

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS
AND EXECUTIVE OPEN SESSION HELD ON JUNE 18, 2025 IN BATON ROUGE,
LOUISIANA. PRESENT WERE: CHAIRMAN MIKE FRANCIS, VICE CHAIRMAN
ERIC SKRMETTA, COMMISSIONER DAVANTE LEWIS, COMMISSIONER JEAN-
PAUL COUSSAN, AND COMMISSIONER FOSTER CAMPBELL.**

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1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**
2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON JUNE 18, 2025**
3 **IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN MIKE**
4 **FRANCIS, VICE CHAIRMAN ERIC SKRMETTA, COMMISSIONER**
5 **DAVANTE LEWIS, COMMISSIONER JEAN-PAUL COUSSAN, AND**
6 **COMMISSIONER FOSTER CAMPBELL.**

7 **CHAIRMAN MIKE FRANCIS:** So welcome back to the great city of Baton
8 Rouge, home of the LSU Tigers. Look out tonight, so we'll do it again, God
9 willing. So this is June, our June B&E meeting. So let's start out with -- the first
10 thing is honoring the one who created this whole program here, our God and our
11 Father, so I'll ask Commissioner Skrmetta to open with prayer.

12 **[VICE CHAIRMAN ERIC SKRMETTA LEADS IN PRAYER]**

13 **CHAIRMAN FRANCIS:** Commissioner Lewis, do the pledge, please.

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

15 **CHAIRMAN FRANCIS:** Well, we're still looking for Commissioner Campbell.

16 **COMMISSIONER JEAN-PAUL COUSSAN:** He left his hotel at nine.

17 **CHAIRMAN FRANCIS:** All right. So he should be here in a minute. We'll
18 move on. We have some announcements? Any of the Commissioners have an
19 announcement?

20 **EXECUTIVE SECRETARY BRANDON FREY:** I think Commissioner Lewis.
21 Yeah, yeah.

22 **COMMISSIONER DAVANTE LEWIS:** Oh, yes. Thank you, Mr. Chairman.
23 We are looking -- and there's a strong possibility we are going to move our August

1 B&E to be hosted in Iberville Parish, in the city of Plaquemine. So we are working
2 the logistics with the parish president and the parish right now for the exact location,
3 but it shouldn't be too much of a difference for you all. We'll hop across the bridge,
4 hopefully no traffic, and we are going to probably plan a lunch after the meeting.
5 Just so those of you who are planning, we will probably have some good food for
6 you at the conclusion of our August B&E. So we'll look out for that, Mr. Chairman.
7 **CHAIRMAN FRANCIS:** Okay. Commissioner Skrmetta.
8 **VICE CHAIRMAN ERIC SKRMETTA:** Just one -- two quick announcements.
9 First one, we're still looking for a location for the October B&E in the southeastern
10 region in District I. Second thing is just to announce that as part of the SEARUC
11 organization, the southeast commissioners' organization, the state of Oklahoma has
12 joined SEARUC and we welcome them into our organization. Okay. Thank you.
13 **CHAIRMAN FRANCIS:** All right. Commissioner Coussan, you speechless
14 today? It'd be unusual if you were.
15 **COMMISSIONER COUSSAN:** Speechless. Thank you, Mr. Chairman.
16 **CHAIRMAN FRANCIS:** [INAUDIBLE]
17 **COMMISSIONER COUSSAN:** I said I'm good.
18 **CHAIRMAN FRANCIS:** Okay. That's good. All right.
19 **COMMISSIONER COUSSAN:** Get on with the business.
20 **CHAIRMAN FRANCIS:** Ms. Kathryn Bowman.
21 **MS. KATHRYN BOWMAN:** Yes, sir.
22 **CHAIRMAN FRANCIS:** You got some -- you got anything?
23 **MS. BOWMAN:** No, sir. Staff does not have any announcements this month.

1 **CHAIRMAN FRANCIS:** All right. Well, I guess we kind of like that. Well, go
2 ahead. Let's get started.

3 **MS. BOWMAN:** All right. So Exhibit Number 2 is Docket Number T-37514.
4 This is this the Commission versus Kenny's Towing on a cancellation of Common
5 Carrier Certificate Number 7227 for alleged violation of Order T-36550 and for
6 violations of the Revised Statutes 45:1177 through 1179 and General Order dated
7 November 22, 2011 for failure to submit gross receipts and/or pay to the state
8 proper fees for the years of '21 and '22 for the inspection, control, and supervision
9 of its business services and rates pursuant to Revised Statute Title 45:166 and
10 General Order dated November 22, 2011. It is a discussion and possible vote
11 pursuant to Rule 57 on an affidavit and stipulation executed by the carrier. As a
12 result of an audit and investigation by Staff, a citation was issued to Kenny's
13 Towing on February 27, 2025, based upon the aforementioned allegations and
14 violations. In response to the citation, owner of the company executed an affidavit
15 and stipulation admitting to violating those violations. And the carrier agreed to a
16 guilty plea and imposition of a \$500 fine and a \$25 citation fee with the fine being
17 suspended contingent on entering the guilty plea; timely continuous payments to
18 the Louisiana Department of Revenue for a period of 50 months, until such time
19 that those outstanding inspection supervision fees are paid; execute the affidavit
20 and stipulation; and acknowledge that failure to comply with any of these
21 conditions will result in the \$500 suspended portion becoming due immediately.
22 Staff recommends that the Commission: 1) Exercise its original and primary
23 jurisdiction under Rule 57 to consider the affidavit and stipulation; and 2) Accept

1 the affidavit and stipulation executed on May 28, 2025, for fines and fees totaling
2 \$25.

3 **VICE CHAIRMAN SKRMETTA:** Move to bring the matter up under Rule 57.

4 **COMMISSIONER LEWIS:** Second.

5 **CHAIRMAN FRANCIS:** Suggestion move to Rule 57 by Commissioner
6 Skrmetta and seconded by Commissioner Lewis. Any objection? [NONE
7 HEARD] Hearing none, it's moved. Okay.

8 **VICE CHAIRMAN SKRMETTA:** Move to accept the affidavit and stipulation
9 accepted -- executed May 28, 2025 for fines and fees totaling \$25.

10 **CHAIRMAN FRANCIS:** Move by Commissioner Skrmetta.

11 **COMMISSIONER COUSSAN:** Second.

12 **CHAIRMAN FRANCIS:** Second by Commissioner Coussan. Is there any
13 objection or addition to that? [NONE HEARD] Hearing none, it's in the books.
14 By the way, I missed one announcement. Lane Sisung just had a birthday
15 yesterday.

16 **MS. BOWMAN:** He did.

17 **CHAIRMAN FRANCIS:** So happy birthday, Lane. Where are you? There, okay.
18 Good. All right.

19 **MS. BOWMAN:** And technically, Commissioner, he shares a birthday with Mr.
20 Kleehammer.

21 **CHAIRMAN FRANCIS:** Kleehammer? Okay. All right. Where is Mark? Okay.
22 Sorry about that.

1 **VICE CHAIRMAN SKRMETTA:** And he shares a birthday with baby Jameson
2 of Lauren Evans.

3 **MS. BOWMAN:** That is true. Lots of birthdays.

4 **VICE CHAIRMAN SKRMETTA:** So they're all going drinking later.

5 **CHAIRMAN FRANCIS:** Kathryn, let me ask you --

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

7 **CHAIRMAN FRANCIS:** I know we have a pretty nice presentation, RTO
8 presentation. It's pretty close to the end of the -- I would like to, without anybody's
9 objection, let's just put it as the last thing on the docket today. Is that okay with
10 everybody? [NONE HEARD] Okay. Hearing no objection, we'll do it. All right.

11 **MS. BOWMAN:** Okay. Yes, sir. So Exhibit Number 3 is Docket Number T-
12 37525. This is the Commission versus Legend Water Services on an alleged
13 violation of the Louisiana Revised Statutes 45:161 through 180.1 by operating
14 intrastate without Commission authority to transport saltwater utilized in oil well
15 exploration and production by 81 counts, allegedly occurring on or between March
16 1, 2024 and March 31, 2024. It's a discussion and possible vote pursuant to Rule
17 57 on an affidavit and stipulation executed by the carrier. So this will also need
18 two votes. As a result of a waste audit by Staff, a citation was issued to Legend
19 Water Services on March 12 of this year based on the aforementioned allegations
20 and violations. In response, the owner executed an affidavit and stipulation
21 admitting to 78 of those counts, and in that stipulation, the carrier agreed to an
22 imposition of a \$25 citation fee and a \$15,000 fine, with \$25,000 of that being
23 suspended upon the conditions of pleading guilty to the violations, not being found

1 guilty for a period of 1 year of any Commission orders, ceasing operating and
2 transporting regulated waste until they obtain a common carrier certificate, pay the
3 fines and fees in 12 installments with the first payment due April 17 of this year,
4 and acknowledge that all suspended portions will become due immediately if the
5 carrier fails to meet any of the payment deadlines subscribed. Staff recommends
6 that the Commission exercise its original and primary jurisdiction under Rule 57 to
7 consider this affidavit and stipulation and accept the affidavit and stipulation
8 executed on April 2, 2025 for fines and fees totaling \$25,025.

9 **VICE CHAIRMAN SKRMETTA:** Move to bring the matter up under Rule 57.

10 **COMMISSIONER LEWIS:** Second.

11 **CHAIRMAN FRANCIS:** We've got a Rule 57 request by Commissioner
12 Skrmetta, seconded by Commissioner Lewis. Any objection? [NONE HEARD]
13 Hearing none --

14 **VICE CHAIRMAN SKRMETTA:** Move to accept the affidavit and stipulation
15 executed April 2, 2025, fees and fines totaling \$25,025.

16 **COMMISSIONER COUSSAN:** Second.

17 **CHAIRMAN FRANCIS:** Move by Commissioner Skrmetta, seconded by
18 Commissioner Lewis to accept Staff recommendation. Any objection or
19 discussion? [NONE HEARD] Anyone here for the other side? No? Hearing none,
20 okay, it's in the books. Thank you.

21 **MS. BOWMAN:** Exhibit Number 4 is Docket Number T-37541. This is the
22 Commission versus DW on Demand doing business as Luxury Limo of Lafayette.
23 It's an alleged violation of Revised Statutes 45:161 through 180.1 and General

1 Order dated April 25, 2012 by engaging in activities related to transporting
2 passengers intrastate without Commission authority. It's a discussion and possible
3 vote pursuant to Rule 57 on the affidavit and stipulation executed by the carrier.
4 As a result of the investigation by Staff, citation was issued to the company on
5 March 26 of this year. And in response to that citation, a partner in the company
6 executed an affidavit and stipulation, admitted to all violations. In that affidavit,
7 the carrier agreed to the imposition of a \$25 citation fee and a \$1,000 fine, with
8 \$500 being suspended contingent on the standard affidavit and stipulation
9 conditions. Staff recommends that the Commission exercise its original and
10 primary jurisdiction under Rule 57 to consider the affidavit and stipulation and
11 accept the affidavit and stipulation executed on May 29, 2025, for fines and fees
12 totaling 525.

13 **VICE CHAIRMAN SKRMETTA:** Move to bring the matter up under Rule 57.

14 **COMMISSIONER LEWIS:** Second.

15 **CHAIRMAN FRANCIS:** Rule 57 suggested by Commissioner Skrmetta,
16 seconded by Commissioner Lewis. Any objection or discussion? [NONE
17 HEARD] Hearing none, well take it up under. Go ahead.

18 **VICE CHAIRMAN SKRMETTA:** Move to accept the affidavit and stipulation
19 executed May 29, 2025, for fees and fines totaling \$525.

20 **COMMISSIONER LEWIS:** Second.

21 **CHAIRMAN FRANCIS:** Motion by Commissioner Skrmetta, seconded by
22 Commissioner Lewis. Any discussion, objection? Anyone here from the citation?
23 [NONE HEARD] Hearing none, it's in the books.

1 **MS. BOWMAN:** Exhibit Number 5 is Docket Number U-36646. This is the
2 Commission's audit of the purchased gas adjustment filings for the natural gas
3 division of Entergy Louisiana for January 2021 through December 2022. It's a
4 discussion and possible vote on a joint report and draft order. The Commission
5 issued notice of this audit January 18, 2023, which was docketed and published in
6 the Commission's Official Bulletin. The Commission retained United
7 Professionals Company to assist Staff with the audit, and Staff's report was filed
8 April 10, 2025, with notice of the same being published to convert the docket to a
9 U docket and to allow for intervention. There was no intervention. Staff reviewed
10 Entergy's monthly PGA filings for adherence and consistency with the
11 requirements set forth in the Commission's 1999 General Order and issued
12 discovery. Based on Staff's review, as set forth in the report, Staff concludes that
13 with minimal and immaterial exceptions, the cost included in Entergy's PGA filings
14 were reasonable, prudent, and necessary to the provision of service for
15 jurisdictional retail customers, qualified for recovery under the PGA mechanism,
16 and was consistent with the Commission's 1999 General Order, as well as produced
17 just and reasonable rates. Entergy and Staff submitted and filed a joint report and
18 draft order on June 3, 2025, indicating there were no unresolved issues. As such,
19 Staff recommends that the Commission accept that the joint report and draft order
20 filed into the record on June 3, 2025.

21 **VICE CHAIRMAN SKRMETTA:** Move to accept the joint report and draft
22 order.

1 **CHAIRMAN FRANCIS:** Motion by Commissioner Skrmetta, seconded by the
2 Chair. And we have a question by Commissioner Lewis.

3 **COMMISSIONER LEWIS:** Thank you. Can I have a representative from
4 Entergy or Delta to the table really quickly for a quick question? Thank you, Mr.
5 Hand. My question is -- in the Staff report, they considered some implementation
6 commitments, but Entergy declined to implement any of these audit
7 recommendations before -- because of your pending sale to Delta. So I'm just kind
8 of curious and maybe this is a better question for a Delta representative. I just want
9 to know how we affirmatively respond to the recommendations that the Staff put in
10 the report post-transfer. So I'm just trying to understand how we will proceed
11 because I understand why you're -- why you didn't affirmatively respond to those
12 questions, but I -- or those suggestions, but I do think they're important going
13 forward. So I don't know if that's an appropriate question for you, Mr. Hand, or if
14 it's better --

15 **MR. LARRY HAND:** I'll take a stab at it. Larry Hand on behalf of Entergy
16 Louisiana. And to be clear, you know, our reaction -- Entergy's reaction to that
17 recommendation was one of -- we agree. We think it's worthwhile to do, which is
18 basically to look at -- re-evaluate the design date criteria to make sure we are, you
19 know, getting the right MDQs, the right levels of gas, and not under-recovering and
20 having to catch up. So we agree with -- it's a worthy endeavor, but given the timing
21 of the close of the sale to Delta, the schedule to close on July 1, we thought it would
22 be better for Delta to take that up in the future. And I can't speak for Delta. I know

1 I have spoken to them about this issue, and they're aware of Staff's view on it. So
2 that's as far as I think as I can go in terms of speaking for Delta.

3 **COMMISSIONER LEWIS:** Okay. Great. Thank you. I just -- I was curious of
4 the conversations and communications pending the sale to ensure that some of these
5 recommendations do transfer to the new ownership. So thank you, Mr. Hand.
6 Thank you, Mr. Chairman.

7 **CHAIRMAN FRANCIS:** Okay. Is there any other discussion or anybody else
8 have another question about Exhibit 5? [NONE HEARD] Hearing none, Exhibit
9 5 passed.

10 **MS. BOWMAN:** Exhibit Number 6 is Docket Number U --

11 **COMMISSIONER FOSTER CAMPBELL:** Can you hold up one second?

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

13 **COMMISSIONER CAMPBELL:** Can I get you to go back? I apologize.

14 **MS. BOWMAN:** Commissioner Campbell, can you use your microphone, please?

15 **CHAIRMAN FRANCIS:** Yes. We've got -- like to open it up for -- I guess it
16 was the early part. Commissioner Campbell has --

17 **VICE CHAIRMAN SKRMETTA:** It's a audit. Just a audit of the gas services.

18 **COMMISSIONER CAMPBELL:** I'm okay here but --

19 **CHAIRMAN FRANCIS:** Go ahead.

20 **COMMISSIONER CAMPBELL:** -- I got some questions though. On the first
21 part where you bring up things.

22 **VICE CHAIRMAN SKRMETTA:** Sure.

23 **COMMISSIONER CAMPBELL:** I want to bring it up.

1 **CHAIRMAN FRANCIS:** Okay. You're talking about --

2 **MS. BOWMAN:** Under announcements?

3 **VICE CHAIRMAN SKRMETTA:** Announcements.

4 **CHAIRMAN FRANCIS:** -- during announcements. Okay.

5 **COMMISSIONER CAMPBELL:** Right, right, right.

6 **CHAIRMAN FRANCIS:** Commissioner Campbell. And I've got one I forgot to

7 do, so I'm going to wait. I'll do one after you get through.

8 **COMMISSIONER CAMPBELL:** First of all, I apologize for being late. My

9 phone -- I talked too much last night and it didn't go off. But anyway, where is the

10 SWEPCO people? You need -- come on up front, Mr. Gilliam.

11 **CHAIRMAN FRANCIS:** Is this part of the announcements?

12 **SECRETARY FREY:** Yeah. He had some questions for SWEPCO.

13 **CHAIRMAN FRANCIS:** In the announcement category?

14 **SECRETARY FREY:** Yes. This is just kind of off -- not an agenda item.

15 **CHAIRMAN FRANCIS:** So is this in order on the agenda to do?

16 **SECRETARY FREY:** I think we can. During announcements we typically can

17 kind of pull up anything. I mean, if there's no vote on it. I don't think there's going

18 to be any vote on this. So, yeah.

19 **CHAIRMAN FRANCIS:** Okay. All right. Good. All right. Who we have here

20 at the desk? I know Bobby.

21 **MR. BOBBY GILLIAM:** Yeah. This is Bobby Gilliam on behalf of SWEPCO

22 and Jonathan McCartney.

23 **CHAIRMAN FRANCIS:** Johnson. Okay. Jonathan. Okay.

1 **MS. BOWMAN:** Hey, I think --

2 **SECRETARY FREY:** Bobby, make sure the mic's on. Is it on? Yeah, it's on.

3 Is it?

4 **MS. BOWMAN:** No, it's not.

5 **COMMISSIONER CAMPBELL:** Mr. Gilliam.

6 **SECRETARY FREY:** There you go.

7 **MS. BOWMAN:** There you go.

8 **MR. JONATHAN MCCARTNEY:** Mic's on now. Good morning.

9 **COMMISSIONER CAMPBELL:** Mr. Gilliam, I'm -- I talked to you about this

10 yesterday.

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

12 **COMMISSIONER CAMPBELL:** I'm disturbed by SWEPCO's rates this month.

13 You're at 16 cents, 16.5 cents, that's 17 cents per kilowatt hour. Almost 25% higher

14 than the state average of 13 cents and this is not the first month. Last month in

15 May, you were the highest at 15.5 per kilowatt. I would like to have some answers

16 to why y'all are going up so dramatically and that's what I asked you about

17 yesterday. So I remember when SWEPCO was the cheapest in the state, most

18 reasonable in the state, never been cheap. But we had a meeting one time in West

19 Monroe, and I called out Entergy, which was way, way higher than you guys were.

20 Y'all were about 8 cents or something like that, and today you're at 17 cents. So

21 I've got some questions, Brandon's going to read them out, that I'd like to get some

22 answers to.

1 **SECRETARY FREY:** All right. And these will be -- I'll give you a copy of these
2 after, Bobby. I don't know if you can answer them today, or if not, if you just want
3 to provide them back, but these are the questions: Can you provide an explanation
4 with supporting data for the increases SWEPCO customers experienced in their
5 May and June bills? 2) Is this a trend of increasing bills during a period of
6 historically low natural gas costs going -- or sorry. Is this trend of increasing bills
7 during a period of historically low natural gas costs going to continue? And 3)
8 What steps, if any, is SWEPCO undertaking to address these higher costs?

9 **COMMISSIONER CAMPBELL:** Okay. Mr. Gilliam.

10 **MR. GILLIAM:** All right. Commissioner, we -- you and I had talked and we
11 were running down information and we do have some to report. Reserve the right
12 to amend it because we're still checking everything. But first of all, this was the
13 summer rates at SWEPCO. SWEPCO's got summer, winter rates. We've talked
14 about that for a while. This is probably estimating up to a cent and a half difference
15 between summer and winter. It might be slightly less than that, but it's close. So
16 that's something we've talked about whether that needs to be changed. It was
17 enacted many years ago and the Commission had pushed it way back, probably 25
18 years ago at least, and the idea was to encourage less usage in the summer. I'm not
19 sure if that's productive any longer, but that's one of the issues. But there is that
20 much difference between our summer and winter rates. But there are a couple of
21 other things that contributed to this situation and that is: 1) We did have scheduled
22 maintenance during that April, which we've all talked about before. So we had
23 numerous units shut down and so we had to go buy some power and the gas prices

1 were up. And they -- we had a phone call and I think Brett Mattison was on the
2 call just the other day about that increase in gas prices for a period of time.

3 **COMMISSIONER CAMPBELL:** When's the gas prices been up?

4 **MR. GILLIAM:** Just recently. During the -- well, they were up during April when
5 this occurred.

6 **COMMISSIONER CAMPBELL:** I know just a little bit about them, but I hadn't
7 seen any high gas prices that's all real -- that's the puzzling part about SWEPCO.
8 Gas prices are cheap, \$3 range. Cheap, cheap, cheap. And then y'all's rates are
9 17, 18 cents per kilowatt hour.

10 **MR. GILLIAM:** Well, we were purchasing power then, and there was some
11 increase through that time and during April. April was actually a cool month. And
12 remember there was a lot of rain and it was an unusually cool April in different
13 parts of the country as well and that did have some impact. Not saying that's the
14 whole impact, I'm just kind of giving you what all contributed to this. Not saying
15 there's just one answer. In addition to that, we did have a -- we had several things
16 come online. We did have things like Rocking R. It came online as of that time.
17 It is a monthly payment of about \$260,000. We had a new capacity agreement
18 come online and it's something we badly needed and needed to have it and it was
19 like \$365,000 a month. I will tell you that in July we're going to have a \$2 million
20 credit that will be applied. It comes out of the Pirkey resolution, so that will be
21 applied in July.

22 **COMMISSIONER CAMPBELL:** How much will that make?

23 **MR. GILLIAM:** \$2 million.

1 **COMMISSIONER CAMPBELL:** No. How much will that make the rates? How
2 much difference will that make in the rates?

3 **MR. GILLIAM:** I hadn't done a calculation on it. And I will give you one because
4 it'll be -- not only that calculation, but some of these other parts will be moving,
5 too, so. But it will make a difference. And then the other point, I mean, you know,
6 this is -- sales were lower. Bottom line, we're looking at that chart that says kilowatt
7 hour and it's higher. But as far as our sales in April, they were lower. There just
8 wasn't that much demand. So the net bill that goes out -- not the kilowatt hour, but
9 the net bill to the customer is reduced somewhat because of the lesser usage. And
10 April was a cool month, and a rainy month. It was just kind of moderate.

