA:** Chair moves to accept the Staff recommendation.
9 Any seconds?

10 **COMMISSIONER LEWIS:** Second.

11 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any opposition?
12 [NONE HEARD] Hearing none, the matter's approved. Next item, please.

13 **MS. BOWMAN:** We have handled Exhibit 14, so we are moving to Exhibit 15.
14 This is Docket Number U-37741. It's Delta North Louisiana Gas Company's rate
15 stabilization plan earnings annual report for the 12 months ending June 30, 2025.
16 It's a discussion and possible vote on a joint report and draft order. On October 1,
17 2025, the docket was initiated when Delta North filed its rate stabilization
18 monitoring report. It was published in the Commission's Official Bulletin, and no
19 interventions were received. Pursuant to the company's filing, the reported ROE
20 was 6.5%, as the as-filed results needed a rate increase. After Staff's review and
21 recommendation filed on June 5 of this year, Staff made certain disallowances,
22 which when combined resulted in an adjusted ROE of 6.66%, which also is still

1 below the band. Therefore, Delta should be allowed to adjust its rates to generate a
2 net increase in the revenue of approximately \$6 million, as well as ordered to refund
3 overcollections adjusted for taxes at plus interest at a rate of 5% per annum. Delta
4 North reviewed Staff's Report and Recommendation and had no objections, and
5 the parties subsequently filed a joint report and draft order into the record. As there
6 are no unresolved issues, Staff recommends that the Commission accept the joint
7 report and issue the draft order filed into the record on June 5 of this year.

8 **CHAIRMAN SKRMETTA:** Chair moves to accept Staff recommendation. Any
9 opposition? I'm sorry. Need a second.

10 **COMMISSIONER LEWIS:** Second.

11 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any opposition?
12 [NONE HEARD] Hearing none, the matter's approved. Next item.

13 **MS. BOWMAN:** Exhibit 17 is Docket Number U-37742. This is Delta South's
14 rate stabilization plan earnings annual report for the 12 months ending June 30,
15 2025. It's a discussion and possible vote on a joint report and draft order. This
16 docket was initiated when Delta South filed its rate stabilization plan monitoring,
17 which was published in the Commission's Official Bulletin with no interventions
18 being received. The company reported an ROE of 5.30%, which reflected a rate
19 increase pursuant to its RSP. After the Commission Staff reviewed and filed its
20 report and recommendation on June 5 of this year, made certain disallowances,
21 which combined resulted in a ROE of 5.51%. Therefore, Delta South should be
22 allowed to adjust its rates to generate a net increase in revenue of approximately

1 \$7.4 million, inclusive of TCJA adjustments, as well as ordered a refund of all
2 overcollections adjusted for taxes plus at a rate of 5% per annum. Delta staff
3 reviewed Staff's Report and Recommendation and had no objection to that
4 recommendation, and subsequently filed a joint report and draft order with Staff
5 resolving all issues. As there are no unresolved issues, Staff recommends that the
6 Commission accept the joint report and issue the draft order filed into the record of
7 this matter on June 5 of this year.

8 **CHAIRMAN SKRMETTA:** Move to accept Staff recommendation by the Chair.
9 Any seconds?

10 **COMMISSIONER FRANCIS:** Second.

11 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Francis. Any
12 opposition? [NONE HEARD] Hearing none, the matter is approved.

13 **MS. BOWMAN:** Exhibit Number 17 is Docket Number U-37763. This is
14 Evangeline Gas' request for an increase in rates, request for approval of rate
15 stabilization plan, and request of Commission's non-opposition for a loan and line
16 of credit for operating expenses. It's a discussion and possible vote on Uncontested
17 Stipulated Settlement. October 21, 2025, Evangeline filed the instant application,
18 which was published in the Commission's Official Bulletin with no interventions.
19 March 19 of this year, Evangeline filed some supplemental information into the
20 record, which also was published in the Commission's Official Bulletin with no
21 interventions. Staff reviewed all of the information, and on May 22, 2025, Staff
22 filed direct testimony in support of the recommendation, with Evangeline

1 indicating no objections. On May 28 of this year, the parties subsequently entered
2 into an Uncontested Stipulated Settlement, and the executed settlement was filed
3 into the record. Staff recommends that the Commission accept the Uncontested
4 Stipulated Settlement offered into the record on May 28, 2026, and that the order
5 issued in this proceeding be effective immediately.