11 **COMMISSIONER CAMPBELL:** Would you say the weather might be pretty
12 uniform from south Louisiana, north Louisiana? Everybody's pretty much --
13 northeast Louisiana?

14 **MR. GILLIAM:** I wouldn't totally say that. I mean, there is difference --

15 **COMMISSIONER CAMPBELL:** I would.

16 **MR. GILLIAM:** There's differences sometimes. We get cooler weather then they
17 do. Rain, you know, sometimes they get coastal rain that we don't get. It's all -- I
18 agree, it's not just drastically different, but there are some differences.

19 **COMMISSIONER CAMPBELL:** You know what bothers me, Mr. Gilliam, and
20 this is not personal, because you and I are friends. I got called by a good friend of
21 yours, and a good friend of mine, and he said what the hell is SWEPCO doing? I
22 said, well, what do you mean? He said take a look, 18 and a half cents compared
23 to others. And you're the highest in the state and SWEPCO used to be the most

1 reasonable in the state. And then we just get -- you know, then it got to 10, then it
2 got to 12, then 13. Now it's 18 and a half. That's 19. That's tough.

3 **MR. GILLIAM:** Yeah. I wasn't sure about that being the exact number, but I
4 understand that it was -- definitely increased and due to all these factors. So, you
5 know, SWEPCO's certainly looking at all that. We don't operate --

6 **COMMISSIONER CAMPBELL:** Excuse me, it's 16 and a half.

7 **MR. GILLIAM:** Sixteen, yeah.

8 **COMMISSIONER CAMPBELL:** I apologize.

9 **MR. GILLIAM:** Okay. Thank you. But we're looking at all those, and very
10 conscious of all those. And some of these, we do have a number of items that came
11 online, you know, and we're enacted, just the cost and expenses were incurred and
12 billed this month. And we'll be looking at that and some of the things, also, I'll tell
13 you we started doing some veg management this month, too. That was necessary,
14 so we hit the ground running and we made the promise we were going to do that.
15 Start spending that money and spending it wisely to help on the resilience and
16 service to our customers. So that is something else that came online this month as
17 well. So it's one of those months we had multiple items come online and we had
18 the summer, winter rates and all that coming together, and less usage. Less usage.
19 That's also another significant factor which affects that number you're looking at.

20 **COMMISSIONER CAMPBELL:** What's on the line here is 25% higher than the
21 average. That's what's on the line. And people are calling me about it, and they're
22 paying attention to their bill. And they don't understand it because SWEPCO's got
23 the reputation of being one of the most reasonable utilities in the state. And I've

1 been here 27 years or about 23 years, I guess. But anyway, y'all always been the
2 most reasonable utility in the state and now you're 25% higher than the average.
3 So whatever y'all have to do, we need to do something because people are
4 screaming about it. And I had a good friend of yours, a good friend of mine, call
5 me and ask me what are we doing? And I said, well, what do you mean? He said,
6 well, SWEPCO's gone crazy. And so I looked at it and I agree with him. I think
7 y'all have gone crazy. And the rates are too high and you got to get them down.
8 You can't be 25% higher than the average and you were last month, too, so. But
9 anyway, I just wanted to get you up and let you talk about it. Jonathan, you have
10 anything to say?

11 **MR. MCCARTNEY:** No, Commissioner. We -- like what Bobby said, we
12 identified -- looked at some of those questions to follow up and answer the
13 Commission's questions. You know, vegetation management, less kW, you know,
14 different things coming online. But we're glad to answer any questions and follow-
15 up and help as needed.

16 **COMMISSIONER CAMPBELL:** Well, you have an answer why you're 25%
17 higher than the average?

18 **MR. MCCARTNEY:** We have -- those are the answers that Bobby talked about.
19 I think we could probably do more digging to get further information if needed by
20 the Commission. But the high level, that's all of those things that Bobby had
21 mentioned. Rocking R coming online, you know, gas capacity contract, vegetation
22 management. All of these things that are necessary to be able to --

1 **MR. GILLIAM:** And as far as the -- the scheduled maintenance was certainly a
2 factor.

3 **COMMISSIONER CAMPBELL:** Would you -- both of y'all, would you call it
4 ironic when gas price's in threes? Y'all are the highest in the state.

5 **MR. GILLIAM:** I don't know if we're ironic, but, you know, certainly it's not
6 something SWEPCO strives to do. But these are the circumstances and what
7 occurred kind of leading to that.

8 **COMMISSIONER CAMPBELL:** Well, listen, Mr. Chairman, that's all I have
9 to say. But it's hard to put up with high utility bills when the natural gas prices are
10 going down. And, you know, people are still drilling up our way, as you know.
11 But they're getting real nervous about it because of the price of gas is going down,
12 and they're spending a lot of money to drill. But anyway, when the price of gas
13 goes down, it's hard to explain how you guys want a 17% rate increase.

14 **MR. GILLIAM:** Right. And again, I'm just saying we were taking about this
15 time period in April. That's what was affecting us here, so.

16 **COMMISSIONER CAMPBELL:** What do you think your price -- have you got
17 any indication what your price will be next month?

18 **MR. GILLIAM:** I do not know that right now. I don't know. We're looking at
19 that, so we can give you a report on it, but I don't know right now.

20 **COMMISSIONER CAMPBELL:** Okay. Well, that's all I have to say. Thank
21 you for coming.

22 **CHAIRMAN FRANCIS:** Well, you know, over the last four years, we've had
23 tremendous amount of increase in our inflation, and it's run everybody's bills up.

1 How does your bills compare to others states in America on the rise of the costs on
2 electricity?

3 **MR. GILLIAM:** Right. Well, inflation is -- you know, we've all seen it. It affects
4 us all. And we're installing new poles and crossarms or facilities for -- for
5 substations. You see it every day.

6 **CHAIRMAN FRANCIS:** Yeah.

7 **MR. GILLIAM:** And that's part of it. So that does affect us, and you always have
8 the balance because you're trying to make sure you have the best service, good
9 service, and not overspend, but you got to do certain things. So there's always that
10 tug that we're trying to meet in the middle on.

11 **CHAIRMAN FRANCIS:** Okay.

12 **MR. GILLIAM:** So it does affect us. There's no doubt our costs have gone up
13 and people like to be paid more too, you know, to handle inflation. So you got to
14 keep all that into account.

15 **CHAIRMAN FRANCIS:** All right. Well, since we're still in the announcement
16 area. We're talking about birthdays and everything. Colby, did you have a
17 legislative report to give us? And if you did, hang on just a second. I need to ask
18 Mr. Gilliam something. Your son is still a baseball coach in Shreveport?

19 **MR. GILLIAM:** He is. He is.

20 **CHAIRMAN FRANCIS:** He's doing good?

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

1 **CHAIRMAN FRANCIS:** I've got a baseball question for you. I've been
2 watching LSU on TV, and here's one thing that really makes me scratch my head.
3 The umpire, he runs the show, you know, behind the plate.

4 **MR. GILLIAM:** Right.

5 **CHAIRMAN FRANCIS:** And big burly guys, every once in a while, they stop
6 and he pulls out a piece of paper in his pocket and a pencil. You know, in this day
7 of modern technology and all of the things that are going on, what is he writing
8 down? Do you know what that is? What's going on?

9 **MR. GILLIAM:** He should be -- the old days, they'd always write down any kind
10 of changes in the lineup. That's one thing they'd write. You know, a new batter
11 come in, or a pitch runner, or that kind of thing. So that's --

12 **CHAIRMAN FRANCIS:** Look like he would have a modern technology assistant
13 by this -- got all that, you know, instead of writing it down on a piece of paper. And
14 he's a boss of the darn game. Okay. I just wanted to leave that thought with
15 everybody and see if y'all could find out. I sure would like to know and that just
16 struck me last night. So, all right. Colby, do you have any legislative report?

17 **SECRETARY FREY:** Yeah. I was going to jump in and Colby and I were just
18 talking. So Colby actually has a letter going out to y'all today that we finished up
19 yesterday that gives a summary of the bills that were filed that would've impacted
20 the Commission and the ultimate status of those. I'd say probably about -- what?
21 Twenty or 30% actually made it through the process from the beginning. What was
22 unique about this session is there were a number of resolutions that were added
23 towards the end of the session that either established task forces or urgent requests

1 the Commission to take certain actions. So we're going to have all of that in there
2 as well. But if y'all got any questions about any specific pieces of legislation, I
3 think we can probably answer them off the cuff, but that letter will go out, will have
4 details on each piece.

5 **CHAIRMAN FRANCIS:** Okay. And another announcement, Commissioner
6 Coussan.

7 **COMMISSIONER COUSSAN:** Thank you, Mr. Chairman. Commissioners,
8 speaking of the legislature, I'd like to welcome a legislator here that was my
9 roommate for four years over here at the Pentagon Barracks, Representative Larry
10 Bagley, would you mind standing up, saying hello? Welcome to the Public Service
11 Commission. Larry does a great job for his constituents and for the retired teachers
12 in particular. I think he's carried a lot of legislation for them over the years and I
13 really appreciate the work that you do and the friendship that you've given me.
14 Thank you, Larry, for coming.

15 **CHAIRMAN FRANCIS:** Well, I'm going to add one more thing, Larry's going
16 to run for Commissioner Campbell's seat when he retires. So good luck, Larry.
17 Okay. All right. Moving on back to -- where were we?

18 **MS. BOWMAN:** We were on Exhibit 6.

19 **CHAIRMAN FRANCIS:** Six. Okay. Exhibit 6.

20 **MS. BOWMAN:** Exhibit 6 is Docket Number U-36647. This is the Commission's
21 audit of the purchase gas adjustment filings for CenterPoint Arkla for January 2021
22 through December 2022. It's a discussion and possible vote on a joint report and
23 draft order. On January 18, 2023, the Commission filed its notice to initiate this

1 audit, which was docketed and published in the Commission's Official Bulletin.
2 United Professionals was retained to assist the Commission Staff and the Audit
3 Staff Report was filed on March 13, 2025. Notice of the same was published in the
4 Commission's Official Bulletin, but no interventions were received. Staff reviewed
5 Arkla's monthly PGA filings, conducted extensive discovery, and had discussions
6 with the company working through certain elements of the audit. In Staff's audit
7 report, it made certain findings, which led to Staff's recommendation that the
8 Commission should find that the cost incurred and included for recovery through
9 Arkla's monthly PGA filings was reasonable and the company's filings submitted
10 under the requirements of the PGA order should be approved. Staff's findings
11 included that the costs recovered were reasonable, prudent, and necessary for the
12 provisions of natural gas service, and that the filings complied with the PGA
13 general order and followed the methodology outlined in Appendix B, thereof.
14 Based on Staff's findings, Staff recommended and requested the following
15 information and clarifications with future PGA filings: Few invoices lacked exact
16 reference to the recovered amounts, so cost entries without a single specific invoice
17 reference, the company should in the future provide a calculation page which sums
18 an individual entry to the total amount. CenterPoint Arkla indicated no issues with
19 Staff's recommendation. As there are no unresolved issues, Staff recommends that
20 the Commission accept the joint report and draft order that was filed into the record
21 on May 21, 2025.
22 **VICE CHAIRMAN SKRMETTA:** Move to accept the joint report and draft
23 order.

1 **COMMISSIONER COUSSAN:** Second.

2 **CHAIRMAN FRANCIS:** Move by Commissioner Skrmetta, seconded by
3 Commissioner Coussan. Is there any other discussion or any objection? [NONE
4 HEARD] Hearing none, Number 6 is in the books.

5 **MS. BOWMAN:** Exhibit Number 7 is Docket U-36648. This is the Commission's
6 audit of purchase gas adjustments filings for CenterPoint Energy Entex for the same
7 period of January 2021 through December of '22. Discussion and possible vote on
8 a joint report and draft order. Commission Staff opened this docket on January 18,
9 2023 and United Professionals was retained to assist Staff. The Staff report was
10 filed on March 13, 2025 with notice of the same being published in the
11 Commission's Official Bulletin with no interventions received. Staff reviewed
12 Entex's filings, conducted discovery, and had discussions with the company. Staff
13 examined the areas of the filings in order to confirm the accuracy of the information
14 presented. In audit -- in Staff's audit report, Staff made certain filings which led to
15 Staff's recommendation that the Commission should find that the costs incurred
16 and included for recovery through Entex's monthly PGA filings was reasonable
17 and the company's filings submitted under the requirements of the order should be
18 approved. Entex agreed with Staff's recommendation. As there are no unresolved
19 issues, Staff recommends that the Commission accept the joint report and draft
20 order filed into the record on May 21, 2025.

21 **VICE CHAIRMAN SKRMETTA:** Move to accept the joint report and draft
22 order.

23 **COMMISSIONER LEWIS:** Second.

1 **CHAIRMAN FRANCIS:** Motion by Commissioner Skrmetta. Second by
2 Commissioner Lewis. Any objection? [NONE HEARD] Hearing none, Number
3 7's passed.

4 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-36682. This is
5 Entergy's 2022 test year for its gas rate stabilization filing. It's also a discussion
6 and possible vote on a joint report and draft order. On February 24, 2023, Entergy
7 filed its application and was published in the Commission's Official Bulletin with
8 no interventions received. The Commission issued Order U-36338, establishing
9 Entergy's current RSP, allowing the company to earn a return on equity within a
10 bandwidth centered on 9.8. If the actual earned ROE on an adjusted test year basis
11 is above or below the bandwidth, but within 200 basis points of that midpoint, rates
12 will be adjusted by a 50% difference of the earned ROE. If it's outside the band by
13 the 200 basis points, rates are increased or decreased by 100% of the difference
14 between the earned ROE and the 200 basis points. In the 2022 filing, the company
15 reported an earned ROE of 1.04%, which would have required a rate increase that
16 would have resulted in an upward adjustment in revenues of approximately \$6
17 million. As Entergy earned the -- earned ROE fell below the established bandwidth,
18 Staff found that Entergy was authorized in accordance with the provisions of the
19 RSP to adjust its rates to generate an increase in revenue. Staff filed its report and
20 recommendation into the record on April 1, 2024. Entergy indicated that the
21 company accepted Staff's report, and on June 2, 2025, the parties filed a joint report
22 and draft order into the record. As there are no unresolved issues, Staff

1 recommends that the Commission accept the joint report and draft order filed into
2 the record on June 2, 2025.

3 **VICE CHAIRMAN SKRMETTA:** Move to accept the joint report and draft
4 order.

5 **CHAIRMAN FRANCIS:** Motion by Skrmetta. Chair will second it. Any
6 discussion or objection? [NONE HEARD] Hearing none, it's -- Number 8's
7 passed.

8 **MS. BOWMAN:** Exhibit Number 9 is Docket Number U-37112. This is
9 Entergy's 2023 gas rate stabilization filing. It's a discussion and possible vote on
10 a joint report and draft order. So on February 1, 2024, Entergy filed its 2023 test
11 year and this is under the same rate stabilization plan just discussed in Exhibit 8.
12 In Entergy's 2023 RSP filing, the company reported an earned ROE of 10.68%,
13 which would have required a rate decrease and would have resulted in a downward
14 adjustment of revenues of approximately \$340,000. As Entergy earned ROE fell
15 above the established bandwidth, Staff found that Entergy was authorized in
16 accordance with the RSP to adjust its rates downward. Staff filed its report and
17 recommendation into the record on April 1, 2024. Upon review of that report,
18 Entergy indicated that the company accepted that report and recommendation and
19 on June 2, 2025, the parties filed a joint report and draft order. As there are no
20 unresolved issues, Staff recommends that the Commission accept the joint report
21 and draft order filed into the record on June 2, 2025.

22 **VICE CHAIRMAN SKRMETTA:** Move to accept the joint report and draft
23 order.

1 **CHAIRMAN FRANCIS:** Motion by Commissioner Skrmetta. Second by the
2 Chair. Any objection? Any discussion? [NONE HEARD] Hearing none, 9 is
3 done.

4 **MS. BOWMAN:** Exhibit Number 10 is Docket Number U-37478. This is
5 Claiborne Electric Cooperative's application for approval to establish an
6 emergency reserve fund. Discussion and possible vote on an uncontested stipulated
7 settlement. On January 9 of this year, Claiborne filed its application seeking
8 Commission approval to establish an emergency reserve fund up to \$3 million.
9 Notice of the application was published in the Commission's Official Bulletin with
10 no interventions received. Following discovery, Staff filed its report and
11 recommendation on March 25, 2025, and on March 27 of this year, Claiborne filed
12 its response to Staff's report, in which Claiborne agreed with Staff's report, subject
13 to a clarification of a typographical error. Staff and Claiborne codified the
14 agreement and entered into an uncontested stipulated settlement, which was filed
15 into the record on April 29 of this year. The major terms are that: Claiborne is
16 authorized to establish the emergency reserve fund for a period not to exceed 42
17 months in order to fund a restricted cash account up to approximately \$3 million,
18 the funds collected through the rider shall be directed to a regulatory liability and
19 utilized only for emergency events described in the emergency reserve fund rider,
20 and recovery of expenses through FEMA or any other government agency shall be
21 credited back to the emergency reserve fund once any credit or cash accounts have
22 been made whole. Staff recommends that the Commission accept the uncontested
23 stipulated settlement filed into the record on April 29, 2025.

1 **VICE CHAIRMAN SKRMETTA:** Move to accept Staff recommendation.

2 **CHAIRMAN FRANCIS:** Move to accept Staff recommendation by

3 Commissioner Skrmetta. Second by the Chair.

4 **COMMISSIONER CAMPBELL:** Hold on a second. Hold on. Hold on. Hold

5 on just one second.

6 **CHAIRMAN FRANCIS:** So there's a discussion? You'd like to --

7 **COMMISSIONER CAMPBELL:** I want to say something. Claiborne Parish is

8 in my area.

9 **CHAIRMAN FRANCIS:** Yes.

10 **CHAIRMAN CAMPBELL:** But I appreciate you making the motion. But it

11 belongs to me, as long as I'm the Commissioner. So I'll make those motions if it's

12 okay with y'all. So anyway, I think they're doing a good thing here establishing a

13 emergency fund where they have some money put up for problems and I understand

14 other co-ops have one. We don't have one. I'm for it 100% and I thank you, Mr.

15 Skrmetta. I appreciate it because I was going to vote for it and you made the

16 motion. So it was a good motion the Mr. Skrmetta made. I'll second Mr.

17 Skrmetta's motion.

18 **CHAIRMAN FRANCIS:** Let me ask Ms. Bowman.

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

20 **CHAIRMAN FRANCIS:** Is that in the record? Can we undo the record? How

21 does that work? Is that proper protocol?

22 **MS. BOWMAN:** Well, I think Commissioner Campbell just seconded --

23 **VICE CHAIRMAN SKRMETTA:** Good enough.

1 **MS. BOWMAN:** -- Commissioner Skrmetta's motion. So we have a motion and
2 a second on the floor.

3 **CHAIRMAN FRANCIS:** Okay. That's what I was going to tell Commissioner
4 Campbell. The horse was already out of the barn there. So Campbell will second
5 the motion. Okay. I got you. All right. And, yeah, I appreciate -- Claiborne came
6 to see me. I think probably went to every Commissioner, although it is true that
7 it's under Campbell's area. And these high interest rates right now, if they had to
8 borrow any money, they're kind of squirreling away some money for hard times
9 instead of having to pay a lot of interest. So I think it's a good idea. So if there's
10 no other objection, we've got a motion and a second, it's done. Number 12 is done.

11 **MS. BOWMAN:** Exhibit Number 11 is Docket Number U-37496. This is
12 Entergy's test year for 2024 gas rate stabilization plan filing. It's a discussion and
13 possible vote on a joint report and draft order. On January 29, 2025, Entergy filed
14 its 2024 test year filing, which was published in the Commission's Official Bulletin
15 with no interventions. Staff's report and recommendation filed into the record on
16 April 1 of this year determined that with adjustments and disallowances made
17 and/or required by Staff, Entergy's earned ROE was 11.84%, which is above the
18 earnings bandwidth as previously described in Exhibit 8 today. On April 30, 2025,
19 Entergy filed a supplemental filing, which incorporated the impacts of Louisiana
20 state tax law changes enacted on December 4, 2024. Staff reviewed Entergy's
21 supplemental findings -- filing and issued a supplemental report on May 22, 2025.
22 In that supplemental report, Staff agreed with the adjustments made by Entergy,
23 which increased the ROE to 12.04%, which would warrant a total decrease of rates

1 of approximately \$2.8 million. Upon review, Entergy indicated that the company
2 accepted Staff's supplemental report and recommendation, and all issues have been
3 resolved. Staff and Entergy filed a joint report and draft order into the record on
4 June 2, 2025 acknowledging resolution. As there are no unresolved issues, Staff
5 recommends that the Commission accept the joint report and draft order filed into
6 the record on June 2, 2025.

7 **VICE CHAIRMAN SKRMETTA:** Move to accept the joint report and draft
8 order.

9 **CHAIRMAN FRANCIS:** Motion by Commissioner Skrmetta. Second by the
10 Chair. And I think there's a question by Commissioner Lewis. Is there somebody
11 here from Entergy? Well, there's Larry Hand again.

12 **COMMISSIONER LEWIS:** Just a quick question, Larry. Just I'm trying to make
13 sure I understand correctly. I'll go ahead while you get settled. So I'm looking at
14 the rate stabilization filings in their totalitarian. So I'm just making sure I'm not
15 oversimplifying these. If all of these adjustments, the new rates would be at
16 approximately increase about \$3.83 for an average residential bill? And the way I
17 got to that was basically I took the 5.36 increase from '22 test year then subtracted
18 the 69 cent reduction from the '23 test year and then adding the 1.11 from the 2024
19 year. So I just want to make sure that I'm understanding what that final new rate
20 would be for an average customer.

21 **MR. HAND:** Yeah. I mean, I think you would look at just that last test year
22 because that's what is setting rates.

23 **COMMISSIONER LEWIS:** Okay.

1 **MR. HAND:** The current test year '24, that's what's setting rates effective -- I
2 think it became effective April 1.

3 **COMMISSIONER LEWIS:** So I should just look at the \$1.11 instead of --

4 **MR. HAND:** Yes.

5 **COMMISSIONER LEWIS:** -- kind of going back to the other two?

6 **MR. HAND:** Yes.

7 **COMMISSIONER LEWIS:** Okay. Thank you. That's it.

8 **CHAIRMAN FRANCIS:** Okay. Is there any other discussion or question for Mr.
9 Hand while he's here? [NONE HEARD] Hearing none, this -- it's passed.

10 **MS. BOWMAN:** Exhibit Number 12 is Docket Number U-37530. This is
11 Louisiana --

12 **COMMISSIONER CAMPBELL:** What do you say? Twelve?

13 **MS. BOWMAN:** Yes, sir. This is Louisiana Water Company's 2024 formula rate
14 plan annual report. It's a discussion and possible vote on a joint report and draft
15 order. On February 28, 2025, LAWCO filed its test year filing per the revisions of
16 Order Number U-36318-A. The company's request was published in the
17 Commission's Official Bulletin with no intervention. In the filing, LAWCO
18 reported an ROE of 3.55%, which is below the allowed return of 9.50, taking into
19 consideration the 50 basis points deadband. The deficiency in earnings would
20 require an increase in revenue requirement of approximately \$1.4 million adjusted
21 for taxes. Increasing the average customer's bill by approximately 7.7%. Staff
22 filed its report and recommendation into the record on May 12, 2025, agreeing that
23 per the Commission authorized FRP, LAWCO is authorized to increase its rates.

1 LAWCO indicated the company accepted Staff's report and recommendation and
2 notice was filed into the record of this effect. The parties filed a joint report and
3 draft order into the record on May 28, 2025, acknowledging resolution of all issues.
4 Staff recommends that the Commission accept the joint report and draft order filed
5 into the record on May 28, 2025.

6 **CHAIRMAN FRANCIS:** Chair makes a motion to accept Staff recommendation.

7 **VICE CHAIRMAN SKRMETTA:** Second.

8 **CHAIRMAN FRANCIS:** Second by Commissioner Skrmetta. Any discussion?
9 Any objection? [NONE HEARD] Hearing none, it's passed.

10 **MS. BOWMAN:** Exhibit Number 13 is Docket Number U-37531. This is
11 Claiborne's formula rate plan annual report for the test year ending December 31,
12 2024. It's a discussion and possible vote on a joint report and draft order. On
13 February 28 on this year, Claiborne filed its test year filing wherein it reported that
14 the modified debt service coverage ratio fell below the 1.75 to 1.95 bandwidth
15 authorized in its FRP and therefore, there should be an increase in rates of
16 approximately \$1.38 million in order to bring them back to the midpoint. Staff filed
17 its report and recommendation on May 1, 2025 agreeing with all adjustments made
18 by the cooperative in its 2024 test year except one and Staff recommended the
19 removal of one adjustment made by Claiborne for the principal amount payments
20 of the cooperative's CFC debt expected for 2025. Based on the calculations, Staff
21 determined that Claiborne's earned MDSC ratio of 1.69 still falls below the
22 cooperative's lower earnings bandwidth, and accordingly, Staff recommended that
23 Claiborne was authorized to reset its rates to reach the midpoint by implementing a

1 rate increase of approximately \$1.14 million. On May 7, Claiborne filed
2 correspondence into the record indicating concurrence with Staff's report, and on
3 June 16, 2025, Claiborne and Staff filed a corrected joint report and draft order into
4 the record, which request the Commission issue an order accepting Staff's
5 recommendation. Staff recommends that the Commission accept the joint report
6 and issue the draft order filed into the record on June 16, 2025.

7 **COMMISSIONER CAMPBELL:** I would make a motion that we move to
8 approve this measure. It affects their bills by \$1.54.

9 **CHAIRMAN FRANCIS:** Got a motion to accept Staff recommendation; is that
10 what he said?

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

12 **VICE CHAIRMAN SKRMETTA:** Second.

13 **CHAIRMAN FRANCIS:** Seconded by Commissioner Skrmetta. Is there any
14 discussion? [NONE HEARD] Hearing none, it's passed.

15 **MS. BOWMAN:** Exhibit Number 14 is Docket Number U-37595. This is
16 Entergy's request for approval to implement a portfolio of demand response
17 programs. It's a discussion and possible vote to hire outside counsel. On April 25
18 of this year, Entergy provided advanced filing notice indicating the company's
19 intention to file the application just discussed. Staff issued RFP 25-04 seeking the
20 assistance of outside counsel with demand response experience. Staff received one
21 qualifying bid from Stone Pigman of 214,000 in fees and 6,000 in expenses for a
22 total budget of \$220,000. And Staff makes no recommendation as the sole bidder
23 is qualified.

1 **VICE CHAIRMAN SKRMETTA:** Mr. Chairman.

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

3 **VICE CHAIRMAN SKRMETTA:** I'm going to go ahead and move to accept
4 the bid of the sole bidder, but I have a comment to add with this. The problem I
5 have with this is that the content of description of the RFP said that the law firm
6 had to have previous experience in demand response programs. And before the
7 Commission started looking in demand response, the current bidder had never had
8 any experience in demand response until we had hired them before and got them
9 active in looking at demand response. So the way that the RFP went out in requiring
10 somebody to have demand response experience, limits the ability of law firms to
11 qualify for bidding on the contract, and a couple of things trouble me that way.
12 First off, the Commission paid for the tuition of the law firm to learn about demand
13 response. And I'm actually a big believer that most lawyers worth their salt with
14 about an hour and a half of time, and now with the aid of AI, can learn everything
15 they need to know about demand response pretty quick. And so I think the
16 limitation of the RFP is handled in a way which eliminates the potential of
17 competitive bidding. And I know Commissioner Campbell wants more people
18 bidding on stuff to keep the bids competitive and to drive cost down for consumers.
19 So I think that we need to look at how we craft RFPs in the future because I think
20 that this one, the way it's done, limits it to only one potential bidder and it excludes
21 all other law firms from bidding. So that's my comment, but I continue my motion
22 to accept the current bid.

1 **CHAIRMAN FRANCIS:** Let me, before he -- my hand was up [INAUDIBLE].
2 You're next, but hold on. Demand response is -- I understand it, but I wouldn't be
3 very good at explaining it. Commissioner Skrmetta. Commissioner Skrmetta.
4 **VICE CHAIRMAN SKRMETTA:** Yes, sir.
5 **CHAIRMAN FRANCIS:** Give us little short two-minute talk about demand
6 response. What is that and what's the benefits?
7 **VICE CHAIRMAN SKRMETTA:** Effectively, it's to create micro grid systems
8 to where you can have available power systems within different zones to where
9 when you require power to be delivered, it can be delivered in a more efficient
10 mechanism. We did this in the Commission with the Power Through program with
11 Entergy when they needed more electrons in certain areas. We've gotten several
12 of the new system -- it's actually, I know one system's up in Metairie right now and
13 they have other ones done. So it's basically putting and breaking up, like the one
14 with -- planned right now with Power Through, is to break up 120 megawatt power
15 plant into small pieces and position it around a region to where they can boost
16 power into the grid where it's necessary in certain zones. So it's not an overly
17 complicated problem. So I think that it's something that I think most people in this
18 room have the capability of dealing with. And also, the other comment -- I think
19 the comment I have is that the Staff when doing this, I asked them is this something
20 that's, you know -- something of quick need? And they said no, this is just
21 something that was going -- I asked them if there was some issue of something has
22 to be done, you know, rapidly, is it something needed? And they said no. They
23 just want somebody who's going to be able to step in start working on it. And I

1 said, well, what's the goal line on this? And they said, well, there's no current real
2 goal line on it. So it does seem to me that, you know, I think really any engineer
3 or any lawyer worth their salt can learn about component elements about bids, like
4 on this kind of stuff, pretty quick because it's not a legal issue, it's a technical issue.
5 And I think technical issues can all be learned about pretty quickly. So I think this
6 narrows the capacity of the bid potential of getting more people bidding into the
7 program, and that's just my general problem with it. I think right now, I think we're
8 kind of where we are, where we are. But I think for the future, we need to -- we
9 need to expand the potential of the possibility of getting bids in, so we can get
10 competitive bids in. And since we started doing that, we have driven costs of legal
11 services down to the Commission and that means to the public. So I do think that
12 that we need to be cautious about, you know, when we want to get -- hire attorneys,
13 if we want to hire attorneys with federal experience or state experience or things
14 like that, that's something understandable. But when we look at hiring attorneys
15 with technical experience, then we should be hiring experts with technical
16 experience, not attorneys with technical experience, because then they learn from
17 the other. So that's just my general concern about this.

18 **CHAIRMAN FRANCIS:** Well, thank you, Commissioner Campbell, for your
19 patience. It's your turn.

20 **COMMISSIONER CAMPBELL:** I agree. We could only get one bid on this; is
21 that it?

1 **MS. BOWMAN:** So on this one particular RFP, I asked for someone who had
2 demand response experience. With that in there, there was only one firm that had
3 demand response experience that bid into the RFP.

4 **COMMISSIONER CAMPBELL:** I do notice one thing. I think we've done
5 some good -- Stone Pigman's hourly rate is 325 to 395. It used to be a lot higher
6 than that.

7 **MS. BOWMAN:** They do provide discounted rates. Yes, sir.

8 **COMMISSIONER CAMPBELL:** Well, this is the people's money. And say,
9 450 or 495 or whatever it used to be is -- least we're asking them and they're
10 bidding on it. But look like just having one person bid is a tough situation. Doesn't
11 give you much choice. At least they'll charge you less per hour.

12 **CHAIRMAN FRANCIS:** Is demand response mean that you could -- you would
13 agree to shed load to help in an overload situation? Is that part of the demand
14 response?

15 **VICE CHAIRMAN SKRMETTA:** I don't believe so.

16 **CHAIRMAN FRANCIS:** Okay. That's not it. Okay. All right. Sorry about that.
17 Okay. Commissioner Lewis.

18 **COMMISSIONER LEWIS:** Thank you. And my comments are directed, I know
19 we have already hired UPC and Stone Pigman, but I would request that in the
20 review of this proposal that we take into account the new white paper from MISO
21 on demand response and energy resources reforms to ensure that the framework
22 and the implementation is matching with what we're seeing the market change. So
23 I just -- I know we're not discussing the docket, but since we're discussing the two

1 hires, I would request both Stone Pigman and UPC to evaluate that proposal in
2 context of the white paper from MISO on demand response and energy resources.

3 **CHAIRMAN FRANCIS:** All right. We've got a -- do we have a motion?

4 **VICE CHAIRMAN SKRMETTA:** Yes. Motion from me.

5 **CHAIRMAN FRANCIS:** All right. And Chair will second that motion. Is there
6 any other discussion or objection? [NONE HEARD] Hearing none, 14 passed.

7 **MS. BOWMAN:** Exhibit Number 15 is undocketed. It is the MISO's --

8 **VICE CHAIRMAN SKRMETTA:** We moved that to the end of the agenda.

9 **MS. BOWMAN:** Not this one. No, sir. This is a different agenda item.

10 **VICE CHAIRMAN SKRMETTA:** Oh, okay. Got it.

11 **MS. BOWMAN:** This is MISO's expedited resource addition study process. It's
12 a discussion and possible vote to delegate certain authority to the Executive
13 Secretary related to relevant electric retail regulatory authority notifications. MISO
14 filed with FERC a revised ERAS proposal consistent with guidance provided by
15 FERC in its May 16, 2025 order rejecting MISO's original proposal. ERAS is
16 MISO's proposed temporary alternative solution to the backlog in its existing
17 generator interconnection process which can take three to four years to complete
18 and the current progress is backlogged several years. In order to enter the ERAS
19 process, the interconnection request must include a written submission from the
20 applicable RERRA, which is the Commission in this instance. That the proposed
21 interconnecting generating facility is seeking approval to serve a supportive
22 resource adequacy or reliability need. That support does not require pre-judgement
23 of any certification process. It is merely a request that MISO apply the ERAS

1 process to the project. The revised MISO ERAS process filing has a cap in the
2 number of projects at 50 and 10 per study cycle, and there are strict deadlines that
3 must be followed to qualify for it. Therefore, early and timely submission is
4 critical. In order to make certain that any ERAS submission for projects located in
5 areas under the Commission's jurisdiction are submitted timely, Staff recommends
6 that the Commission Executive Secretary be delegated the authority and the
7 discretion to provide the required RERRA notifications when the Executive
8 Secretary deems appropriate and is consistent with any FERC approvals of the
9 proposed ERAS process.

10 **VICE CHAIRMAN SKRMETTA:** Move -- go ahead, I'm sorry.

11 **MS. BOWMAN:** Staff recommends that the Commission delegate the Executive
12 Secretary.

13 **VICE CHAIRMAN SKRMETTA:** Move to approve Staff recommendation.

14 **CHAIRMAN FRANCIS:** Move and Chair will second it. And discussion by
15 Commissioner Lewis.

16 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. Can I have a
17 representative from MISO? And, Noel, I think I may need you as well on this.
18 Thank you. I'm going to start with MISO. So can you explain that FERC, in May,
19 rejected your original ERAS filing, citing lack of project caps, insufficient
20 demonstration of reliability benefits, procedural fairness, and transparency
21 concerns under the FPA Section 205 filing standard. So I know you recently
22 submitted another proposal. Can you walk me through how you addressed those
23 concerns that FERC had on your original filing?

1 **MR. TODD HILLMAN:** Yes, Commissioner, Todd Hillman from MISO. Can
2 you hear me okay?

3 **MS. BOWMAN:** No, you got to press the button, Todd. Wait 'til it turns green.

4 **MR. HILLMAN:** Thank you. Todd Hillman from MISO. A couple of ways that
5 we addressed that. We limited the number of projects per cycle to answer the cap
6 question. That was a one big concern that the Federal Energy Regulatory
7 Commission had. The second one was around the retail choice states in MISO, of
8 which we have all of Illinois and 10% of Michigan. So we allocated projects to
9 those two retail choice jurisdictions. And then the third piece was -- is if you're a
10 non-load serving entity, you're not a traditional utility, how do you get projects?
11 We allocated 10 projects to those folks, independent power producers that didn't
12 serve load. We also put a limited time frame on it. So there's a number of cycles,
13 maximum number of projects. And so we feel with the combination of those things
14 in reading the FERC rejection of our first filing, goes to answer many, if not all, of
15 their questions.

16 **COMMISSIONER LEWIS:** Thank you. And so I read many of the comments
17 from stakeholders who had some problems with the process and proposing this
18 revised policy. And I want to say there was a 10-day comment period; am I correct
19 on that?

20 **MR. HILLMAN:** You could be. It was shortened just because we have parties
21 that have very large load additions. Some of them very close to the state that want
22 to get those in the process as soon as possible. So we felt that an expedited comment
23 period, as well as an expedited approval period from FERC was needed.

1 **COMMISSIONER LEWIS:** Okay. So how did you incorporate any of their input
2 in your new proposal?

3 **MR. HILLMAN:** I think we did our best. We spent a lot of time upfront. So I
4 mean this was 12, 16 months of work, and so we had a very good idea of where
5 most, if not all, of the stakeholders were coming from. And so we went back to
6 them in groups, such as the organization of MISO States, and walked through
7 various areas. But because of that shortened timeframe, we couldn't have that
8 stakeholder process we would usually like to have.

9 **COMMISSIONER LEWIS:** Thank you. And so I really want to make sure I
10 understand this. How are you going to ensure that you're not creating a two-tier
11 interconnection system that disadvantages projects following the standard
12 procedures, right? I understand why we are looking at a fast track lane, but I want
13 us not to be picking and choosing winners and projects in a system that is now
14 favoring one. So can you explain how you will review that in a fair manner?

15 **MR. HILLMAN:** Absolutely. So our current interconnection queue, we've made
16 a number of improvements there, which we think will make a significant difference.
17 The first one is capping the number within each region. Our queue is getting so
18 large that if we didn't have this cap, it would just continue to build upon itself. And
19 so that -- a cap was approved by FERC in early 2025. The second piece is we
20 started to implement some software. Interestingly enough, we heard about that
21 software from SPP. We've brought that in. It is some AI based software that I
22 think is going to help shorten those timeframes of that queue. We think some
23 projects as well will come from the existing queue to the new queue and we're fuel

1 agnostic on what those projects are because different states have different needs.
2 And so we are confident that in the next couple of years we'll be able to get that
3 cycle down to one year for even the existing queue. So they're moving in parallel,
4 they're not really moving against each other.

5 **COMMISSIONER LEWIS:** Okay. That makes sense. So what metrics or
6 documentations must a generator submit before it meets a reliability or adequacy
7 need?

8 **MR. HILLMAN:** So they -- yeah. Good question. They must identify the specific
9 load addition or the resource adequacy area that the project will address. The
10 project must not exceed 150% of the identified size of that project. And then the
11 other piece of it is working very closely with the RERRA, as stated in this current
12 docket.

13 **COMMISSIONER LEWIS:** Okay. And so if all those are accounted for, what
14 are the consequences if a project that uses a letter to enter the process but ultimately
15 fails to deliver reliability value to the state that submitted it? Are there any
16 consequences?

17 **MR. HILLMAN:** Sure. We would really leave that up to the state. Resource
18 adequacy is the purview of the state to determine. So our determine is to enable
19 that project to be facilitated. The resource adequacy piece of that is actually your
20 purview, so.

21 **COMMISSIONER LEWIS:** Okay. So MISO would have no kind of penalties
22 or anything from post if it doesn't meet its standard that it stated in its letter?

1 **MR. HILLMAN:** So any resource that comes to MISO that intends to build, in
2 fact, currently we have resources that have come in, we've given them approval to
3 build, and they're delayed in their building. So that's a common practice. Supply
4 chain issues, permitting issues, contract re-negotiations are common ways that that
5 might happen. So that's a common practice in the industry based on this complex
6 machine that everyone's trying to run. But no, we leave that to the purview of our
7 states.

8 **COMMISSIONER LEWIS:** Okay. And then my last question for you before I
9 have some questions for Staff is I'm still a little concerned that this is giving an
10 unfair preference to utilities over independent power producers or merchant power
11 producers who can only make up 15% of the maximum of chosen projects. So can
12 you explain to me how you do not see that as discriminatory towards those other
13 producers who may be looking to build generation, but are not directly connected
14 to a utility?

15 **MR. HILLMAN:** Well, the reality is even those with the utility that aren't -- so a
16 utility may choose to have one of those build their project as part of that, right? So
17 that's not really an area for us to determine. So we realized in that second go-
18 around, Commissioner, that we needed to have that area to cover those independent
19 power producers. But we didn't want this queue to get so large, right -- this process
20 to get so large that it was untenable and not workable on that quarterly process.

21 **COMMISSIONER LEWIS:** Okay. Thank you. That makes sense. Noel, the
22 Commission has historically used an 18-factor test when reviewing generator
23 certifications and none of those were kind of built into this letter process. So how

1 would we evaluate that in verifying our -- or giving kind of -- signaling to MISO
2 that this is a project if we're not really looking at the 18-factor test at that point in
3 time?

4 **MR. NOEL DARCE:** Okay. The 18-factor test applies to the generator and
5 approving the generator. This letter and this process with MISO and ERAS is only
6 a generator interconnection process. So it's getting access to the transmissions
7 that's needed to connect the generator to the MISO transmission system. There's
8 a separate process going on for any generators that are going to be approved by the
9 Commission, in this particular case, for example, is the Meta project. There's a
10 docket established, discovery going on. That process will look at the 18 factors and
11 whatever other issues that arise in that case. And the Commission will have the
12 opportunity to approve or not approve that project based on the record that's built
13 in there. Those generators, however, have to be able to be used, have to be
14 interconnected to MISO transmission system. They have to either get involved in
15 the MISO normal generator interconnection process, which is called their DPP,
16 which has the big backlog that is causing all the problems. And it's not just MISO
17 with backlogs, it's an industry-wide problem, but our problem is with MISO
18 because that's where Entergy is a member. So that process will go on. It will
19 happen in the certification dockets. This process doesn't prejudge that. All it is is
20 asking MISO to study this separately in this new ERAS fast lane process.

21 **COMMISSIONER LEWIS:** So to your understanding, this letter will just be
22 procedurally only and does not imply certification or public interest determination.
23 It is clearly a procedural step that you view it as?

1 **MR. DARCE:** That's correct. And it's -- not only doesn't apply at this specific
2 reservation language that is included in the MISO tariff filing, that probably will
3 also be included in the letter we send or -- to MISO that specifically reserves the
4 issue to the states and states positively that it's not prejudging those certification
5 issues.

6 **COMMISSIONER LEWIS:** Thank you. And I appreciate that. I think one of
7 my concerns has been that we know we've seen a significant challenge, for
8 instance, in developers and community solar, for example, arguing that our
9 certification process, like the 18-factor public interest determination, is too hard.
10 And so now we're kind of giving -- I'm trying to make sure we're not giving a pass
11 to those with the most resources who are still holding everybody -- who can get a
12 fast track lane, while everybody else is still holded to our rules. And so I'm trying
13 to really determine that. In this process is it -- and this may be a question for
14 Brandon, will we get notified of any letter that is issued under this delegation when
15 it is issued?

16 **MS. BOWMAN:** We can certainly do that.

17 **COMMISSIONER LEWIS:** Okay.

18 **MS. BOWMAN:** That's not an issue at all. We can send you guys a copy of the
19 letter that Brandon signs for the delegation.

20 **COMMISSIONER LEWIS:** Thank you. That would be greatly appreciated. I
21 still have some underlying concerns with the new ERAS filing under FERC and I
22 think this may be a little premature since we don't know what the final rule will be.
23 But I appreciate your time in answering my questions. Thank you.

1 **CHAIRMAN FRANCIS:** Any other questions? [NONE HEARD] We have a
2 motion and a second.

3 **COMMISSIONER LEWIS:** And, Mr. Chairman, I will -- I'm going to have to
4 vote no on this. So I'll object.

5 **CHAIRMAN FRANCIS:** So you vote no?

6 **COMMISSIONER LEWIS:** Yes, sir.

7 **VICE CHAIRMAN SKRMETTA:** Roll call vote.

8 **CHAIRMAN FRANCIS:** Okay. I guess we need a roll call. Commissioner
9 Campbell, how do you vote?

10 **COMMISSIONER CAMPBELL:** Yes.

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

12 **VICE CHAIRMAN SKRMETTA:** Yes.

13 **CHAIRMAN FRANCIS:** Commissioner Coussan, how do you vote?

14 **COMMISSIONER COUSSAN:** Yes.

15 **CHAIRMAN FRANCIS:** Commissioner Lewis, votes no. Commissioner -- the
16 Chair votes yes, so thank y'all for your help. Sixteen.

17 **MS. BOWMAN:** Yes, sir. Exhibit Number 16 is undocketed. This is the State
18 Universal Service Fund administrator. It's a discussion and possible vote to renew
19 LaPorte, CPA & Business Advisors' services. The July 2020 B&E report was
20 retained to assist -- to administer the State Universal Service Fund for a three-year
21 period with annual reviews thereafter subject to Commission approval. LaPorte's
22 current retention expires July 31, 2025. In light of this expiration and the option
23 for an annual renewal, Staff requested confirmation from LaPorte whether it agreed

1 to continue handling these services for the State Universal Service Fund. LaPorte
2 indicated its willingness to continue providing those services for the fund at its same
3 billing structure currently in place, which is \$10,000 a month. The structure has
4 worked well over the years and Staff does not see a reason to alter the structure at
5 this time. Staff recommends that the Commission renew LaPorte's services for an
6 additional year with the option to renew thereafter under the same billing structure
7 previously approved, which was \$10,000 a month.

8 **VICE CHAIRMAN SKRMETTA:** Move to accept Staff recommendation.

9 **CHAIRMAN FRANCIS:** Move to accept Staff recommendation by
10 Commissioner Skrmetta. Second by the Chair. Any discussions or objection?

11 **COMMISSIONER CAMPBELL:** Let me ask a question.

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

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

14 **COMMISSIONER CAMPBELL:** How much money we pay these people?