6 **CHAIRMAN SKRMETTA:** Chair moves to accept Staff recommendation. Any
7 second?

8 **COMMISSIONER LEWIS:** Second.

9 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any opposition?
10 [NONE HEARD] Hearing none, the matter's approved. Next item.

11 **MS. BOWMAN:** Next item is Exhibit Number 18, which is multiple dockets. It's
12 Docket Numbers X-37919, 37920, and 37922. This is the Commission's audits of
13 purchase gas adjustments for filings for Delta North Louisiana Gas Company for
14 the period of April 1, 2025 through March 31, 2026, the Commission's audit of
15 Delta Capital Gas Company for the period of July 1, 2025 through March 31, 2026,
16 and then, the Commission's audit of the purchase gas adjustment filings for Delta
17 South for the period of April 1, 2025 through March 31, 2026. It's a discussion and
18 possible vote to retain an outside consultant. We issued an RFP for this and received
19 three qualifying bids. The first is Drexel Hamilton with 67, excuse me -- 76,500 in
20 fees and 5,000 in expenses, for a total budget not to exceed of 81,500. The second
21 was London Economics of \$86,220 in fees and 2,978 in expenses for a total budget
22 not to exceed of \$89,198. And the third, was Exeter and Associates of 107,000 in

1 fees and 1,000 in expenses for a total budget not to exceed of \$108,000. Staff makes
2 no recommendation as all bidders are qualified.

3 **CHAIRMAN SKRMETTA:** Any motions?

4 **COMMISSIONER LEWIS:** Move to accept Drexel Hamilton.

5 **CHAIRMAN SKRMETTA:** Second. Moved by Commissioner Lewis for Drexel
6 Hamilton. Seconded by the Chair. Any opposition? [NONE HEARD] Hearing
7 none, the matter is approved for Drexel Hamilton. Next item, please.

8 **MS. BOWMAN:** Exhibit Number 19 is a docket to be determined. It's Cleco
9 Power and Cleco Partners Joint Application for Authorization in the Change of
10 Ownership and Control of Cleco Power. It's a discussion and possible vote to retain
11 outside counsel. We did issue an RFP for this one, and we received two bids. The
12 first is Patrick Miller of 185,000 in fees and 5,000 in expenses for a total budget
13 not to exceed of 190,000. And the second is Fishman Haygood for 325,000 in fees
14 and 15,000 in expenses for a total budget not to exceed of 340,000. Staff does not
15 make a recommendation as both bidders are qualified.

16 **COMMISSIONER FRANCIS:** Motion to accept Fishman Haygood. Number 2.

17 **CHAIRMAN SKRMETTA:** The Chair offers an alternate motion for the low bid
18 of Patrick Miller for \$185,000.

19 **MS. BOWMAN:** I'm sorry. Was there a second?

20 **CHAIRMAN SKRMETTA:** Oh, I'm sorry. Was there a second for Commissioner
21 Francis' motion?

22 **COMMISSIONER LEWIS:** I'll second.

1 **CHAIRMAN SKRMETTA:** Okay. And we have the substitute motion of Patrick
2 Miller for \$185,000, and that's the Chair's motion. Any seconds on that? So the
3 Chair's motion dies for lack of a second. And so we can carry the vote on the first
4 motion.

5 **MS. BOWMAN:** Correct. So obviously, an opposition from Chair.

6 **CHAIRMAN SKRMETTA:** No. Chair removes opposition.

7 **MS. BOWMAN:** I'm sorry. I didn't hear you correctly.

8 **CHAIRMAN SKRMETTA:** No. Chair removes opposition. So Fishman Haygood
9 wins that. I had no opposition.