15 **MS. BOWMAN:** \$10,000 a month to manage approximately \$45 million a year.

16 **COMMISSIONER CAMPBELL:** Did you check anybody else? We just been
17 using them a long time? We're comfortable?

18 **SECRETARY FREY:** Yes. They've actually administered the fund -- we'll it's
19 been a Universal Service Fund when we converted it in 2005, and before that, it
20 was LOS Preservation Fund and they were our administrator then. And they've
21 actually been doing it for the same fee for like 30 years now. They've never
22 increased their fees at all, so. And it's actually gotten more complicated because
23 of carriers leaving the market and having to do reassessments on a regular basis.

1 So I think they do a great job on it. I mean, I've worked with them directly going
2 back at least 20 years from when we first established the fund.

3 **MS. BOWMAN:** And we did issue an RFP back in 2020 just trying to see if there
4 was any other CPA firms out there that would be interested and no one else bid. It
5 was just LaPorte at that time.

6 **COMMISSIONER CAMPBELL:** Okay.

7 **CHAIRMAN FRANCIS:** All right. I believe we're on Number 17?

8 **MS. BOWMAN:** Yes, sir. Exhibit Number 17 is a docket to be determined. This
9 is 1803 Electric Cooperative's notice of intent to conduct a request for proposals.
10 This is a discussion and possible vote to hire outside consultant. On May 6, 2025,
11 1803 provided advance notice that they were intending to issue an RFP for long-
12 term power purchase contract, generating capacity, or generating resources. Staff
13 issued an RFP seeking the assistance of an outside consultant for the RFP process,
14 but also any certifications and monitoring that arise from the RFP. Staff received
15 two qualifying bids. The first is United Professionals Company of 89,000 in fees
16 and 1,500 in expenses for a total budget not to exceed of 90,500. And the second
17 was London Economics International of \$135,060 in fees and \$2,178 in expenses
18 for a total budget not to exceed of \$137,238. Staff makes no recommendation as
19 both bidders are qualified.

20 **VICE CHAIRMAN SKRMETTA:** Move to accept the low bid of United
21 Professionals for a total of 90,500.

22 **COMMISSIONER LEWIS:** Second.

1 **CHAIRMAN FRANCIS:** Motion by Commissioner Skrmetta. Seconded by
2 Commissioner Lewis to accept number one UPC's low bid. Any discussion or
3 objection? [NONE HEARD] Hearing none, 17's good.

4 **MS. BOWMAN:** Exhibit Number 18 is undocketed. It is 1803 Electric
5 Cooperative's request for approval of acquisition of corporate entity with
6 generating facility pursuant to an unsolicited offer received and financing related
7 to the same. It's a discussion and possible vote to retain J. Kennedy and Associates.
8 On May 6, 2025, 1803 provided advanced notice indicating their intention to seek
9 Commission approval of an unsolicited offer. Based upon this notice filing, Staff
10 solicited J. Kennedy and Associates, given the firm's existence on the 1803's initial
11 request for proposals and subsequent certifications provided therein. As J. Kennedy
12 assisted Staff with the review of 1803's original RFP and certification proceeding
13 and this unsolicited offer supplements that original portfolio, it is Staff's opinion
14 that no formal RFP is required at the upcoming request is substantially related by
15 common factual, legal, and regulatory issues to the prior RFP and subsequent
16 certification. Based on that, Staff solicited J. Kennedy and there submitted a
17 proposed budget of 150,000 in fees and 5,000 in expenses. Staff recommends that
18 the Commission retain J. Kennedy and Associates for 155,000 in fees and 5,000 in
19 expenses for a total budget not to exceed of \$160,000.

20 **VICE CHAIRMAN SKRMETTA:** Mr. Chairman, I oppose this hiring at this
21 time without issuing an RFP for the following reasons. This consultant was the one
22 who crafted the 1803 mechanism in the first place. And since then, the 1803's plan
23 has been modified from the original plan that was structured by J. Kennedy and

1 Associates with the failure to complete on the three solar projects, with having to
2 shift to winter gas I believe through Calpine. And now, even further to move to the
3 acquisition of a power plant, which was originally, my understanding, belonging to
4 a separate bidder in that original RFP to provide power to the co-ops. And that
5 after they lost it, that they sold it, and now that 1803's looking to buy it. So I think
6 that this is pouring bad water into good water by hiring the same person who
7 provided for an inaccurate mechanism in the first place by paying them 155,000-
8 plus to do it again. So I think what we ought to do is take fresh eyes on this, issue
9 an RFP, and see what we can do to determine if this is the appropriate action to
10 acquire this unit and kind of move from there. So I actually move that we do not
11 act on this and we actually issue an RFP in this matter.

12 **CHAIRMAN FRANCIS:** All right. I respect Commissioner Skrmetta's position.
13 It's in my district and I decided I'd like to make a motion that we accept the -- we
14 approve Exhibit 18.

15 **VICE CHAIRMAN SKRMETTA:** Can I bring some people up to the table to
16 ask some questions?

17 **CHAIRMAN FRANCIS:** Sure. Could we go ahead and get a motion and a
18 second?

19 **COMMISSIONER COUSSAN:** Second.

20 **CHAIRMAN FRANCIS:** So a motion and --

21 **MS. BOWMAN:** So to clarify, the Chair, you're moving to accept the solicitation?

22 **CHAIRMAN FRANCIS:** Yes.

23 **MS. BOWMAN:** Okay. I just wanted to make sure.

1 **CHAIRMAN FRANCIS:** I move to accept Exhibit 18. Seconded by
2 Commissioner Coussan. And let's have a discussion. Is anyone here with 1803
3 that could come up and answer --

4 **VICE CHAIRMAN SKRMETTA:** And actually, also, if there's a senior from
5 Cleco here, I'd like to ask them a couple of questions, too.

6 **COMMISSIONER LEWIS:** Mr. Chairman, really quickly just so I'm clear, we
7 did a solicitation or an RFP on this?

8 **MS. BOWMAN:** So for this particular --

9 **COMMISSIONER LEWIS:** This is just a solicitation?

10 **MS. BOWMAN:** This was a solicitation to J. Kennedy.

11 **COMMISSIONER LEWIS:** Okay. Got you. And Commissioner Skrmetta was
12 saying we should do an RFP?

13 **MS. BOWMAN:** Correct.

14 **COMMISSIONER LEWIS:** Okay. I just wanted to make sure.

15 **VICE CHAIRMAN SKRMETTA:** Well, this -- I'm opposed to this solicitation
16 and wanted to do an RFP.

17 **COMMISSIONER LEWIS:** Got you. Okay. I just wanted to make sure I was
18 following correctly.

19 **VICE CHAIRMAN SKRMETTA:** Because of my position that was the original
20 plan that was put forth by this person has effectively collapsed.

21 **COMMISSIONER LEWIS:** Got you.

1 **VICE CHAIRMAN SKRMETTA:** And that to hire him to now move in to do
2 something else, seems to be putting a bad effort after a worse effort. And I think
3 that fresh eyes on this would bring something, you guys.

4 **COMMISSIONER LEWIS:** Thank you for the clarity.

5 **VICE CHAIRMAN SKRMETTA:** Question that I have for y'all. So I guess it's
6 more for you, Mr. Kleehammer. So before, when y'all were -- Cleco bid into the
7 1803 mechanism, you bid in I guess it was because it was Cleco Corp. at that time
8 -- was Cleco Cajun.

9 **MR. MARK KLEEHAMMER:** Yeah. Yeah, and this predated my service with
10 Cleco.

11 **VICE CHAIRMAN SKRMETTA:** Correct.

12 **MR. KLEEHAMMER:** But at the time, Cleco Cajun bid in to serve the co-ops.

13 **VICE CHAIRMAN SKRMETTA:** Right. So my understanding is the unit in
14 question on this was one of the previous units owned by Cleco, but has been sold
15 since you did not -- you weren't successful on the bid.

16 **MR. KLEEHAMMER:** Cleco was not successful in extending the contracts with
17 the co-ops that it had for multiple years and did sell the generation that Cleco Cajun
18 had to Atlas about this time last year.

19 **VICE CHAIRMAN SKRMETTA:** Okay. So now my understanding is that 1803
20 wants to buy that unit that you did not provide power from, to purchase this unit
21 from Atlas into 1803; is that correct, Mr. Marionneaux?

22 **MR. KYLE MARIONNEAUX:** Well, I did want to say that the unit in question
23 is confidential.

1 **VICE CHAIRMAN SKRMETTA:** I didn't say which unit it was. I'm saying the
2 unit that we're talking about --

3 **MR. MARIONNEAUX:** Was -- it alluded to.

4 **VICE CHAIRMAN SKRMETTA:** Well, I didn't say what it is. If you want me
5 to say what it is, I'll talk about it. But what I'm saying is you are purchasing the
6 unit from Atlas, correct? Are you buying a unit from Atlas?

7 **MR. BRIAN HOBBS:** Let me address this, if I may. Brian Hobbs, 1803 Electric
8 Corporative. 1803 received an unsolicited offer last fall to purchase a generation
9 asset.

10 **VICE CHAIRMAN SKRMETTA:** Okay. Well, hang on a second. I asked a
11 pretty simple question. Are you buying this unit from Atlas?

12 **MR. HOBBS:** It's --

13 **VICE CHAIRMAN SKRMETTA:** Well, it doesn't matter. At this point, I mean,
14 we're at this point where you're sending in a consultant. I'm not saying which unit
15 it is. I'm saying -- but who you're buying it from, I think is relevant. The actual
16 unit, I'm not revealing.

17 **MR. HOBBS:** The counterparty to our agreement is very concerned about
18 confidentiality.

19 **VICE CHAIRMAN SKRMETTA:** Well, let me explain my problem with this.
20 And I think it's important for the public to understand this. I think it's important
21 for you to understand this. I think it's important for Cleco to understand this. I
22 think it's important for the Commission to understand this. And in 2009, when I
23 first became a Commissioner, the Department of Justice was all over Entergy

1 because they were preventing certain market participants from selling their power.
2 And then when they couldn't, Entergy purchased the power plant when it was no
3 longer available. And then that's how we ended up being in MISO, because the
4 Department of Justice required it. Okay? So things have changed. But the fact is
5 this unit that I'm thinking of, which may or may not be the unit according to you,
6 but I'm pretty sure it is. This unit would have been providing power to you under
7 a contract from Cleco at a lower price than this plan that you've had that has not
8 provided what you said it was going to provide from the beginning. Okay? So
9 you've lost your two -- well, two for sure contracts. You're carrying a part of your
10 IRP as a solar facility for four years that has not been completed, and you don't
11 really have anything set to be complete. You have to look at really how you're
12 really going to do your IRP. So my problem is, you know, Cleco would not have
13 sold that facility if they knew you were going to buy it, because they could have
14 provided you power under it. And it looks like it's a, you know, a roundabout way
15 of, you know, having a mechanism which drove Cleco into a position of
16 disadvantage unreasonably. And so I really have a problem with this, because it
17 really -- the 1803 program is not what it originally said it was going to be, right? I
18 think you would admit that. I think it's changed significantly from the original
19 plan.

20 **MR. HOBBS:** The solar piece, yes.

21 **VICE CHAIRMAN SKRMETTA:** Yeah. Significantly. And it is now more
22 driven by baseload power, which is fine. But the problem that I have is it is also
23 different from the original bid that was against what Cleco bid. And it caused Cleco

1 to take its wholesale assets, because it did not have a successful bid, which from
2 my interpretation, is actually lower than what the current value is, and have to
3 liquidate those assets. And now have them turn back up on the market to where
4 you're buying them. And if nobody else sees this, go ahead and hire the guy who
5 caused this problem in the first place. But if somebody else sees this, they ought to
6 see what it's worth for the issue of the legal consequences of this type of action. So
7 I just wanted to get that on the table.

8 **MR. HOBBS:** Could I respond, sir?

9 **VICE CHAIRMAN SKRMETTA:** Say whatever you like.

10 **MR. HOBBS:** So I think you're giving 1803 an awful lot of credit. That five years
11 ago, we drove Cleco into a position of selling their assets.

12 **VICE CHAIRMAN SKRMETTA:** I'm going to give you full credit for that.

13 **MR. HOBBS:** We then turned around and somehow influenced Atlas to purchase
14 those assets and then somehow influence them to offer one of them to us.

15 **VICE CHAIRMAN SKRMETTA:** I'll take the middle part out and disagree with
16 you, but I'm looking at everything else you said. I will agree with you that I think
17 that happened.

18 **MR. HOBBS:** Second, the Commission consultant, that's at question here and was
19 on our initial portfolio, did not put our portfolio together. Reviewed it from a
20 Commission standpoint, and found it to be acceptable and in the public interest.
21 That decision's been made.

22 **VICE CHAIRMAN SKRMETTA:** And I'm agreeing with you that I think that
23 he made a mistake and I think he's basically going to enter into another mistake.

1 **MR. HOBBS:** You're not agreeing with me that he made a mistake, because I
2 didn't say that.

3 **VICE CHAIRMAN SKRMETTA:** Well, I'm agreeing with you, he did it.

4 **MR. HOBBS:** Second, our portfolio is performing. We are performing.

5 **VICE CHAIRMAN SKRMETTA:** I didn't say it wasn't because I know your
6 baseload now.

7 **MR. HOBBS:** And it was never the intention five years ago that that was our firm
8 forever power supply plan. It doesn't work that way. We have to respond to
9 changing conditions. The MISO conditions required us to have more capacity in
10 the plan, so we went out and got more capacity. We're performing. Here, we've
11 had an unsolicited offer.

12 **VICE CHAIRMAN SKRMETTA:** I get it. But it's a pig in a poke.

13 **MR. HOBBS:** We are required to respond.

14 **VICE CHAIRMAN SKRMETTA:** It's a pig in a poke. It's not what you said
15 you were going to do. You're doing something entirely different.

16 **MR. HOBBS:** I respectfully disagree.

17 **VICE CHAIRMAN SKRMETTA:** But I stand. But in the simplest terms, you
18 know, that's the way I can look at it. But I -- look, I've said what I got to say. I
19 think that this is something that is much more complex. I think putting this person
20 back over review of something that they approved, that failed, and coming back in
21 to look at it again to -- for the, basically, approval of a purchase of an asset and
22 paying them this much money to say, yeah, go ahead and buy this asset which is
23 worth X dollars, is just providing a real -- a revenue value to that consultant that is

1 not necessary or deserved. I think it's over-pay, and I think that their review of
2 your original plan was -- they approved it, but it turned out with what from the
3 beginning? And look, this is nothing strange. I've told you from the beginning, I
4 thought your plan from the beginning was not going to work. It didn't work.
5 You've had to modify it. Well, look, I've got as much like sense and horse sense
6 as anybody else and I saw it for what it was and it didn't work.

7 **MR. HOBBS:** It has worked, sir.

8 **VICE CHAIRMAN SKRMETTA:** Well, no. The way you structured it did not
9 work and it had to change. It did change. You moved to baseload power, and it's
10 working. Now it's working. But my problem is taking a guy who looked at it the
11 first time and made it to where it had to change, and your costs and your fuel
12 situation had to change, and everything had to change to where it became more
13 sensical. And they want the same guy to come in, who approved what didn't work
14 in the first place and had to be changed, whether it was MISO changing the winter,
15 you know, qualifications, whatever. That is my problem. So I'm done, but I just
16 wanted to tell you that I see this as a complex structure of problems that is having
17 the wrong person applied to it. That's it.

18 **MR. HOBBS:** I'd like to make two other points. The first one is: This was an
19 unsolicited offer. According to Commission rules, we need to evaluate that offer
20 and we need to bring our evaluation to this Commission. That's what we're doing.
21 Second, you don't have a July B&E meeting, and this needs to move forward, from
22 our perspective. This will be a probably nine-month process, and we would love

1 to get resolution to this before the next MISO planning year. And so it's important
2 to us that we move this forward. Thank you.

3 **CHAIRMAN FRANCIS:** Commissioner Coussan.

4 **COMMISSIONER COUSSAN:** Being a newer member, I was asking if,
5 Chairman -- Commissioner Skrmetta, were there votes on these issues that you said
6 you were against at some point?

7 **VICE CHAIRMAN SKRMETTA:** Yeah. There were votes.

8 **COMMISSIONER COUSSAN:** And so these are the types of things that you
9 were voting against at the time?

10 **VICE CHAIRMAN SKRMETTA:** Yeah. I voted against them at the time.

11 **COMMISSIONER COUSSAN:** Okay. I just wanted to give Mr. Marionneaux
12 an opportunity from a standpoint of counsel. Is there anything else you'd like to
13 add before we wrap this up?

14 **MR. MARIONNEAUX:** Well, just, Commissioner -- that Commissioner
15 Skrmetta was against it. He made his position clear, but the portfolio was accepted.
16 It was approved. It was found in the public interest. It is in the public interest.
17 Everything that's been done since, including the addition of Calpine capacity
18 agreement, which was foreshadowed in the original order, including that.
19 Everything that's been done since has also been found in the public interest by this
20 Commission. So it's not -- as Mr. Hobbs said, it's not a situation where anything
21 went wrong. 1803 has an active portfolio and continues to manage that portfolio
22 prudently as it should. And, yeah, we ask that you guys hire a consultant so that
23 we can move forward with it.

1 **COMMISSIONER COUSSAN:** I appreciate it. Mr. Chairman, I think the
2 timeline is paramount, which is why I seconded your motion. It sounds like we
3 may have an objection. So do we need to take a roll vote?

4 **VICE CHAIRMAN SKRMETTA:** Yes, please. Roll call vote.

5 **COMMISSIONER LEWIS:** Mr. Chairman, can I ask Staff one quick question?

6 **CHAIRMAN FRANCIS:** Okay. Go ahead. Commissioner Lewis.

7 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. Since Jay Kennedy is
8 not here, Ms. Bowman, can you just explain or give context of why we went with
9 this solicitation over the RFP? Is it just their history or was --

10 **MS. BOWMAN:** Sure.

11 **COMMISSIONER LEWIS:** I'm just curious because of the discussion today.

12 **MS. BOWMAN:** No, absolutely. So we have a general order on RFPs or how we
13 can hire outside assistance. That order allows us to solicit a prior consultant or
14 prior counsel if it's substantially related either legally or factually to the prior
15 docket. When I received notice from 1803 that they were going to come in and
16 seek approval of a request for an unsolicited offer, and it was to supplement the
17 original portfolio that was approved by this Commission, to me, it made sense for
18 the same consultant to look at it, being that consultant knew the entire portfolio, has
19 been monitoring since that portfolio was approved, knows the changes that have
20 been made to the portfolio over time because of some things outside of their control
21 such as the MISO changing their seasonal capacities. So because of all of those
22 reasons, J. Kennedy has followed this and knew this and I thought he could handle
23 looking at the unsolicited offer in context of the entire portfolio.

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

2 **CHAIRMAN FRANCIS:** All right. So keeping it very simple, you're in defense
3 of Kennedy here, so they don't even need to be here.

4 **MS. BOWMAN:** Well, I did solicit them.

5 **CHAIRMAN FRANCIS:** Oh, that's right. Okay. All right. I think everybody's
6 clear here, so let's have a roll call vote on -- a yes or no on Exhibit 18.
7 Commissioner Lewis?

8 **COMMISSIONER LEWIS:** Yes.

9 **CHAIRMAN FRANCIS:** Commissioner Campbell?

10 **COMMISSIONER CAMPBELL:** Yes.

11 **CHAIRMAN FRANCIS:** Commissioner Coussan?

12 **COMMISSIONER COUSSAN:** Yes.

13 **CHAIRMAN FRANCIS:** Commissioner Skrmetta?

14 **VICE CHAIRMAN SKRMETTA:** No.

15 **CHAIRMAN FRANCIS:** Chair votes yes, so thank y'all.

16 **MR. HOBBS:** Thank you, Commissioner.

17 **CHAIRMAN FRANCIS:** So 18 is in the can.

18 **COMMISSIONER CAMPBELL:** Mr. Chairman?

19 **CHAIRMAN FRANCIS:** All right. Commissioner Campbell.

20 **COMMISSIONER CAMPBELL:** I'm just -- I want to ask the question. The
21 power outages program, we were going to write a report and you were going to give
22 it to me by July --

23 **MS. BOWMAN:** Yes.

1 **COMMISSIONER CAMPBELL:** -- where I could -- how we coming?

2 **MS. BOWMAN:** We are -- we have data requests out to everyone and they've

3 actually responded, so we're going through those data requests. I know we have a

4 couple of follow-up, but we look to be good on getting you the report by I think it

5 was July 9 if my memory serves.

6 **COMMISSIONER CAMPBELL:** Right. And I'll -- at that time, I'll, or you can,

7 send it to the rest of the Commissioners.

8 **MS. BOWMAN:** Yes, sir. As well as the mayor of Haughton.

9 **COMMISSIONER CAMPBELL:** There you go.

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

11 **COMMISSIONER CAMPBELL:** That's right. Thank you.

12 **CHAIRMAN FRANCIS:** Okay. We on 19?

13 **MS. BOWMAN:** We are. We are going to move the report from MISO, Cleco,

14 and Entergy on the load shed to the end. But if we could go ahead and hit the

15 ratifications and the directives. And then we do have one constituent who would

16 like to speak, so we would put that under this exhibit item as well. And so let's

17 start with the discussion and possible vote to ratify the votes taken by Vice

18 Chairman Skrmetta acting as the Commission's representative on the Board of

19 Directors of the Organization of MISO States. This matter is on the agenda for

20 ratification of a vote taken on May 15, 2025. And Staff followed the protocols set

21 forth in Special Order 17-2019 to consult the Executive Secretary and the Chair to

22 make a recommendation prior to Commissioner Skrmetta voting. Protocols also

23 require that the vote be ratified at a following B&E. OMS filed an answer to

1 supplemental comments filed by three trade groups in FERC Docket Number
2 RM20-10 to the dormant rulemaking examining whether changes to existing FERC
3 transmission ROE incentives should be made. OMS answers oppose the trade
4 group's request to close the docket. On the recommendation of Staff, Vice
5 Chairman Skrmetta voted in favor of the OMS answer and so Staff recommends
6 that the Commission ratify Vice Chairman Skrmetta's vote taken on May 15, 2025
7 as the Commission's representative on the OMS Board of Directors.

8 **VICE CHAIRMAN SKRMETTA:** Skrmetta abstains on the vote.

9 **CHAIRMAN FRANCIS:** And Chairman recommends that we approve
10 Skrmetta's votes on the MISO.

11 **COMMISSIONER LEWIS:** I'll second.

12 **CHAIRMAN FRANCIS:** Seconded by Commissioner Lewis. Is there any
13 objection, or? [NONE HEARD] Hearing none, I guess it'll be a four to one -- four-
14 zero vote I guess you'd say on that issue. Okay.

15 **MS. BOWMAN:** So there's also a discussion and possible vote to ratify
16 interventions of the Commission in RTO-related or other federal energy regulatory
17 proceedings. This ratification is pursuant to the scope of work approved in
18 connection with the retention of Stone Pigman and United Professionals. And due
19 to the short deadlines allowed for these interventions, if advanced Commission
20 approval is not possible, the Executive Secretary can authorize the initial
21 interventions, comments, or protests subject to ratification. Interventions were filed
22 on behalf of the Commission in several dockets this month and Staff recommends
23 that the Commission ratify the actions taken in FERC Docket Numbers ER25-2040,

1 25-2132, ER25-2134, AC25-94, EL25-80, ER25-1846, ER25-2247, ER25-2258,
2 and EC25-89. The majority of these were doc-less interventions. There were a few
3 protests filed as well.

4 **VICE CHAIRMAN SKRMETTA:** Move to ratify the enumerated interventions.

5 **CHAIRMAN FRANCIS:** Second by Chairman. Any discussion or objection?
6 [NONE HEARD] Hearing none, it's passed.

7 **MS. BOWMAN:** So we do have two directives this month. Sorry, I missed my
8 page. The first directive is a directive to initiate the after-action review of MISO's
9 May 25, 2025 load shed event at the request of Commissioner Lewis. And I'm
10 assuming, Commissioner, you want me to read it into the record?

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

12 **MS. BOWMAN:** I direct that an after-action review of Entergy and Cleco's
13 outages on May 25, 2025 be performed in accordance with the Commission's
14 General Order Number R-32786, Attachment A, Section III. In conducting this
15 review, Staff is assisted by consultant and special counsel retained for MISO
16 monitoring and shall review and report on the following: The causes, including the
17 root causes of Entergy and Cleco's outages and MISO's load shed order;
18 recommendations for remedying any of the causes identified; whether notification
19 to and communications with the Commission and customers regarding the outages
20 were in compliance with our general order and any other applicable orders or
21 requirements; recommendations for improvements to communication protocols;
22 and whether any fines, penalties, or monetary damages are warranted pursuant to
23 Section VIII of Attachment A of General Order Number R-32786 or pursuant to

1 any other provision of law. The Staff shall deliver its after-action report by August
2 4, 2025, which should be placed on the agenda to be discussed at the August 2025
3 Business & Executive Session.

4 **CHAIRMAN FRANCIS:** Now, this would be handled by your Staff?

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

6 **CHAIRMAN FRANCIS:** Okay.

7 **MS. BOWMAN:** As well as assistance from Stone Pigman and UPC as the MISO
8 monitoring team.

9 **CHAIRMAN FRANCIS:** So is that part of their agreement already?

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

11 **CHAIRMAN FRANCIS:** We're paying them already, so it's just part of their job
12 to assist the Staff. Okay. I'll make a motion we --

13 **VICE CHAIRMAN SKRMETTA:** No motion required.

14 **CHAIRMAN FRANCIS:** We don't need a motion.

15 **MS. BOWMAN:** No motion, just assuming there's no opposition.

16 **CHAIRMAN FRANCIS:** Is there any objection from anybody to this directive?
17 [NONE HEARD] Hearing none, it's so ordered. All right.

18 **MS. BOWMAN:** Okay. One more directive. It's a directive to Staff on the
19 upcoming hurricane season at the request of Vice Chairman Skrmetta. As most of
20 you -- I'm assuming you want me to read it.

21 **VICE CHAIRMAN SKRMETTA:** Yeah, please.

22 **MS. BOWMAN:** Okay. As most of you are aware, the state is experiencing an
23 economic transformation that doesn't seem to be slowing down. This

1 transformation, in part, is due to our state's willingness to adapt when needed to
2 ensure Louisiana keeps winning. The Commission has also been known to adapt
3 when needed to ensure Louisiana residents have access to reliable, affordable
4 electricity, and that when disasters strike, our utilities have the ability to safely and
5 quickly restore electricity to Louisiana. Louisiana was one of the first states to
6 utilize low-cost securitization financing after Hurricanes Katrina and Rita.
7 Following the damaging storms of 2020 and 2021, this Commission recognized the
8 benefits of securitizing quickly in order to mitigate cost impacts to ratepayers,
9 saving Louisiana residents more than \$1.5 billion. To that end, in anticipation of this
10 year's hurricane season, I direct Staff to work diligently with any utility who files an
11 application seeking securitization of storm costs in order to ensure that our utilities
12 have the capital available not only to restore power quickly and safely and pay
13 restoration contractors, but also to avoid interference with on-going investments to
14 support transformation economic development opportunities coming to Louisiana.
15 Any utility seeking securitization for storm costs this year shall file a proposed
16 financing order with its application, and Staff shall use best efforts to have that
17 financing order to the Commission for consideration at the next available B&E after
18 the application is filed. Any financing order issued by the Commission does not
19 preclude Staff's continuation of a full prudence review of any storm costs and final
20 recommendation to the Commission, including the potential to order refunds of any
21 imprudent expenditures. Staff -- sorry. Staff is also directed to issue an RFP seeking
22 assistance in the preliminary review of the storm costs, as well as assist in the execution
23 of the financing order. Any consultant hired shall have the opportunity to submit a

1 proposed budget for the full prudence review after any financing order has been
2 approved by the Commission.

3 **CHAIRMAN FRANCIS:** Do we -- we don't already have that in --

4 **MS. BOWMAN:** We do not.

5 **CHAIRMAN FRANCIS:** We don't have that in place? Okay. Commissioner
6 Lewis had some questions.

7 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. Could I have a
8 representative from Entergy and --

9 **COMMISSIONER COUSSAN:** Excuse me. We have somebody already sitting
10 here. Could we take care of her?

11 **MS. BOWMAN:** We can do -- yeah.

12 **COMMISSIONER LEWIS:** Yeah. Yeah. No.

13 **MS. BOWMAN:** Do we want to do that?

14 **COMMISSIONER LEWIS:** That's fine.

15 **CHAIRMAN FRANCIS:** Is she --

16 **VICE CHAIRMAN SKRMETTA:** Is this testimony relative to --

17 **MS. BOWMAN:** So it's Ms. Cynthia Robertson and she's representing herself
18 and she just wanted to make public comment about Entergy, so.

19 **VICE CHAIRMAN SKRMETTA:** Oh, in general? Okay. Go ahead, ma'am. I
20 mean, if y'all want to do this?

21 **CHAIRMAN FRANCIS:** Go ahead, ma'am.

22 **MS. CYNTHIA ROBERTSON:** So I'm not here --

23 **MS. BOWMAN:** Oh, ma'am, press the button.

1 **VICE CHAIRMAN SKRMETTA:** You have to press the button on the
2 microphone and move it a little closer to you.

3 **CHAIRMAN FRANCIS:** There you go.

4 **MS. ROBERTSON:** Okay. Sorry.

5 **CHAIRMAN FRANCIS:** Give us your name and all.

6 **VICE CHAIRMAN SKRMETTA:** Oh, that's okay.

7 **MS. ROBERTSON:** Cynthia Robertson.

8 **CHAIRMAN FRANCIS:** Cynthia Robertson.

9 **MS. ROBERTSON:** Yes.

10 **CHAIRMAN FRANCIS:** Where are you from, Cynthia?

11 **MS. ROBERTSON:** Baton Rouge.

12 **CHAIRMAN FRANCIS:** Baton Rouge. Okay. All right.

13 **MS. ROBERTSON:** Yes. I'm here to talk about the Entergy bills. I still don't
14 have a grasp on exactly how they do what they do, but I can let you know that I'm
15 here for many citizens of the city and possibly the state. I have a lot of questions
16 on how do they come up with our energy charges. That's a big, hello, surprise
17 every month. I'm on a fixed income. I do not make probably \$30,000 a year. So
18 when I get these exorbitant bills, like I got this month of \$583, it's like am I going
19 to pay my mortgage or am I going to pay my electric? Now, I also know that their
20 going to be like, well, cut down on your energy use. It's not possible. I mean,
21 granted, I do have, you know, some energy that I use, but I'm not going to live
22 uncomfortable in my home just because, you know, they want to charge me \$281
23 for a service charge to bring the energy into my house. Now, I'm going to flip on

1 the other side of that. I am going to be comparing apples and oranges. DEMCO,
2 on the other hand, is very transparent. DEMCO will give you a grid access charge,
3 as where, you know, Entergy will give you a customer charge. Entergy will give
4 you an energy charge, as to where DEMCO gives you a delivery charge. The
5 delivery charge, I'm only going to speculate, is about half of the fuel charge, as to
6 where Entergy is way more than the fuel charge. I don't know specific calculations.
7 I'm not here -- not a rocket scientist. I'm not here to figure it out. I'm saying we
8 have to get a handle on this. For example, yes, my kilowatt usage was over 3,000
9 kilowatts. I probably have a problem going on in my house somewhere that I need
10 to address, but again, I'm on a fixed income, so therefore, I can't do that. I can't
11 afford an electrician to come in and do this. Number two, my fuel adjustment
12 charge is only like \$170. That's my electric. I understand that's what they're
13 paying for it, so said. That's what they have to be compensated for, but then they're
14 going to rake me on the energy charge of \$281 with all the other -- and then I get a
15 surprise, hello. Now, we have a municipal franchise fee, which I understand. They
16 couldn't get the taxes passed through the votes, so now they're going to add it to us
17 unincorporated people in Baton Rouge to a tune of 5%. So I'm very upset,
18 especially being on a fixed income and Entergy not giving us consistency. I don't
19 know how to plan my budget because I don't know if my energy charge is going to
20 be 120 or if it's going to be 50 or if it's going to be 400. This is ridiculous, totally
21 ridiculous. Like I say, DEMCO, very transparent, very transparent. You know, I
22 don't have my daughter's bills with me. But, you know, you get your wholesale
23 power charge is what it's called, as to where Entergy's is a fuel adjustment charge.

1 That's a -- you know, that's what we actually pay for our kilowattage. But like I
2 say, Entergy, I mean, they need to get a grip, seriously. And the research that I
3 have done, and I'm not pointing any fingers, and I'm talking United States wide, I'm
4 not talking Louisiana, but unfortunately Louisiana is included in the United States,
5 the executives of these utility companies have exceeded \$367 million for their base
6 salaries, incentives, non-incentives, commissions. I'm sure, you know, a lot of
7 that's going into their stock options and insurance and so forth and so on. We have
8 to live, we have to eat, and they're sitting in a office. It don't matter to them. We
9 want our money. I can't help it. My personal opinion, and looking from the outside
10 in, you've overextended yourself. What happens when you overextend yourself
11 being just a regular person? You know, we have to redo things to make it feasible
12 and for everybody to get paid, I understand that. Right now, and I'm not putting
13 my business out there, but I'm -- I haven't even made my house note this month
14 and I have an almost \$600 bill. This is ridiculous, ridiculous. I even went -- and
15 this wasn't part of my mind in my plan. I even went when I had a problem last year
16 with this, I didn't know where to go. And somebody had told me about y'all and
17 I'm like thank God, maybe I'll get some answers, maybe I'll get somebody to listen
18 to me. I went down there on North Street, right there by the courthouse, and I went
19 in. I said, well, surely, they have a customer service center speaking which, you
20 don't have one office here that you can walk in and sit with somebody and talk to
21 them. Can you explain my bill, please? I'm analytical, I have to see it. Okay. I
22 can't have somebody on the phone because I'm dyslexic. I go in there and I wait
23 and I finally see a lady come in and I ask her, I said, can I please have somebody

1 come talk to me about my bill? Well, you just can't be here, this is the president's
2 office. At the time, I don't know if she was lying to me or not. And I'm thinking,
3 well, what does that mean to me? I'm a customer. I mean, I need attention. Yes,
4 it's about me. I wait down there for almost a hour -- hour and a half because I am
5 very patient, especially when I have time. Nobody even came to tell me, oh, I'm
6 sorry, we can't help you or kiss my ass or anything. They just forgot about me.
7 That's rude and I know this corporation, but still, you need to have some
8 compassion. I am proposing, and I know this is probably not going to go very far,
9 that if they want to continue with their outrageous energy charges, those of us that
10 are below poverty, which I admit I am, I'm not proud of it but I am, or those of us
11 that are mediocrely making it, to put us on a sliding scale based on our salary. I'm
12 disabled, I can't work. So that's really all I have to say. You know, it must be nice
13 to be able to make your 10.8 or \$12 million a year. Shit, I could live on that for the
14 rest of my life. For them to make it for one year, one year, that's absurd. Anyway,
15 I don't know what else to say. I'm just hoping that y'all will listen to me and
16 somebody [INAUDIBLE] help.

17 **CHAIRMAN FRANCIS:** Well, we're the Public Service Commission and you're
18 the public. Okay. You speak for a lot of folks that we talk to every day that have
19 some of the same problems and disagreements. And Commissioner Lewis is your
20 Commissioner.

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

1 **CHAIRMAN FRANCIS:** And I would be concerned about that you shouldn't be
2 -- you should be able to get someone to explain your bill to you from the public
3 utility. So, Commissioner Lewis, you take it over here.

4 **COMMISSIONER LEWIS:** Yes.

5 **MS. ROBERTSON:** May I say one more thing? I did finally get a -- last year --
6 sorry. Last year I actually had to go for LIHEAP.

7 **CHAIRMAN FRANCIS:** Had to what?

8 **MS. ROBERTSON:** LIHEAP, to get federal assistance. Okay. I tried to leave
9 that there for people who as I say really need it, but I really needed it because last
10 year, one, I'm a mobile notary, not that that means anything, but I only make about
11 maybe \$800 more a month just kind of offset. Could I put myself out there more?
12 Yes, but with my disability, I'm in parameters because I can't be sick because then
13 I can't afford to pay my medical bills. Anyhow, I got all the help there. I called
14 and I finally got ahold to another lady with Entergy and basically I was told that
15 I'm being selfish over this energy charge. That doesn't set well with me. You are
16 sitting up here making probably three or four times what I make and you're telling
17 me I'm being selfish because I'm complaining about \$281 on an energy charge?
18 No, I don't think I'm being selfish at all. I want to know why, especially with
19 DEMCO only charging half of what your kilowatt usage is for the fuel charge. It
20 makes no sense to me.

21 **COMMISSIONER LEWIS:** No, absolutely. And I want to thank you. I know
22 we've had ample conversations --

23 **MS. ROBERTSON:** Yeah. [CROSSTALK] --

1 **COMMISSIONER LEWIS:** --- with my staff and you and I did encourage you
2 to come here and tell your story because I thought it was extremely important --
3 **MS. ROBERTSON:** Thank you.
4 **COMMISSIONER LEWIS:** -- that we put in context the work that we do. And
5 I want to give you the commitment I gave to you last week on the phone --
6 **MS. ROBERTSON:** Thank you.
7 **COMMISSIONER LEWIS:** -- that my office will continue working with Entergy
8 to find solutions for you. I have been a giant proponent of LIHEAP and requesting
9 more dollars for Louisiana, so we're not picking -- I mean, I don't know if you
10 know, only 60,000 Louisianans are on LIHEAP, but about 600,000 qualify. So it's
11 very important and I've been talking with our congressional delegation just about
12 weekly on this. And I know we're going to do some work on doing an energy
13 efficiency audit and helping you fix your roof. And so I want to thank you once
14 again for calling my office and talking with me.
15 **MS. ROBERTSON:** Thank you.
16 **COMMISSIONER LEWIS:** But I also want to give you my commitment of what
17 I told you last week that I'm not going to rest until we get you some relief and will
18 continue the work to ensure that we help you because this is what we're here to do.
19 **MS. ROBERTSON:** Thank you.
20 **CHAIRMAN FRANCIS:** Larry, you want to come here and defend yourself?
21 This is one of the top executives of Entergy, ma'am.
22 **MS. ROBERTSON:** I'm sorry. I'm not trying to be ugly. I'm just trying to be
23 real, that's all.

1 **MR. HAND:** We appreciate it. Larry Hand on behalf of Entergy Louisiana. First
2 off, you know, we always want a customer to be able to understand the bill,
3 acknowledge that ours are not always clear. Ours are structured very differently
4 than a co-op like DEMCO. You said you may have used about 300,000 kilowatt-
5 hours?

6 **MS. ROBERTSON:** Yes, sir.

7 **MR. HAND:** A DEMCO customer this month using that same level would be
8 about \$5 cheaper on the total bill than Entergy. So they're comparable, but when
9 you look at the energy charge, they're different, they're structured very differently.
10 One of my managers is in the back. He's going to get your information. We'll
11 have someone reach out to you to make sure we can walk you through the bill to
12 understand the energy charge, how it works with our fuel charge.

13 **MS. BOWMAN:** Larry, a little closer.

14 **MR. HAND:** Yes. They're just structured very differently than a cooperative that
15 you may see. And in terms of, you know, there are other programs we can discuss
16 with you. I'm not going to discuss it here, but programs available that may help
17 with the fluctuating bills for you and other customers are available. And in terms
18 of LIHEAP, I think Commissioner Lewis would echo that there's probably not a
19 bigger advocate for LIHEAP funding, maybe other than Commissioner Lewis, than
20 Entergy. We fight every year at the Capitol to get more money. We can never get
21 enough and we'll keep fighting for that. So if we can continue to do that, make it
22 more available for folks, we will definitely do that. So apologies for the issues

1 you've had, but we're going to get your name and information, make sure someone
2 with the information you need can walk you through the bill.

3 **MS. ROBERTSON:** Okay. I appreciate --

4 **COMMISSIONER LEWIS:** And, Larry, we'll work -- we'll get the case file that
5 we have in the office in the conversations that we've had with the District III
6 Staffers. And we've been working on this for the last two weeks, but I think we'll
7 continue to coordinate and we'll make sure we bring you, Ms. Cynthia, some relief.
8 And I echo Larry's comments about LIHEAP. I think this is an extremely important
9 time. As we know, the program currently, right now in the proposed budget at the
10 federal government has been zeroed out and so I think it is imperative not only of
11 this Commission, but all of us here in this room to let our congressional delegation
12 know how important LIHEAP is to the state of Louisiana. This is a program that
13 has been in existence for years. We have unfortunately got the end of the stick in
14 Louisiana based off of the funding formula, but I can't stress enough this is why
15 this cooperation -- and I believe something that we should do, Mr. Hand, is talk
16 with Louisiana Housing Corporation because I know there is some challenges with
17 your roof and we may need to find you some weatherization dollars.

18 **MS. ROBERTSON:** Yeah. And that's a whole other subject.

19 **COMMISSIONER LEWIS:** We need to find you some weatherization dollars
20 because I think that's where you're seeing your high consumption. So we'll
21 continue to work with you, Ms. Cynthia, as we did. Torey is sending you messages
22 now so she -- I know she's talked to you quite a bit.

23 **MS. ROBERTSON:** Yeah, she has.

1 **COMMISSIONER LEWIS:** And so we'll continue working with you.

2 **MS. ROBERTSON:** And this doesn't have any relation to Entergy, but the
3 conversation that you and I had about the issue with the solar company and then
4 my house [INAUDIBLE], they sent me an updated contract, and can I tell you, it's
5 basically like let's put Cindy to the wall and see how hard we can give her the what
6 for.

7 **COMMISSIONER LEWIS:** Well, we'll --

8 **MS. ROBERTSON:** Yeah. Yeah. [CROSSTALK] that.

9 **COMMISSIONER LEWIS:** Call me again and we'll talk about that.

10 **CHAIRMAN FRANCIS:** Commissioner Campbell.

11 **MS. ROBERTSON:** I'm sorry. I don't mean any offense.

12 **COMMISSIONER CAMPBELL:** Yes, sir.

13 **CHAIRMAN FRANCIS:** I think Commissioner Campbell had something,
14 ma'am.

15 **COMMISSIONER CAMPBELL:** No, to you.

16 **MR. HAND:** Yes, sir.

17 **COMMISSIONER CAMPBELL:** How do you make most of your electricity?
18 Natural gas?

19 **MR. HAND:** We're probably about --

20 **COMMISSIONER CAMPBELL:** Eighty percent?

21 **MR. HAND:** Twenty-seven -- 25 to 27% nuclear, probably 55-plus of natural gas
22 we buy from the MISO market as well, a little bit of -- tiny bit of coal and solar as
23 well, and some hydro.

1 **COMMISSIONER CAMPBELL:** This is a good question for all the people
2 representing the companies. Would the price of natural gas going down, not up --
3 I could understand when it was going up. Why aren't consumers benefitting from
4 that?

5 **MR. HAND:** I think for --

6 **COMMISSIONER CAMPBELL:** The bills ought to be going down.

7 **MR. HAND:** It's probably different for every utility because the fuel mix is
8 different, so for example, for Entergy, I gave you a general number of 27% nuclear.
9 Our Waterford 3 plant, one of our nuclear plants, was in a planned outage. We also
10 replaced some major equipment during that outage, so it was offline for roughly 40,
11 45 days or so. And that means we took a resource out of our fuel bill that generates
12 fuel -- you know, electricity at about -- the fuel part is about \$10, \$9 a megawatt
13 hour. So you take that out of the mix, that's a very large loss of a low-cost fuel
14 resource and we replace it with market purchases. Gas today, I checked earlier, it's
15 about 3.95 MMBtu. Historically, that's relatively low, but it's not as low as we
16 were two years ago. If you look at a 52-week period, gas price was as low as \$1.80
17 and now it's at 4.90, so --

18 **COMMISSIONER CAMPBELL:** How much is it?

19 **MR. HAND:** I'm sorry, 3.95 today.

20 **COMMISSIONER CAMPBELL:** You said 4.90.

21 **MR. HAND:** Pardon my error, 3.95 today. So it is a little bit higher than it had
22 been in the last year or so, but not as high as it was if you think back to 2007 before

1 the shale, you know, revolution when it was 8, 10, \$12, \$14. We're not there, thank
2 God, but it is 3.95 currently.

3 **COMMISSIONER CAMPBELL:** Well, it's always puzzled me, but anyway.
4 We watch the price of natural gas, everybody does -- everybody that buys
5 electricity, turns the switch on. It's hard for them to understand how when natural
6 gas is low -- you say it's -- what would you say this morning? 3.90?

7 **MR. HAND:** 3.95 this morning.

8 **COMMISSIONER CAMPBELL:** That's low compared to what we've seen it.

9 **MR. HAND:** Correct.

10 **COMMISSIONER CAMPBELL:** Eight, nine bucks.

11 **MR. HAND:** Yeah. And one of the things we've been doing and I think we're
12 going to see more of it as we deploy new -- obviously solar and wind are great if
13 you can get them because the fuel is free, but we just don't have the wind, you
14 know, speeds here to support it. But as we develop new generation, it's -- and we
15 saw this -- y'all saw it a couple years ago with Magnolia, the newer vintage of gas
16 combustion turbines, combined cycle units, are even more efficient than the last
17 generation, even Lake Charles, St. Charles. They're more efficient than those. So
18 as those efficiencies improve, you're able to generate, you know, more megawatts
19 with, you know, with less gas and that helps drive down and leverage the efficiency
20 off those gas prices to keep the power price as low as possible.

21 **COMMISSIONER CAMPBELL:** It's just hard to understand. It should correlate
22 one to another, it look like to me. If natural gas prices -- you're making a product
23 out of natural gas, and natural gas goes down, your energy cost should go down.