10 **MS. BOWMAN:** Exhibit 20 is also undocketed. This is the State Universal Service
11 Fund Administrator. It's a discussion and possible vote to renew Mauldin &
12 Jenkins, CPA & Business Advisors' services. Mauldin, which was formerly
13 LaPorte, has handled this fund for well over 20 years, has continued to demonstrate
14 their technical capabilities, and competence, and resources in the fields of
15 accounting, investment management, computer system administration, and debt
16 collection practices. And they had indicated their willingness to continue providing
17 those same services for the same rate, which is \$10,000 a month. Staff recommends
18 that the Commission renew Mauldin & Jenkins services for an additional year, with
19 the option to renew thereafter, under the same billing structure previously approved,
20 which is \$10,000 a month.

21 **CHAIRMAN SKRMETTA:** Chair moves to recommend the Commission renew
22 the Mauldin & Jenkins services contract for an additional year. Any seconds?

1 **COMMISSIONER LEWIS:** Second.

2 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any opposition?

3 [NONE HEARD] Hearing none, the matter's approved. Quick question.

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

5 **CHAIRMAN SKRMETTA:** We're down to 3-2 with me having to abstain; can

6 they approve my prior votes, or do we have to move that to the next agenda?

7 **SECRETARY FREY:** Yeah.

8 **MS. BOWMAN:** Let's wait on -- yes. Let's wait on those.

9 **CHAIRMAN SKRMETTA:** Okay.

10 **MS. BOWMAN:** So we will move --

11 **CHAIRMAN SKRMETTA:** You don't got to wait too long, it's the next item.

12 **MS. BOWMAN:** Well, the only two items we have left are Exhibit 21. Well, we

13 can ratify the RTO votes.

14 **SECRETARY FREY:** Yeah. Those are RTO votes. Those are --

15 **MS. BOWMAN:** Well, there's two, so. Yeah.

16 **CHAIRMAN SKRMETTA:** It could be two votes can ratify with one abstention?

17 **SECRETARY FREY:** Oh, no.

18 **CHAIRMAN SKRMETTA:** So do you have to just wait for those until August?

19 **MS. BOWMAN:** So we have RTO -- we have interventions and FERC proceedings

20 as well as --

21 **CHAIRMAN SKRMETTA:** We can do those?

22 **MS. BOWMAN:** Yes, sir. That's --

1 **CHAIRMAN SKRMETTA:** But I mean the RTO votes.

2 **MS. BOWMAN:** Yes. We're going to proceed --

3 **CHAIRMAN SKRMETTA:** He's gone. He's like gone gone.

4 **MS. BOWMAN:** Yes.

5 **SECRETARY FREY:** Commissioner Coussan's gone for the day.

6 **MS. BOWMAN:** Then, yes, we will move those ratifications --

7 **CHAIRMAN SKRMETTA:** Let's push the ratification votes as my representation

8 for the Regional State Subcommittee of the Southwest Power Pool to August.

9 Okay?

10 **MS. EVANS:** Just -- so move SPP -- defer SPP, but still do the FERC one?

11 **CHAIRMAN SKRMETTA:** Correct. We can do that.

12 **MS. BOWMAN:** Right. What about Exhibit 23? Do we need to go offline?

13 **MS. EVANS:** No. I think he can vote on that.

14 **MS. BOWMAN:** Okay. So we will defer -- so under Exhibit 21, the Conexon

15 discussion is deferred until August, and after discussions we are --

16 **CHAIRMAN SKRMETTA:** Wait, wait, wait, wait. Hang on a second.

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

18 **CHAIRMAN SKRMETTA:** Go ahead. We're looking at Exhibit 21 now, correct?

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

20 **CHAIRMAN SKRMETTA:** So we're going to -- Conexon is being moved?

21 **SECRETARY FREY:** Yes.

22 **MS. BOWMAN:** It's deferred until August, yes, sir.

1 **CHAIRMAN SKRMETTA:** It is deferred. Okay. All right. And the discussion
2 and possible vote to ratify the Commission RTO is deferred?

3 **MS. BOWMAN:** No. That one we can vote on. It's the ratification of the SPP vote.

4 **CHAIRMAN SKRMETTA:** Oh, I'm sorry. It's the SPP vote is deferred, so we're
5 going to vote on the Commission RTO-related.