1 **MR. HAND:** And I think if you were to look -- and I have a chart I can share with
2 you next time we meet. If you look at the LMP price for MISO, it correlates very
3 closely to natural gas prices. So as gas goes up and down, the MISO LMPs will go
4 up and down. But remember, the MISO LMP is only one component of the electric
5 bill we present to customers, it goes into the fuel. We also have the fixed cost of
6 the nuclear plants, the gas plants, the wires. Those fixed costs. We have a very
7 small customer charge on the Entergy bill. I think it's \$12. That's kind of a fixed
8 charge. The rest of the fixed cost of the business we recover not through the fuel,
9 but through what is called an energy charge and I think that's what the lady was
10 referring to. The energy charge is part of the bill that we present that collects the
11 fixed cost, so it's not the electricity, it's the machines that generate it that are
12 encompassed in that energy charge.

13 **COMMISSIONER CAMPBELL:** What did you say that was cheap, \$12? What
14 was that you talked about?

15 **MR. HAND:** I was referring to gas prices back in 2007 before the shale revolution.
16 Oh, you're asking about the \$12 customer charge. Yes.

17 **COMMISSIONER CAMPBELL:** What are other people charging?

18 **MR. HAND:** We're probably still amongst the lowest in the state. I don't have all
19 the numbers, but a lot of the co-ops have higher ones. I can't speak for Cleco or
20 SWEPCO, but I think we're still one of the lower customer charges in the state.

21 **CHAIRMAN FRANCIS:** Commissioner Coussan.

22 **COMMISSIONER COUSSAN:** Well, my comment is about something separate
23 than these gentlemen, so I'll just let them proceed.

1 **CHAIRMAN FRANCIS:** I'm sorry. Okay.

2 **MR. KLEEHAMMER:** Mark Kleehammer with Cleco. I know I wasn't invited.

3 I just wanted -- I had it in my fingertips.

4 **COMMISSIONER COUSSAN:** You're invited.

5 **MR. KLEEHAMMER:** I got a piece of paper that might be helpful. June of '23,

6 Henry Hub was at 2.18. It was 2.51 last year. So the \$4 is a fairly significant

7 increase and then I think we've seen over the last month or so the market heat rate

8 down here expand pretty significantly. So at Cleco, we are trying to get the message

9 out to our customers that, you know, we're getting into the summer higher bill

10 season and we're pushing and identifying as much information as we can to

11 customers on energy efficiency and energy saving tips.

12 **COMMISSIONER CAMPBELL:** So your bills are cheaper than Entergy?

13 **MR. KLEEHAMMER:** No, I think they're a couple bucks more. I'm not meaning

14 to laugh about that. They're not cheaper. I'm saying we know that bills are going

15 up this summer because of gas prices and so we're trying to get that message out to

16 customers.

17 **COMMISSIONER CAMPBELL:** You don't mind talking -- you don't mind

18 talking about your old boss, Mr. May, back there?

19 **MR. KLEEHAMMER:** Oh, [INAUDIBLE]. I just wanted to give more

20 information to the -- more context to gas prices and market e-rates.

21 **VICE CHAIRMAN SKRMETTA:** Give me the real context of finding out from

22 last year to this year how much more volume of LNG exports have taken place in

23 volume and how much more they're anticipating increases in LNG exports and how

1 you might think your guys and your wizards in your economics department think
2 how that might affect gas prices next year. Great. Thanks.

3 **MR. HAND:** Commissioner Campbell, I want to correct my misstatement. Our
4 customer charge is \$10 a month, not \$12. I apologize.

5 **COMMISSIONER CAMPBELL:** Okay.

6 **SECRETARY FREY:** And it's -- look, I pulled the chart up just to look at it,
7 Commissioner Campbell. I think the lowest customer charge I saw is about 7.50
8 and the highest is about \$18, so they're on the low end of that basic charge.

9 **COMMISSIONER CAMPBELL:** Who is the lowest?

10 **SECRETARY FREY:** I think it's SWEPCO's at 7.43. I was looking through
11 them real quick, but I think that's the lowest.

12 **CHAIRMAN FRANCIS:** You know, the way -- wait, wait a minute. Y'all hear
13 this -- you hear this cliché occasionally, drill, baby, drill. If we drill more gas,
14 that'll help lower the price; won't it?

15 **VICE CHAIRMAN SKRMETTA:** Yeah.

16 **CHAIRMAN FRANCIS:** All right. Okay. Well --

17 **VICE CHAIRMAN SKRMETTA:** Got room on your place for another well?

18 **CHAIRMAN FRANCIS:** -- send a note to New York, tell them let's drill some
19 more gas.

20 **MR. KLEEHAMMER:** Thank you.

21 **MS. BOWMAN:** So we are on the directive to Staff on the upcoming hurricane
22 season at the request of Vice Chairman Skrmetta.

23 **COMMISSIONER COUSSAN:** And that's fine. I have a quick question --

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

2 **COMMISSIONER COUSSAN:** -- just about procedure because we were

3 basically in public comment just now, but we don't have public comment on our

4 agenda. Has that always not been on the agenda or is it sometimes on it, sometimes

5 not based upon the issues that we're facing? And so --

6 **SECRETARY FREY:** Correct. So --

7 **VICE CHAIRMAN SKRMETTA:** They usually show up during that period.

8 **SECRETARY FREY:** Yeah. So the way we've typically handled it, in light of

9 the change in the Open Meetings Law, is we allow comment on any docketed item.

10 So there's no specific generic period. I think where we have allowed that is when

11 we've been out of town where you have more general public that'll show up that's

12 typically at this meeting. But if -- I think that's typically the way we handle it. If

13 someone has a non-docketed item they want to speak on, we just take it up under

14 reports, resolutions, that generic section. It just doesn't --

15 **MS. BOWMAN:** The discussions.

16 **SECRETARY FREY:** Discussions, right. It doesn't say public comment, but

17 that's where we've typically handled it.

18 **COMMISSIONER COUSSAN:** Can we add the words public comment?

19 **SECRETARY FREY:** Sure. I don't have any issues with that.

20 **COMMISSIONER COUSSAN:** It would make me feel a lot better, just so that

21 we know, you know. And that someone who is just showing up will know that they

22 have an opportunity to speak.

23 **SECRETARY FREY:** Yes.

1 **COMMISSIONER COUSSAN:** We know that they can speak at any time on any
2 topic, but without saying it, the public may not know.

3 **SECRETARY FREY:** Sure. Not a problem. And I know I've looked at like some
4 police jury meetings. I know they'll take comment on all docketed items at the
5 very beginning and then vote later, so. But in this scenario, where it's not an item,
6 I don't see any issues with us adding that to the agenda.

7 **COMMISSIONER COUSSAN:** Okay. Thank you.

8 **CHAIRMAN FRANCIS:** Commissioner Lewis.

9 **COMMISSIONER LEWIS:** Thank you. Didn't remember where I was. And,
10 Lane, can you come up as well? I may have some questions for in a second. Thank
11 you, Mr. Hand. Reading this directive, it brought me back to our conversation
12 about two months ago and then I know in March you filed the credit support
13 framework. Can you briefly just explain what that was and how that relates slightly
14 to this directive or if there's any connection to this directive?

15 **MR. HAND:** Absolutely. And I think March 31, we did file an application. I can't
16 remember the title of it, but basically it was seeking -- requesting the Commission
17 to establish a framework within which it would consider any future storm
18 securitization request Entergy may make. And I'm hoping and praying we don't
19 have storms, but I'm also planning for if we do have them, how do we respond as
20 the utility? And so that application was asking the Commission to establish a
21 framework within which its Staff would attempt to process a future storm
22 securitization request, so we all know ahead of that kind of what the Commission's
23 expectations were. I believe the -- and she is here. She can speak for herself much

1 better than I can. But Ms. Bowman had concerns with procedurally how that was
2 postured, that it would -- if granted, it would kind of set us a special process for
3 Entergy. And her thought was that this type of thing should apply to any utility
4 who may seek securitization and so she thought a directive broadly applying to
5 everybody would do the trick. And of course, the directive would moot the request
6 that we had filed back in -- on March 31 if the directive is granted. It would give
7 us kind of the clarity we need and I want to address why we think that's important.
8 Obviously, we want to plan for the future. This Commission has been very
9 supportive historically back to Hurricane Katrina, and as we all know, we're
10 coming up on the 20th anniversary of that. This Commission established
11 securitization. We worked with the Commission to establish those securitization
12 laws that have allowed us to deal with those extraordinary storm costs in a low-cost
13 manner to benefit our customers. Entergy has also leveraged alternative
14 securitization to drive additional benefits for customers. Those have been very
15 successful. What has been the challenge is the time it takes between the outlay of
16 funds after a storm and being able to get the securitization funds in the door because
17 the prudence review would take place and that took time. Getting the invoices, then
18 the bond underwriters, the Bond Commission, and before you know it, it's two
19 years, some cases, later before we got it. We've gotten better. I think this proposal
20 will allow us to get even better, which saves customers money. The quicker you
21 can securitize, the quicker you lock in that lower bond rate, which is lower than the
22 utility cost of capital. And why this became acutely important to us, as you know,
23 as the Commission knows, we are embarking on a number of very capital-intensive

1 programs to benefit our customers. One of those is the resilience program approved
2 by the Commission. We have a number of transmission projects under way, which
3 we'll probably talk a little bit about later on the MISO load shed docket. We also
4 have a number of generators kind of being planned, distribution spending. So all
5 these capital projects that we think are needed and I think, you know, obviously the
6 Commission is the one to approve them as being in the public interest, but the last
7 thing we want to have happen is to have to make a hard choice that there's only a
8 finite amount of capital that we can access at a time. And we don't want to have to
9 make a choice of do we stop the -- you know, developing spending on the programs
10 the Commission has previously approved to do storm restoration? And we don't
11 have to make that choice and so this would be a mechanism by which we can get
12 this securitization done faster, preserve the Commission's full prudence review, and
13 not have to pause any of the previously approved Commission programs, whether
14 it's resilience or other things. And a lot of those investments, some yet to be
15 approved by the Commission, are needed to support economic development in the
16 state. So we don't want to jeopardize that opportunity for the state if we need to
17 pause those to restore, following the storm, because unfortunately when we have to
18 rely on off-system crews for storms, it becomes very expensive, very fast. We try
19 to do it with, first, our own crews to the extent we can, our own contractors. We
20 rely on mutual aid partners. But then when you go to kind of independent
21 contractors, if you will, from around the country, the costs stagger pretty big, pretty
22 quick. I rambled quite a bit, so I don't know if I answered your question.

23 **COMMISSIONER LEWIS:** No, no, no. Thank you.

1 **CHAIRMAN FRANCIS:** Rambled is a good word.

2 **COMMISSIONER LEWIS:** Yeah.

3 **CHAIRMAN FRANCIS:** Didn't we just -- Skrmetta just give a resolution to -- a

4 directive --

5 **VICE CHAIRMAN SKRMETTA:** Yeah, you read it.

6 **MS. BOWMAN:** I did, yes, sir.

7 **CHAIRMAN FRANCIS:** -- to do all what they just talked about?

8 **MS. BOWMAN:** Yes, sir. And that -- Commissioner Lewis has questions on the

9 directive.

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

11 **COMMISSIONER LEWIS:** Yes, sir. Larry, just to make sure I'm kind of

12 following along, and thank you. The ramble was good. I followed along, I took

13 notes. Thank you. But there's been -- just so I'm clear, there's been no kind of

14 guidance or hinting of a credit downgrade because of storm recovery. I mean, I

15 know in 2020, 2021 because of the accumulated storm debt, Entergy was

16 downgraded, but the credit subsequently was restored. And all my conversations

17 with credit agencies and looking at their financial forecasting reports have only

18 really talked about significant risk in Louisiana wildfire management. And so while

19 I appreciate kind of that perspective, I'm just trying to make sure that when we're

20 making changes -- which I'm not necessarily against this. I feel like this should be

21 more of a rulemaking, so we have more interested parties to comment and talk about

22 this, rather than a directive to Staff, just because I think this is a conversation that

23 is happening across the country. We talked about it with our colleagues in

1 SEARUC. Around storm recovery, there are challenges and changes that other
2 states like Florida is making or not and I think that's real important information to
3 us or value. But I want it to be clear that there's not necessarily a real risk from a
4 credit standpoint that has been demonstrated yet. It's perceived potentially, but not
5 -- no one has mentioned our storm recovery process as a potential downgrade for
6 Entergy or any utility to your knowledge?

7 **MR. HAND:** I would not -- I would respectfully not fully agree with the statement,
8 so I'll kind of answer it this way. I do believe a number of the credit rating agencies
9 have cited the Louisiana Commission's general support -- historic support for storm
10 recovery as being credit positive, credit supportive. But they've also remarked at
11 the time it takes to securitize from storm to that. And I think one of the more -- and
12 subject to check, one of the more recent Moody's reports does talk about a risk
13 associated with the very significant capital expenditures we are currently making
14 and planning to make, subject to Commission approval. And I think when you read
15 all that together, to me, there is a risk of significant storm occurring. And that all
16 that capital, something would have to give, either securitize faster or stop spending
17 on some of the other stuff.

18 **COMMISSIONER LEWIS:** No. And I appreciate that and I don't mean to be --
19 this to come off wrong, but I'm going to ask a question the way I think my
20 constituents ask it and say so why should we therefore expediate hurricane recovery
21 so we don't jeopardize Meta, right? Let's just say that. I mean, so I want to
22 understand how we tell that because I think constituents have asked these questions
23 about, all righty, all these other investments, how does this benefit me? And then

1 now if they're watching or listening when I say okay, wait, so we're now going to
2 expedite before a prudence review recovering storm dollars so we don't jeopardize
3 Meta? What should we tell them to that?

4 **MR. HAND:** Well, I mean, first and foremost, I would say that the reason to do
5 this, what we're asking, is that it lowers the ultimate cost for customers because we
6 are kind of avoiding carrying cost on the storm expenses at the utilities' weighted
7 average cost of capital which is call it 8.4% and trading that out for a bond rate. I'm
8 not an expert in the bond markets. Maybe Mr. Sisung is, but, you know, the last
9 securitizations we did, 4.2% and 5.1%, so that delta is the -- really the reason to do
10 it quickly is you save that money for customers and reduce the carrying cost. The
11 credit in the credit supportive piece is a real thing and it's not -- to be clear, this is
12 not just the stuff we're doing, you know, the generation as part of the north
13 Louisiana package of stuff associated with Meta. This is everything. This is day-
14 to-day, you know, baseline and reliability projects on the distribution system, it's
15 resilience. All of these are customer facing, customer focused. So I think the ability
16 to execute on those, I mean, the fact of the matter is when this Commission makes
17 the determination that a project is in the public interest, by definition, it's beneficial
18 for customers and I think we want to make sure we can execute on that without
19 jeopardizing having to choose one project or another.

20 **COMMISSIONER LEWIS:** Thank you. And, Mr. Sisung, can you -- I know
21 you've done a lot of this work before and double-checking the money that is spent
22 during storm recoveries. Do you believe a shortened timeline could jeopardize the
23 integrity or thoughtfulness of any analysis that you potentially could do? I know

1 you're not hired, so I don't want to make you prejudge anything, but since you're
2 prudence experienced.

3 **MR. LANE SISUNG:** Yeah. Lane Sisung, United Professionals Company,
4 consultant to the LPSC on numerous matters. Yeah. I will say that we've actually
5 -- I didn't know anything about this, so. All I saw was directive, so I'm hearing all
6 this for the first time. But as I'm processing what I'm hearing, I can tell you that in
7 past cases, we have -- like when Ida came and it came right on the heels of another
8 one, we have had allowed an amount of money to be spent that was subject to a
9 prudence with a claw-back. So we've already had experiences where we've issued
10 the securitized bonds before we've been able to actually get in and look at the assets.
11 And we had a mechanism built in that would true it all back up. If they spent less,
12 they would get -- that it would come back into ratepayers. So I think it can be done,
13 but I'm not exactly clear on [CROSSTALK].

14 **COMMISSIONER LEWIS:** Yeah, no, yeah. And my question was more just
15 kind of generic. And in your knowledge, has there been any significant
16 disallowances in a review of the prior storm cost recovery request? Or a better way
17 I should say that, when we did take 10 to 12 months, did it in fact uncover any
18 problems that needed resolving before the approval or financing of an order?

19 **MR. SISUNG:** I think the important word you said there was significant. We have
20 definitely found issues where we've had disagreement and we've worked to a
21 resolution. Regular time payroll comes to mind and how you pull that out because
22 you didn't want double recovery. There have been other issues, but I don't think
23 any of them have been significant and we've always -- anything that we have

1 identified, the utilities have worked with us, and if it shouldn't go in, it didn't go
2 in.

3 **COMMISSIONER LEWIS:** And if I'm correct -- what is it? The disallowances
4 have been around 5% on average; is that -- is my recollection correct on that?

5 **MR. HAND:** I would say 1 to 5% depending on the storm, and I think more
6 recently, it's probably trending to the lower percent because as we -- you know,
7 we've cleaned up our processes. When an issue is discovered in a prior storm, we'd
8 make sure, you know, for example, you know, one of the things we routinely
9 remove is -- consistent with the Commission's rate policy, is certain executive
10 compensation [INAUDIBLE] one through four. We make sure we take all that out.
11 In earlier storms, some might have not been scrubbed appropriately, so we've
12 gotten better about cleaning it up before we present it. And I think because of that,
13 the amount -- the percentage of costs that are proposed for disallowance has gone
14 down, but I would say generally less than 5%.

15 **COMMISSIONER LEWIS:** Okay. And last question for you, Mr. Hand, I know
16 in the Hurricane Francine recovery, we did not utilize majority of the emergency
17 storm recovery rider. How would this play? I mean, if we're expediting for
18 securitization, are you still looking at that storm reserve or are -- or do you see it
19 differently?

20 **MR. HAND:** So I think the -- how we would use that storm reserve would depend
21 on the future storm. Because of the way we financed the Hurricane Francine cost,
22 we still have about, subject to check, \$225 million in the storm escrow that was
23 previously securitized, so that would be a tool to use in the future storm. I do see

1 that, you know -- let's say we have a major storm and we use this process to
2 securitize and there is -- and it would have to be, as Mr. Sisung said, similar to the
3 billion dollars that we did as part of Ida. We securitized that before the Commission
4 completed its prudence review. Saved customers -- because of the timing, saved
5 customers many, many -- I think tens of millions of dollars because we got that
6 bond rate sooner. To the extent we did this again and the Commission found, as an
7 example, \$50 million to have been imprudently incurred, we would have to refund
8 that back. And the way securitization works, the finance storm charge is
9 irrevocable once it's approved so we can't change that. But we would work with
10 the Commission to figure out, all right, \$50 million, we have to give it back in this
11 scenario because it was imprudently incurred. We would either add that to the
12 storm escrow and, you know, our shareholders in that disallowance world would
13 put \$50 million into the escrow to be there for future storms. Or if it's the
14 Commission's preference, we could credit it back maybe through the storm cost
15 offset rider and have it go back over a period of time. So we'll have to figure out
16 exactly how to manage that, but we definitely have an example of how we've done
17 it in the past and maybe how we can do it again.

18 **COMMISSIONER LEWIS:** Thank you. And, Ms. Bowman, real quickly for
19 you, I know the directive discusses conducting an RFP for consultants to assist the
20 preliminary review. Can you walk me through how we would do that? Is that
21 process we're just going to put out a blanket RFP for storm recovery just to be
22 prepared or is it by storm?

1 **MS. BOWMAN:** So I would put out a blanket RFP for an initial review of any
2 securitization application that we received just so we can have a consultant to help
3 us look through that. But it wouldn't be storm specific, it would just be kind of we
4 have them on call in case the storm happens and in case a utility comes in and files
5 a securitization application.

6 **COMMISSIONER LEWIS:** Gotcha. And what would the timeline of that RFP
7 --

8 **MS. BOWMAN:** If you guys --

9 **COMMISSIONER LEWIS:** -- if we approve?

10 **MS. BOWMAN:** Yeah. If you guys approve this, I can issue it in the next couple
11 of -- you know, week or so and have it on August B&E.

12 **COMMISSIONER LEWIS:** Okay.

13 **MS. BOWMAN:** And what was my plan, because obviously we're into the throes
14 of hurricane season.

15 **COMMISSIONER LEWIS:** Hurricane season. No, no. Thank you. Thank you,
16 all of you. And I want to be very clear, I am not opposed to this process or this
17 change. I think where I come from is I would like an open docket looking at
18 practices and modern ways to be effective. I think a rulemaking that we can have
19 meaningful investigation, stakeholder feedback, and any of our processes being
20 evaluated for potential changes to benefit all long-term to me seems the better route.
21 I think Mr. Sisung eased my concerns that we have already made adjustments
22 throughout the course of history if something came up. And I do think this is a very
23 important topic, I just believe that we should do this in a rulemaking. So while I

1 am opposing this directive, I'm not opposing the conversation and the discussion.
2 I just think there's a better avenue to really get to the solution that we're talking
3 about, Mr. Hand, so I just wanted to put that on the record.

4 **MR. HAND:** I appreciate that, Commissioner, and I fully agree, you know, long-
5 term rulemaking is the right solution here, but I wanted to -- you know, we can't
6 start a rulemaking as the utility. We could file the application we filed because it
7 was the only, you know, control we had. I have no issue with having this be in a
8 rulemaking for long-term needs, but I also felt responsibility to bring it to the
9 Commission so that we have something in place for this storm season. You know,
10 I don't want to plan for storms after they happen. I want to plan before and that's
11 what this is. If approved, this directive would only apply, as I've heard it, to this
12 storm season.

13 **MS. BOWMAN:** To this season.

14 **MR. HAND:** And so maybe that's a bridge until we get a rulemaking in place, you
15 know, before next storm season, so thank you.

16 **COMMISSIONER LEWIS:** No. Appreciate your comments. Thank you.

17 **CHAIRMAN FRANCIS:** All right. Any opposition to Commissioner Skrmetta's
18 directive?

19 **COMMISSIONER LEWIS:** Yes, Mr. Chairman, I'll object.

20 **CHAIRMAN FRANCIS:** Okay.

21 **VICE CHAIRMAN SKRMETTA:** Request roll call vote.

1 **CHAIRMAN FRANCIS:** Roll call vote. The Chair votes positive for this, support
2 of Skrmetta's idea. How about you, Commissioner Campbell? You for or against
3 Skrmetta's directive?

4 **COMMISSIONER CAMPBELL:** I'm against it.

5 **CHAIRMAN FRANCIS:** You're against it. Okay. So, Commissioner Coussan,
6 how do you vote? Yes or no?

7 **COMMISSIONER COUSSAN:** I vote yes.

8 **CHAIRMAN FRANCIS:** All right. It's three to two. We approved
9 Commissioner Skrmetta's directive. All right.

10 **VICE CHAIRMAN SKRMETTA:** For the record, I'm a yes.

11 **CHAIRMAN FRANCIS:** Okay. Sorry about that.

12 **VICE CHAIRMAN SKRMETTA:** That's okay.

13 **CHAIRMAN FRANCIS:** And Commissioner Coussan got a --

14 **COMMISSIONER COUSSAN:** Okay. Are we still in -- if we're still in the
15 directive part --

16 **VICE CHAIRMAN SKRMETTA:** We still have one more.

17 **COMMISSIONER COUSSAN:** Oh, we still have one more that's written up?

18 **MS. BOWMAN:** No, we're done with Exhibit 19.

19 **VICE CHAIRMAN SKRMETTA:** Actually, we have the one --

20 **MS. BOWMAN:** Well, that's Exhibit 22.

21 **VICE CHAIRMAN SKRMETTA:** Oh, I had it under my -- I had it as a second
22 directive on my sheet, so anyway. Okay. Go ahead. He just wants to do another
23 directive.

1 **COMMISSIONER COUSSAN:** I'll do it after his final directive.

2 **VICE CHAIRMAN SKRMETTA:** No, that's okay. I don't care.

3 **COMMISSIONER COUSSAN:** The final directive.

4 **SECRETARY FREY:** I think that one's on this separate agenda item.

5 **MS. BOWMAN:** That's a separate agenda item, so if you have a directive --

6 **COMMISSIONER COUSSAN:** Okay. So relative to the actions taken by the

7 legislature, there were several, as you mentioned, different resolutions. Some of

8 which requested to form task forces. So as a procedural matter, I would just like to

9 have a directive that we comply with the legislative request to appoint someone to

10 those task forces where it's applicable.

11 **SECRETARY FREY:** And that's -- as we discussed, I think some specifically

12 name me as the Executive Secretary. Well, not my name, but Executive Secretary.

13 Some say the Chairman or his designee, so we will handle those appropriately and

14 duly noted.

15 **COMMISSIONER COUSSAN:** Okay. So do we need to take --

16 **SECRETARY FREY:** And Chairman and I have already --

17 **COMMISSIONER COUSSAN:** Do we need to take action? Because some of

18 these things may meet before we meet again in August.

19 **SECRETARY FREY:** The Chairman and I have already started that discussion,

20 so I think if he, you know --

21 **CHAIRMAN FRANCIS:** Just to make a public statement, I think we're going to

22 let the Secretary be the horse for us.

1 **COMMISSIONER COUSSAN:** So do we need to make a -- do we need to vote
2 on that? It sounds like we don't, but --

3 **SECRETARY FREY:** Yeah. [CROSSTALK] his direct representative, I'll handle
4 it that way.

5 **CHAIRMAN FRANCIS:** Well, okay. Let me ask, is there any objection to that?

6 **VICE CHAIRMAN SKRMETTA:** No.

7 **CHAIRMAN FRANCIS:** Hearing none, it's done, so you're in.

8 **SECRETARY FREY:** Okay. So we're ready to go then.

9 **COMMISSIONER COUSSAN:** Thank you, Chairman and Commissioner
10 Skrmetta. It's not quite as obvious for the new ones that are on the Commission,
11 so appreciate your comments.

12 **CHAIRMAN FRANCIS:** Okay. What's next?

13 **MS. BOWMAN:** So Exhibit 20 is next. It's Docket Number U-36972. This is
14 Phillips 66 Company versus Entergy Louisiana's complaint and petition to
15 determine and discontinue overcharges from Entergy and request for refund. It's
16 an update on the docket from Staff. This is at the request of Commissioner
17 Coussan. This matter is on the agenda at the request of Phillips 66, but since this
18 matter is still pending before our Administrative Hearings Division, Staff will
19 provide an update on where the docket stands, but we're asking the parties not to
20 speak today.

21 **CHAIRMAN FRANCIS:** We're asking what?

22 **MS. BOWMAN:** So we're going to get an update from Staff on where the agenda
23 is and that will be Mr. Rachal.

1 **VICE CHAIRMAN SKRMETTA:** So it's just a status report?

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

3 **SECRETARY FREY:** Yes.

4 **CHAIRMAN FRANCIS:** Okay.

5 **VICE CHAIRMAN SKRMETTA:** Okay.

6 **MR. PAUL RACHAL:** Good morning, Commissioners. Paul Rachal on behalf
7 of Staff. As she said, I can't speak to the details of the docket. There has been
8 extensive discovery going on for the past year and a half. We were going to have
9 a hearing in May, but we continued it because the parties needed more time for
10 discovery. But we had a status conference yesterday and scheduled tentative
11 hearing dates for the end of October, pending availability for counsel. And as Staff
12 has no position, we're still reviewing discovery and that's where we stand right
13 now.

14 **COMMISSIONER COUSSAN:** So this is squarely within the jurisdiction of the
15 Public Service Commission?

16 **MR. RACHAL:** Yes, Commissioner. We did have a hearing on exceptions way
17 back in December of 2023 on that, and the ALJ ruled in our favor, so it is within
18 our jurisdiction.

19 **COMMISSIONER COUSSAN:** Okay.

20 **CHAIRMAN FRANCIS:** Any other discussion?

21 **MS. BOWMAN:** No other questions?

22 **COMMISSIONER COUSSAN:** Could you tell me who the -- are there lawyers
23 enrolled for Phillips 66?

1 **MR. RACHAL:** It's Randy Young on behalf of Phillips 66 and Raley Alford on
2 behalf of Entergy.

3 **COMMISSIONER COUSSAN:** And when the -- when you read that we don't
4 want parties to speak here today, does that include the lawyers?

5 **MS. BOWMAN:** That would be my preference. I guess I'd prefer not to go into
6 the substance of the complaint itself because it is still pending before our ALJ. If
7 you want, I guess, to ask them procedural questions --

8 **COMMISSIONER COUSSAN:** Well, let me ask you this. When did -- the issue
9 at hand, when did the issue begin? What year? What month? How long has this
10 been pending --

11 **MR. RACHAL:** It's been going since the spring of 2023.

12 **COMMISSIONER COUSSAN:** The spring of 2023. You mean in the --

13 **MR. RACHAL:** That's when the complaint was first filed.

14 **COMMISSIONER COUSSAN:** No, the facts of the case. When did they start?

15 **MR. RACHAL:** Oh, after Hurricane Ida.

16 **COMMISSIONER COUSSAN:** Okay. Which was when?

17 **MR. RACHAL:** 2021.

18 **COMMISSIONER COUSSAN:** 2021, so this is a four-year-old issue?

19 **MR. RACHAL:** Yes, Commissioner.

20 **COMMISSIONER COUSSAN:** How long do issues normally take to make their
21 way through the process with the Public Service Commission?

22 **MS. LAUREN EVANS:** Good morning. Lauren Evans on behalf of Staff. It
23 really just depends on the facts of each of the cases. And when we don't have a

1 specific timeline in place, we do work to encourage the parties, especially in a
2 complaint docket, to work together to try and do them as expeditiously as possible.
3 But there isn't a set timeline especially when it's a complaint like this and it's two
4 other parties and the Commission. You know, as Mr. Rachal said, like we haven't
5 taken a position yet in this docket. We're just kind of trying to gather the
6 information and so it's kind of in the hands of the parties.

7 **COMMISSIONER COUSSAN:** So it's not in the hands, on the substance, of the
8 ALJ just yet, which is the scheduling order that just took place yesterday?

9 **MS. EVANS:** That's correct.

10 **COMMISSIONER COUSSAN:** Okay. Okay. It seems like a mighty long time
11 for something to work itself out.

12 **MS. BOWMAN:** So as Mr. Rachal said, it's my appreciation that after the ALJ
13 rule that this was in fact under our jurisdiction, discovery started. There has been
14 a lot of discovery back and forth amongst the parties and I believe some
15 disagreements as to what should and should not be responded to. So I believe that
16 is what is taking longer than normal is working through those discovery issues.

17 **COMMISSIONER COUSSAN:** Okay. Thank you.

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

19 **COMMISSIONER LEWIS:** Ms. Bowman, can I clarify?

20 **MS. BOWMAN:** Yes.

21 **COMMISSIONER LEWIS:** Just make sure I'm understanding. It's been the --
22 because I've been trying to follow the case along and I've gotten confused myself a
23 little bit. So it has been objections to questions and discovery that has -- or, Paul,

1 that may be a better question for you -- that have kind of delayed the timeline of
2 working through the objections of discovery questions and whether or not they
3 should be admissible in the hearing or required; is that --

4 **MR. RACHAL:** Yes, Commissioner. It's been -- request the Judge has had to
5 rule on these motions to compel and all that, so we've had to wait and then the other
6 parties have a chance to respond, so that's been the hold up, really.

7 **COMMISSIONER LEWIS:** So it's just been the back and forth between the two
8 parties really is why the procedural schedule hasn't moved forward?

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

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

11 **COMMISSIONER COUSSAN:** Thank you, Mr. Chairman. That's it.

12 **CHAIRMAN FRANCIS:** Okay. Is that it? Okay. What's next?

13 **MS. BOWMAN:** So Exhibit Number 21 is Docket Number U-37586. This is
14 Concordia Electric's application for an increase in rates including interim rates,
15 tariff modifications, and the establishment of an emergency reserve fund. It's a
16 discussion and possible vote on the interim rate increase and emergency reserve
17 fund pursuant to Rule 57 at the request of Chairman Francis. On May 16, 2025,
18 Concordia filed its application, which included a request for interim rates and the
19 establishment of an emergency reserve fund. In its current application, Concordia
20 indicates it has not produced sufficient revenue to meet its minimum debt coverage
21 with lenders, and was unable to cover its costs without becoming dependent on
22 short-term lines of credit. Concordia is requesting to implement 60% of the overall
23 requested rate increase, or approximately \$1.8 million as an interim base rate

1 increase, as well as the immediate implementation of the emergency reserve fund
2 rider. Concordia's emergency fund rider would be for 1.1 million reserve funds
3 collected over three years. Staff recommends that the Commission exercise its
4 original and primary jurisdiction under Rule 57 to consider the request. And while
5 Staff makes no formal recommendation regarding the request, Staff does note that
6 pursuant to applicable law, any interim increase should be subject to refund and the
7 applicable bonding requirements. If Concordia's request is approved, Staff
8 recommends that Concordia should file proof of the applicable bond requirements
9 with the Commission; be required to file an updated tariff indicating the interim
10 rate and the emergency reserve fund rider and its terms with the Utilities Division
11 within 30 days; and Concordia cannot begin charging the interim rate until proof of
12 the applicable bond requirements and an updated tariff have been provided to and
13 approved by Staff.

14 **COMMISSIONER CAMPBELL:** Concordia Electric is in Jonesville, Louisiana
15 and I would --

16 **VICE CHAIRMAN SKRMETTA:** It's a Rule 57, correct?

17 **MS. BOWMAN:** Yes.

18 **COMMISSIONER CAMPBELL:** You have to move to Rule 57?

19 **VICE CHAIRMAN SKRMETTA:** Bring it up -- yes.

20 **MS. BOWMAN:** Yes.

21 **CHAIRMAN FRANCIS:** And I'll second the 57. Okay.

22 **COMMISSIONER CAMPBELL:** They run a nice co-op down there. They
23 manage it well. They take care of their people. \$2.21 a month. I'm for it.

1 **MS. BOWMAN:** So is that a motion?

2 **COMMISSIONER CAMPBELL:** Motion to approve Staff recommendation.

3 **CHAIRMAN FRANCIS:** Commissioner Campbell makes a motion to approve it

4 and the Chairman second. Is there any discussion or opposition? [NONE HEARD]

5 I see on here they got a counsel, Russell Purvis and Glenn Edwards. Is there -- is

6 that the Glenn Edwards that works with SLEMCO?

7 **MS. BOWMAN:** It is. He's assisting Mr. Purvis in this docket.

8 **CHAIRMAN FRANCIS:** What's that?

9 **MS. BOWMAN:** He's assisting Mr. Purvis [CROSSTALK] docket.

10 **CHAIRMAN FRANCIS:** Okay. Okay. Good. That's what I just wanted to see.

11 Okay. Well, let's -- looks like 21 is passed.

12 **MS. BOWMAN:** Exhibit 22 is a directive to Staff to open a rulemaking to review

13 the Commission's rules on common carrier pipelines and this is at the request of

14 Vice Chairman Skrmetta. The Commission's General Order dated March 9, 2015,

15 Rules Applicable to Common Carrier Petroleum Pipelines, is over 10 years old. I

16 direct Staff to open a rulemaking to review, and potentially revise, this general order

17 to account for the ever-evolving industry, including an analysis of whether the

18 regulations currently applicable to liquid petroleum pipelines should be expanded

19 to include other types of common carrier pipelines that may become jurisdictional.

20 This rulemaking should also consider establishing terms and definitions associated

21 with common carrier pipelines for the purpose of the Commission's review of tariff

22 related matters. Further, Staff should coordinate with the Louisiana Department of

23 Energy and Natural Resources on this rulemaking, to the extent they are willing to.

1 **SECRETARY FREY:** And I can add to that point, Secretary Gray and I have
2 already discussed and they are more than willing to work with us and provide their
3 assistance, so they are on board as well.

4 **VICE CHAIRMAN SKRMETTA:** Yes.

5 **COMMISSIONER LEWIS:** Brandon, can you -- I know the legislature made
6 some changes to our definitions. Can you explain what those were? I know it went
7 back and forth a little bit towards the end and got added at the last second, but.

8 **SECRETARY FREY:** Let me see if I can explain this. So there were a couple of
9 pieces of legislation to address common carrier pipelines -- petroleum pipelines.
10 One was part of the Department of Natural Resources, which I think is now the
11 Department of Conservation and Energy as part of the reorg bill. There was some
12 language there that would address disputes if there was a disagreement about
13 whether something qualified or not, the secretary of DENR could mediate that.
14 Then there was also a piece of legislation that I believe you and Commissioner
15 Skrmetta were both there for that directly addressed a matter in front of us. That
16 bill was proceeding -- or proceeded through the House and stalled in the Senate
17 Commerce Committee. However, the language, not in its entirety, but very similar
18 language to that bill, was then added to the department's reorganization bill, which
19 was ultimately passed. I don't know that the governor's signed it yet, but I assume
20 he will. So there are some changes to definitions that would be in Title 45 as well
21 as that language about the role of the Department of Energy and Natural Resources
22 to essentially act as a mediator subject to appeal prior to matters even coming to us.
23 There's also a piece in there with other pipelines that we're working through to see

1 how that might potentially fall under our jurisdiction as well. So I don't know if
2 that answers your question, but that's kind of what happened.

3 **COMMISSIONER LEWIS:** Oh, no, no. You did. I'm very supportive of this. I
4 just wanted to know how that would go in the process of this directive with some
5 of the changes that the legislature made.

6 **SECRETARY FREY:** Yes.

7 **VICE CHAIRMAN SKRMETTA:** Yes.

8 **CHAIRMAN FRANCIS:** Was this -- what Commissioner Skrmetta is suggesting,
9 does it kind of work together with the legislature?

10 **VICE CHAIRMAN SKRMETTA:** Yeah.

11 **SECRETARY FREY:** Well, with the Department of Energy and Natural
12 Resources. Since we share -- we share a lot of jurisdiction with them over pipelines
13 and Secretary Gray and I have started this discussion, which I think is very good,
14 because we have this shared authority over pipelines whether it be natural gas or
15 common carrier or maybe some other pipelines coming forward. They're more the
16 safety role and some of the permitting, we're more of the rate component. So
17 working together, making sure our rules mesh, that no one's falling in the gaps,
18 etcetera. So no, I think it's -- we have a really good relationship and I think it's
19 going to continue going forward.

20 **COMMISSIONER COUSSAN:** They also have the expropriation side of it.

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

22 **VICE CHAIRMAN SKRMETTA:** Yes.

23 **CHAIRMAN FRANCIS:** So they have a little jurisdiction over it?

1 **SECRETARY FREY:** They've actually probably got more pipeline jurisdiction
2 because their rules encompass all sorts, whether common carriers or not, where
3 ours is restricted to common carrier pipelines.

4 **VICE CHAIRMAN SKRMETTA:** Right. Exactly.

5 **CHAIRMAN FRANCIS:** Well, we still don't have to agree with them; do we?

6 **SECRETARY FREY:** We don't, but we typically do.

7 **CHAIRMAN FRANCIS:** Okay. All right. Just wanting to know.

8 **VICE CHAIRMAN SKRMETTA:** Most of the time we're there.

9 **CHAIRMAN FRANCIS:** We got a dog in the hut, too.

10 **SECRETARY FREY:** Yes.

11 **VICE CHAIRMAN SKRMETTA:** Right. Exactly.

12 **CHAIRMAN FRANCIS:** All right.

13 **SECRETARY FREY:** And Tyler -- I should say that [INAUDIBLE] Tyler.
14 Secretary Gray did also say that any time we would like him here at the B&E, you
15 know, if there's any issue, think it's topical, just to let him know and he will be
16 here.

17 **VICE CHAIRMAN SKRMETTA:** And the idea about the rulemaking is they
18 can all come together and hash this out over the process time, including industry as
19 well as the [INAUDIBLE] of the governor's.

20 **SECRETARY FREY:** Well, and to your point, too, this is a rather old rulemaking
21 that hasn't been tweaked in a while, so.

22 **VICE CHAIRMAN SKRMETTA:** Pipes ain't made out of wood anymore.

23 **SECRETARY FREY:** True.

1 **VICE CHAIRMAN SKRMETTA:** Okay.

2 **CHAIRMAN FRANCIS:** So it -- Commissioner Gray, we'd -- working a lot with
3 him?

4 **SECRETARY FREY:** Yes.

5 **CHAIRMAN FRANCIS:** He's a good old Placid oil company hand, good oilfield
6 guy. Do we need a second or a vote?

7 **SECRETARY FREY:** It's just a directive, so if there's no opposition, it goes
8 forward.

9 **CHAIRMAN FRANCIS:** Is there any opposition from anyone? [NONE
10 HEARD] Hearing none, looks like Chairman Skrmetta's deal is done.

11 **MS. BOWMAN:** So we are now moving back to Exhibit 19 and under the report
12 section, it's the report from MISO, Cleco Power, Entergy, and Staff regarding the
13 May 25, 2025 load shed event. Chair, however you'd like to start. I'm assuming
14 you'd like to start with MISO?

15 **CHAIRMAN FRANCIS:** Sounds like a good place to start. Okay. MISO?

16 **MS. BOWMAN:** Jaime, can you turn the lights down, please? Thank you.

17 **MR. TODD HILLMAN:** Thank you, Mr. Chairman, members of the
18 Commission. My name is Todd Hillman. I'm the senior vice president, chief
19 customer officer for MISO. Joining me up front is J.T. Smith, our executive
20 director of market operations, and Jamie Watts, Long Law Firm, outside counsel.
21 We can go to the next slide, please. So since this event has taken place, we've had
22 a lot of questions and I think the one we want to get out to out front and up first is,
23 well, who's responsible, who's accountable? And what I can tell you is MISO is

1 responsible as the reliability coordinator for the reliability of the wholesale electric
2 grid. We're also accountable for making sure that we communicate these types of
3 events and that is the area where I am sure you found it frustrating, disruptive, and
4 deeply concerning. MISO is taking that action item and we'll talk more about that
5 as we go through about how we can better communicate these type of rare and
6 unfortunate events. I'll also talk to you about this being a transmission system
7 emergency, which is very different than what you have typically seen from MISO
8 over the last number of years where we go through a step process in an emergency
9 energy alert. This is a transmission system alert, which is different, so I'm going to
10 walk you through why that is different and also why that is fairly rare in the MISO
11 footprint as well as in the U.S. While it was the right thing to do from a reliability
12 perspective, that's part of that cascading outage to prevent further outages and
13 catastrophic things happening with the wholesale electric system, you never want
14 to do that and that is literally our last resort in working with our members. That's
15 the last thing you do before you would see some of those catastrophic events happen
16 on the system. And so we'll walk you through sort of a timeline as well as an events
17 from a map as well as a timeline perspective. But the one thing to take away from
18 this is the question of, well, who's responsible? That's us. And who's accountable
19 for better communicating? That's us as well and working with our members,
20 working with you all on the Commission, as well as all MISO stakeholders to
21 ensure that as we look at the lessons learned here, we do our best to avoid this at all
22 costs in the future, but if it does, God forbid, happen, that we do a much better job
23 of communicating that so we do the right communication at the right time to the

1 right folks. Next slide. So the conditions of the system in this south region during
2 this Memorial Day weekend, we have limited transfer capability. What is that
3 called? That's really what we call load pockets and what load pockets are is you
4 have customers in a system, you have a certain amount of generation that's within
5 that system and a certain amount of transmission that can get in and out of that
6 system. So they carry a unique set of reliability circumstances. You have to have
7 power in those certain areas. I know we've gotten a number of questions, well,
8 why didn't you just import more power? Why didn't you just buy more power to
9 get in there? The load pockets actually have a limited amount of import and export
10 capability into them. So that's something we're always working with our members
11 to study. I'm going to get into a little bit later all the actions that are being taken by
12 MISO as well as its members to try and get more transmission and more generation
13 into the load pocket areas. The next thing you find is in this shoulder period, this
14 April, May timeframe, you still have a number of utilities and entities that are doing
15 maintenance on their generation. This is critical maintenance in order to get ready
16 for the very hot summer season that typically happens in the March, April, May
17 timeframe as then as October, November timeframe. Those are called the shoulder
18 months where a lot of folks are taking those necessary outages to make sure that
19 equipment is online when it's needed most. In addition to that, as units are coming
20 up, we do what's called -- we have forced or unplanned outages, where when
21 they're bringing these units back up, you might see some system issues, you might
22 see some actual issues with the units themselves that take more time in order for
23 them to get those back to full capacity. And you also had a line that unfortunately

1 was taken out. This is a major large wholesale transmission line that provides
2 power into this load pocket that was out since March of 2025 due to a tornado. So
3 a culmination of events really led us to this event of March -- May 25, excuse me.
4 When we get into conditions like this, MISO is what's called the reliability
5 coordinator. And what does that mean? MISO takes a much wider view of the
6 grid. As you know, we have 15 states. We also have the MISO South region that
7 we focus and concentrate on. And so we look at our modeling, we look at our
8 analysis, we look at all that on a constant basis as that reliability coordinator and
9 work with our members. That wider footprint view told us that as we were going
10 into this long weekend, we did have hot temperatures, not too much more than
11 normal temperatures, but very hot temperatures, which were going to keep load up.
12 We had these outages on the system that we were closely monitoring and again we
13 had that -- that transmission line was out. So constant communication between us
14 and our members. And unfortunately, we got to a position to where when we
15 continued to analyze the system, the system told us based on the conditions that we
16 had to go into this what's called an IROL or an interconnection reliability operating
17 limit. Another way I would describe this to you is like in your house, when you
18 have a circuit breaker in your house, right? The circuit breaker is designed that if
19 you have that system in your house where you could see larger and bigger issues
20 with your house, that circuit breaker will trip to make sure that no further damage
21 happens. This IROL is very similar to a circuit breaker for the system. So in those
22 cases, MISO, as that reliability coordinator with that wider view, is required to get
23 that last resort system or that load off of the system in order to relieve the constraint

1 or issues on that system. And so we try and do limited and controlled load sheds
2 or customer load sheds at that point. As you can see by this chart, we worked
3 closely with Entergy and Cleco to instruct those load sheds and then bring that load
4 on as safely and reliably as possible, but also as quickly as possible. The reason
5 that these IROLs in place, again, like that circuit breaker, you want to prevent the
6 potential collapse of bigger parts of the system. 2003 blackout in the U.S. was a
7 result of one piece then cascading to the next, to the next, and the next. That's the
8 reason why these IROL procedures do exist. And so again, the collaboration was
9 very, very good. It just we had a culmination of events that led us to this
10 circumstance, which required us to get this load off the system, but then get that
11 load back on the system as quickly as possible. So let's walk through the map.