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

7 **CHAIRMAN SKRMETTA:** Okay. Go ahead. That 20 --

8 **MS. BOWMAN:** That's 21, under ERSC/OMS/SPP/FERC.

9 **CHAIRMAN SKRMETTA:** Yeah. I got it. That's the deferral. Number 21 SPP is
10 deferred.

11 **MS. BOWMAN:** Yes. But under 21, there's also a discussion and possible vote to
12 ratify interventions of the Commission and RTO-related or other FERC regulatory
13 proceedings.

14 **CHAIRMAN SKRMETTA:** Yeah. I got it. Number 4, correct? No. That's --
15 Number 4 is not the one we're going to do. That's got to be --

16 **MS. BOWMAN:** No, no, no. Number 4 is both. So Number 4 has two bullets. The
17 first bullet is RTO, the second bullet is SPP.

18 **CHAIRMAN SKRMETTA:** I understand. But I'm looking at the actual agenda
19 item instead of the --

20 **MS. EVANS:** So at the top, it says Exhibit 21-SPP, that's what's getting deferred
21 --

1 **CHAIRMAN SKRMETTA:** Well if you look down the voting items, we have to
2 -- we're moving that 'til' August, correct?

3 **MS. EVANS:** Correct. And then Exhibit 21 FERC, we can take up today?

4 **CHAIRMAN SKRMETTA:** That's what I was looking for. I got a little confused
5 in the discussion. That's all, so. Got it. So 21 FERC. Let's move onto that please.

6 **MS. BOWMAN:** Yes, sir. So due to short deadlines allowed for those
7 interventions, the Commission approval is not possible in advance. The Executive
8 Secretary can make those recommendations. Interventions were filed on the
9 Commission's behalf for the purpose of monitoring issues related to MISO and/or
10 SPP or other FERC proceedings in six dockets. And Staff recommends that the
11 Commission ratify the actions taken in ER26-2249, ER26-2373, ER26-2374,
12 ER26-2448, ER26-2450, and EL26-74.

13 **CHAIRMAN SKRMETTA:** Chair moves to ratify the Commission's actions.
14 Any seconds?

15 **COMMISSIONER LEWIS:** Second.

16 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any opposition?
17 [NONE HEARD] Hearing none, the matter's approved. And is -- that's -- is that it?

18 **MS. BOWMAN:** No, sir. There's one more.

19 **CHAIRMAN SKRMETTA:** One more?

20 **MS. BOWMAN:** Exhibit Number 23 is the election of the --

21 **CHAIRMAN SKRMETTA:** Oh, that's right.

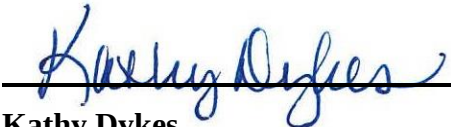
22 **MS. BOWMAN:** -- ERSC, SPP, and OMS representatives.

1 **CHAIRMAN SKRMETTA:** Yeah. I am -- the Chair is removing himself from
2 those three particular representations and recommending that Commissioner
3 Francis will take those positions for ERSC, SPP, and OMS representative for 2026.
4 And so moved, and any seconds?
5 **COMMISSIONER FRANCIS:** We can just have two votes?
6 **CHAIRMAN SKRMETTA:** That's all right. Two is fine.
7 **COMMISSIONER FRANCIS:** Second.
8 **CHAIRMAN SKRMETTA:** Second? And any opposition? [NONE HEARD]
9 Okay. None, that's complete. So congratulations, Commissioner Francis.
10 **MS. BOWMAN:** That is --
11 **CHAIRMAN SKRMETTA:** And the Chair moves to adjourn. Any opposition?
12 **COMMISSIONER FRANCIS:** Second.
13 **CHAIRMAN SKRMETTA:** A second. And any opposition? [NONE HEARD]
14 Then, congratulations. Please, everyone have a safe and happy 4th of July. Come
15 back with all your fingers.
16
17 **(WHEREUPON THE MEETING WAS ADJOURNED)**
18

1 I certify that the forgoing pages 1 through 141 are true and correct to the best
2 of my knowledge of the Open Session of the Business and Executive Meeting
3 held on June 17, 2026 in Baton Rouge, Louisiana.

4 *****

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