12 **COMMISSIONER COUSSAN:** I think it'd be worthwhile to have some
13 questions before we get to the meat of the slides.

14 **CHAIRMAN FRANCIS:** All right. Yeah. Okay. Good. Commissioner
15 Campbell.

16 **MR. HILLMAN:** Please.

17 **COMMISSIONER CAMPBELL:** Yes, sir. How long were you out?

18 **MR. HILLMAN:** Total -- was it four hours total, approximately?

19 **MR. J.T. SMITH:** Yes, I believe that is correct. We issued the load shed directive
20 around 4:00 in the afternoon and I believe the last set of load came back online
21 around 8:00 or 9:00.

22 **MR. HILLMAN:** We bring the load on in steps and stages so as to make sure that
23 the system can handle it as it goes on, don't bring it all back on at once.

1 **COMMISSIONER CAMPBELL:** Let me ask another question. SPP came here
2 and they pretty much said they don't owe any responsibility to the customers as far
3 as monetary. Do y'all take the same approach that if people -- I think you're wrong
4 because I think people that depend on you that pay their bills and their business is
5 involved and they lost all the money during that, while you -- it was your fault or
6 somebody's fault. It wasn't the business' fault. Y'all don't feel like you owe those
7 people anything?

8 **MR. HILLMAN:** As much as we wish that was true, we are a nonprofit
9 organization that's held bound by that. We have a similar answer to SPP,
10 Commissioner, which is, yeah, we don't have a mechanism by which to go to the
11 retail customer. We work with our wholesale customers like Entergy.

12 **COMMISSIONER CAMPBELL:** What would happen if the retail customer
13 didn't pay his bill?

14 **MR. HILLMAN:** You'd have to ask that to Cleco or Entergy, Commissioner. I
15 don't know.

16 **COMMISSIONER CAMPBELL:** Well, I got it. So he doesn't pay his bill and
17 he needs you at a particular time and you're out of town or wherever you want to
18 say it is, you're off, and he loses all his revenue coming in, but you want to make
19 damn sure that he pays his bill; that's what you're telling me?

20 **MR. HILLMAN:** That's a question for Entergy or -- I have no retail customers,
21 Commissioner. Like I said, our members are Entergy and Cleco in this case. We
22 do not have any actual retail customers.

1 **COMMISSIONER CAMPBELL:** I understand that, but you supply the power to
2 Cleco and Entergy.

3 **MR. HILLMAN:** No, sir. Entergy and Cleco are the ones that generate the
4 electricity. MISO, as the reliability coordinator --

5 **COMMISSIONER CAMPBELL:** Well, you work with them then? Okay.

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

7 **COMMISSIONER CAMPBELL:** Well, you could use your influence and tell
8 them maybe y'all ought to pay for some of this. You say you didn't have anything
9 to do with it, it's Entergy's fault. Now, Entergy tells a different story about how
10 long they were notified before the power went off. They say that you didn't give
11 them enough time to tell them how long it was before the power went off. They
12 said something like seven or eight minutes. That's unbelievable.

13 **MR. HILLMAN:** Yes, sir. If I can go back one slide, that's the nature of the
14 conditions of this IROL, which is very, very different than what you typically see
15 when you get into a stage where you'll see hot weather coming, you'll say we're
16 getting closer to that load peak, you continue to do those alerts in a sequence. This
17 is a different procedure in the sense that the system because of that culmination of
18 events got you to a level where you had to get Entergy off the system or else you
19 could have seen cascading or catastrophic outages on the rest of the system.

20 **COMMISSIONER CAMPBELL:** Did in fact did you give them just seven
21 minutes notice?

22 **MR. HILLMAN:** I don't know the exact times, Commissioner. Like I said, we
23 have 30 minutes in order to execute the load shed event.

1 **MS. JAMIE WATTS:** And, Commissioner, we have further slides into the
2 presentation that more specifically address the timeline.

3 **COMMISSIONER LEWIS:** Oh, okay. That was going to be my question.

4 **COMMISSIONER COUSSAN:** And I have a question for you because it does
5 relate to this slide and I believe that we discussed this before we got into the meeting
6 today. You're using terms like IROL, the system, Entergy and Cleco instructed to
7 load shed. And so my question is kind of a pervasive question. What part of this
8 is automated? What part of this is being applied by humans, by your management?
9 And, you know, does AI play any role in this? And do automated -- the load shed,
10 was any of that automated as far as the triggering mechanisms where you meet the
11 IROL? Or are we dealing with humans here making final judgement calls on these
12 critical issues that affect our constituents, you know, Louisianans, many
13 Americans?

14 **MR. HILLMAN:** Yes, sir. Commissioner, I would say for MISO, and I'll let
15 Entergy and Cleco speak to their systems, but MISO is a variegate combination of
16 systems, so computer systems that run simulations and things of that nature, but
17 that's also always backed up by people within our control room that are trained,
18 that know how to operate the system. They make phone calls, so they're still calling
19 operators and working with operators in these control rooms of Entergy and Cleco
20 directly. So I would say it's a good combination. I think we're always looking for
21 the next best thing to help us do our job better, but I wouldn't say it's dominated
22 by any AI or technology that's saying well, if that says it, we do it. We're still

1 spending a lot of time testing, we're still spending a lot of time talking with humans
2 about the next steps before we take those steps.

3 **COMMISSIONER COUSSAN:** And it's to the Commissioner's point about, you
4 know, our constituents are impacted.

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

6 **COMMISSIONER COUSSAN:** I mean, they're impacted in their household,
7 they're impacted in their businesses, so I would hate to say that, you know, we
8 have given up our autonomy and our decision making all to systems and AI where
9 they might not have the empathy, you know, on where these outages occur. And I
10 know, like you said, we may be talking to our other stakeholders here today about
11 that type of issue, but from the MISO standpoint, I believe that it still should have
12 a human element to it before you make those final calls in a catastrophic situation
13 like this.

14 **MR. HILLMAN:** It absolutely does, and we were far from perfect. Our
15 communications on the matter certainly show that and that's where we really have
16 to focus and do better and that's part of that, right? If we leave it to machines to
17 communicate, that's lacking that empathy, that's lacking that understanding. Also,
18 it's important, sometimes we have to do things manually, right? Sometimes the
19 system will say, well, I'm not getting that information from that unit or that plant.
20 Let me pick up the phone and call Joe or Sally and say, hey, I'm seeing this, is that
21 right, maybe we need to change that or do something different. And in this case,
22 we were making those calls, we were manually working with our members to get
23 as much range on these units as possible. Ticking up all the way up to the

1 emergency ranges. So when we there, we were saying we're not going to leave that
2 just to the systems, we're going to make phone calls and make that happen.

3 **COMMISSIONER CAMPBELL:** How many states -- how many states did you
4 say you were in?

5 **MR. HILLMAN:** Fifteen.

6 **COMMISSIONER CAMPBELL:** How many? Fifteen?

7 **MR. HILLMAN:** Yes, sir.

8 **COMMISSIONER CAMPBELL:** Something's got to improve though. You
9 can't just call people up in seven minutes and say your electricity's coming off.
10 That's too fast. Some way as -- you're going to have to improve that.

11 **MR. HILLMAN:** Yes, sir.

12 **COMMISSIONER CAMPBELL:** You got a guy that's got a big business and
13 he's got to -- what happened up in Shreveport, the guy -- they do business on the
14 Friday, Saturday, Sunday nights.

15 **MR. HILLMAN:** Yes, sir.

16 **COMMISSIONER CAMPBELL:** Restaurants, that's when they have people
17 coming in, and they were off three hours during that time or four hours. I think a
18 hell of a little money, I mean, people lose a lot of money, and then guess what? If
19 you don't pay your bills, you're off. These people lose a Saturday night, a spring
20 night where everybody's out on the town eating dinner. We pretty much got
21 nobody that wants to own up to it besides saying, well, we told them to turn it off.
22 But what else did you do? There's no compensation I've heard from anybody. I
23 understand your point. You said, well, talk to Cleco or talk to -- and SPP said, well,

1 you need to talk to SWEPCO. Somebody needs to talk to the people that were out,
2 the guy that owned a restaurant that his biggest night in the spring, pretty spring
3 day, everybody's out, out of electricity. Well, talk to SWEPCO, talk to Cleco, talk
4 to Entergy. Somebody needs to talk to the people. That's what's not happening
5 here.

6 **MR. HILLMAN:** Yes, sir. Thank you.

7 **COMMISSIONER LEWIS:** Todd, can you -- staying on this slide.

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

9 **COMMISSIONER LEWIS:** I want to get a better understanding of NERC's
10 requirements within 30 minutes and I know we're going to get into the timeline a
11 little bit later, but --

12 **MR. HILLMAN:** Sure.

13 **COMMISSIONER LEWIS:** -- based off of the conversation that was had at the
14 City Council of New Orleans and now, I want to make sure I'm understanding this
15 correctly. So when an IROL is initiated, is it 30 minutes total from the initiation to
16 the load shed or are there multiple time variations? Because I'm -- I got confused -
17 -

18 **MR. HILLMAN:** Sure.

19 **COMMISSIONER LEWIS:** -- when we talked about last time or at the City
20 Council that you used 21 minutes of the 30 minutes. But does that mean just
21 notifying the utility and does the utility then have additional time after notification
22 or is that the notification and load shedding all occur within that 30 minutes
23 according to NERC's reliability requirements?

1 **MR. HILLMAN:** Commissioner, this is where I phone a very close and technical
2 friend, J.T. Smith.

3 **MR. SMITH:** So our understanding of the rule is that once an IROL is identified,
4 so at right around 16:00, 4:00 in the afternoon we identified the IROL, the
5 requirement is for us to clear that condition within 30 minutes. So when we say
6 that we issued the load shed at 16:21, yes, we were already 21 minutes into that
7 because we were trying to find alternatives to load shed prior to.

8 **COMMISSIONER LEWIS:** So the utilities are correct that their notice to then
9 shed load within their jurisdiction was around eight minutes?

10 **MR. SMITH:** Yes, sir. So actually, when we issue a load -- when we issued the
11 load shed, the operational directive is for immediate until further notice. So yes,
12 there is really without -- our failure in the lack of communication more outwardly
13 prior to this event coming in to express that there was a potential risk sitting out
14 there is where that failure was. Once the IROL was identified, there is no additional
15 time to be taken on that end. So yes, it was an immediate and until further notice
16 directive. That is going to happen within that 30 minutes, but we should have been
17 communicating much earlier about this risk.

18 **COMMISSIONER LEWIS:** And my understanding from your answer to the City
19 Council of New Orleans was that you did not meet NERC's 30 minutes
20 requirement; is that correct?

21 **MR. SMITH:** We are currently going through the review process with our
22 regulators on that and we'll have that determination shortly.

23 **COMMISSIONER LEWIS:** Okay.

1 **MR. HILLMAN:** So if we go, yeah, to slide five. So this just gives you -- on the
2 next slide, it gives you just a good overview of the area and the system of this load
3 pocket. You can see that there are units on planned outage and what a planned
4 outage is, if we could go to the next slide, planned outages are -- like I said, they're
5 trying to get ready for the peak summer conditions. They're getting their units
6 ready to run. They run hard, they run a lot. MISO dispatches them quite a bit as
7 temperatures rise and load gets higher. We study this from a reliability perspective.
8 We do a sequence of reliability evaluations. We look at generation adequacy on
9 the system. And then if a risk is actually identified, we can ask a utility to move or
10 postpone those outages. So in this case, all of these outages going into this have
11 been studied by MISO and approved to take their outage windows, if you will. So
12 that's about 2,600 megawatts in the load pocket and just outside the load pocket that
13 were on planned outages.

14 **COMMISSIONER LEWIS:** A question about that, so we know of two publicly
15 known Entergy nuclear plants, one planned, one unplanned. But I think it's crucial
16 that we kind of get the full picture here. So there're an additional five generators
17 that were on unplanned outages; is that correct?

18 **MR. HILLMAN:** We can get to the next slide actually. You can see the -- oh,
19 actually, two slides in you can see that there were eight unplanned generating units
20 that were offline, totaling a little less than 4,000 megawatts. And so some of those
21 actually occurred well before the event, Commissioner, but they were just still out
22 as we got to these culmination of events. Some were happening leading up to but

1 before the event as well, but that's just a very large number to have out in a load
2 pocket.

3 **COMMISSIONER LEWIS:** Yeah. Is there a way for us to get the exact
4 generators that were out? I mean, I think this has been a complication in this entire
5 process that we've had is trying to figure out even potential solutions because I've
6 struggled to figure out which generators. And I understand and I appreciate your
7 answer that you've previously given that it is against your tariff to tell those
8 generators, but I think this is a very clear picture for the public, we need to
9 understand whether they are IPPs. I mean, I think our utilities have been at least
10 due diligent in announcing the generators they had out, but I mean, I think there's
11 still, according to myself, six other generators that I have no clue who was out. I
12 mean, this map is helpful, but it's not giving me generator specific information.

13 **MR. HILLMAN:** It's generally helpful, but not helpful.

14 **COMMISSIONER LEWIS:** Right. So I'm just -- how, as a regulator, can I get
15 that information?

16 **MR. HILLMAN:** My understanding is we -- there's a series of data requests that
17 have come out, and we have gotten permission from some of the utilities to put
18 some of that information in those data requests, and so once we continue to get that
19 information in, we'll provide that as data request responses.

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

21 **MR. HILLMAN:** Thank you.

22 **CHAIRMAN FRANCIS:** Okay. Who's -- which one? Go ahead, Commissioner
23 Campbell.

1 **COMMISSIONER CAMPBELL:** Yes, sir. Did you have any load shed, or
2 whatever you want to call it, any other state?

3 **MR. HILLMAN:** No, sir.

4 **COMMISSIONER CAMPBELL:** For the whole year, you haven't?

5 **MR. HILLMAN:** Oh, in the whole -- no.

6 **MR. SMITH:** No, we have actually. Excuse me. For the calendar year we're --
7 the question is, have we had load shed in another state; is that correct?

8 **UNIDENTIFIED SPEAKER:** In 2025.

9 **MR. SMITH:** In 2025. Yes, sir. So during April 2, there was a load shed event
10 that was on the MISO SPP seam in the Texarkana area. And we had a few
11 megawatts associated with that one as well.

12 **COMMISSIONER CAMPBELL:** You ever seen it when you had load shed in
13 two states, pretty much simultaneously? You ever seen that before? That's what
14 we had here. You had it in Shreveport, and then you had it in New Orleans.
15 Nothing you can tell people, y'all just take it. Take it. You lost power, so what?
16 But pay your bill. You don't pay your bill, we're going to cut you off. You see,
17 that's hard to swallow.

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

19 **COMMISSIONER CAMPBELL:** If you had our job, it'd be hard to swallow.

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

21 **COMMISSIONER CAMPBELL:** It's not hard to swallow for you, because you
22 can come down here and say there's nothing I can do.

23 **CHAIRMAN FRANCIS:** Commissioner Skrmetta.

1 **VICE CHAIRMAN SKRMETTA:** Yeah. Couple things. First thing I want to
2 point out, more for the benefit of the public, that other than in 2009 with the
3 Acadiana load pocket, I don't believe there's ever been a load shedding event in
4 Louisiana that I'm aware of before this. And that was before we were in an RTO.
5 And, you know, there are people who are not in RTOs in this country, in the west
6 and in the southeast, and they do not exhort the values of an RTO, number one.
7 When I was contacted by MISO during the load shed blackout in the New Orleans
8 and St. Tammany area, I asked, they said a unit was out, and I said, well, great, I
9 just have three questions: Where is it? How big is it? And who owns it? I was
10 told they couldn't help me. I've been made aware of by Entergy that, and I believe
11 it was through all the utilities when we joined MISO, that they presented waiver
12 letters to MISO, telling MISO that MISO can provide any information to the
13 Commissioners when asked, and that -- obviously that was not followed. And that's
14 a problem because the Commissioners are on the frontline of dealing with the
15 public. MISO doesn't have a phone number that gets answered. We answer the
16 phone, and we talk to the press, and we talk to the public. So the fact that MISO
17 did not follow the waiver letters to provide information to the Commissioners is a
18 serious infraction, I think. Because I think there's a lot more that'd been forgotten
19 about what was agreed to between MISO and the Public Service Commission and
20 the utilities here than has been remembered by them. So I have a real problem with
21 it.
22 **MS. WATTS:** Commissioner, if I may --

1 **VICE CHAIRMAN SKRMETTA:** I'm not finished. You can wait. Okay? So
2 -- and I think the other aspect I have from this is the failure to follow protocol. And
3 the protocol of engaging the interruptibles of Entergy. And I think it wasn't exactly
4 the, I believe, 500 or 600 megawatts that was shed, but it was somewhere in the
5 400 and 480 megawatts potential of -- that could've staved off the load shed event.
6 And I don't understand how the establishment of reliability under SERC, along
7 with MISO, for agreeing to work within the protocols of the load shedding and with
8 the contracts associated with the -- interruptible contracts with the industrials, that's
9 why they get a lower rate. So they understand that they'll have their power turned
10 off, and it's a fairly quick process, but it's evidently not interpreted by the predictive
11 element at MISO of utilizing that as a mechanism to reduce the need for the turning
12 of the power off. So I think that -- and then one final thing is that, you know, the
13 lack of certainty and understanding of, you know, is this going to happen again?
14 And, you know, we know that there were units out, but the units didn't necessarily
15 drop out. The units were out two and three and four days ahead of this. Now, there
16 were some scheduled, there were some that were dropped out a few days before,
17 but they were still out in the day ahead market, so there's knowledge associated
18 with the units not being available. I have had Commissioners from other states
19 telling us that they had, you know, wind velocities dropped, that they had solar
20 cover -- it caused frequency interruption in the lines, that there's all kinds of
21 associative problems that may have been the causation of this. And so, you know,
22 pointing to the base load units in the state, especially when you're looking at, you
23 know, what you're calling a load pocket, I think that's an oversimplification of the

1 problem here. And I think that, you know, the Commission through its experts --
2 because we're just issuing our data request now, so we're going to be looking more
3 in depth on this. But I think that's an oversimplification and an underperforming
4 analysis at this point. But I really need to understand in a further submission of
5 information, why we did not execute the interruptibles? Because otherwise, why
6 am I giving the industrials a discount if their power is not going to be interrupted
7 during an event like this? And I think Entergy can confirm this later, but I think
8 it's like 480 megawatts, which would've been decisively a value in avoiding this,
9 or it certainly would've, you know, cut down on the number of massive
10 transmission pulls that got taken out. And, you know, I mean, the sections of the
11 city of New Orleans and St. Bernard Parish, Plaquemines Parish, St. Tammany
12 Parish, you know, Orleans Parish, sections all over the city. More than likely, if
13 you look at the city of New Orleans, and as I was watching the event unfold on the
14 Entergy outage map, was probably two-thirds of the city of New Orleans area-wise
15 went out. Sections of lower Jefferson went, you know, all of -- predominantly all
16 of Plaquemines Parish down to Point of -- or Buras. Sections of St. Bernard of
17 about 6,000 people went out. So it was significant, but it was done so -- and from
18 what I've talked to from the Entergy personnel, that it was done so in more of a
19 panic than it was done in a planned, methodical outage activation. So -- and that
20 jibes with the failure to file a protocol. Because, you know, the idea of protecting
21 a system is to follow a protocol so you can, you know -- I've been to your facility
22 in Carmel or caramel. I've been there and I've seen how it works. And I haven't
23 been to the one in Arkansas because I guess -- imagine it's interconnect. But I

1 know that you, you know, pay attention to this stuff. So taking the eye off the ball
2 and not, you know, looking in a way to plan on this shows a lack of -- I think a lack
3 in concern. Also, watching how SPP handled the Shreveport matter, you know,
4 demonstrates -- and we've talked about this and we've been quoted in the
5 newspaper, you guys, you know, you don't -- you aren't responsible to the Public
6 Service Commission. Not really, you know. In days before you, companies were
7 extra attentive to events like this, which is why we never had them, you know? And
8 we could always, you know, issue fines against the shareholders and we could get
9 rate credits back to the public. There's a lot of people lost money in this event.
10 You know, businesses went out, people were inconvenienced in the residences, and
11 we understand that. And then people don't understand because this was effectively
12 a black start and it had to come back in sections. They don't understand that. But,
13 you know, businesses went out, businesses lost revenue, there's no mechanism that
14 I'm aware of that can be done other than a class action lawsuit against MISO, you
15 know. I'm unaware of anything that, you know, might, you know -- Entergy's not
16 responsible because in -- I think the position is, you advise Entergy, and if they
17 don't do it, and they have a problem with their system, Entergy's responsible for
18 the failures and damage to the system. And so they have to accommodate you under
19 a contractual relationship. And I think we've got real problems with this, and I
20 think that, you know, I'm going to rely on the Staff's data requests. We're going
21 to have to come back here again in August after we get responses on this. But, you
22 know, a plan is a plan and an emergency plan is even more important than a general
23 plan. And when you've got a plan to execute in the coming aspects of, you know,

1 these are the things we do, you know, when you get hit by the iceberg on your ship,
2 you don't -- everybody just jump overboard, you know? You launch the longboats,
3 you do the [INAUDIBLE], you go through the protocols, right?

4 **MR. HILLMAN:** Yes, sir.

5 **VICE CHAIRMAN SKRMETTA:** And they did -- you did not do that. You did
6 not give Entergy or Cleco an opportunity to execute any protocol arrangements,
7 you just said start flipping switches. It's unacceptable. And I hope people find a
8 way to, you know, effectively get their pound of flesh out of you. We're not going
9 to be able to do it, you know, but we're going to have to find a way to make it more
10 reliable in the future. So I don't have any questions, I don't need any comment
11 from --

12 **CHAIRMAN FRANCIS:** Hillman, question for you on the interruptible load.

13 **MR. HILLMAN:** Yes, sir?

14 **CHAIRMAN FRANCIS:** If we have a utility here in Louisiana that has a contract
15 with somebody on an interruptible load like one of our big industries we'd show in
16 a case like this would be nice, do you have to approve those contracts or is that -- I
17 would think that's not your [INAUDIBLE] --

18 **MR. HILLMAN:** No, sir. They register those interruptibles with MISO as part of
19 our demand response programs --

20 **CHAIRMAN FRANCIS:** If we had questions about interruptible load that might
21 solve this, we need to ask the utility, right?

22 **MR. HILLMAN:** Yes, sir.

23 **CHAIRMAN FRANCIS:** Okay. All right. Good. I just want to make that clear.

1 **COMMISSIONER LEWIS:** Quick question while we're on this portion of your
2 presentation. So I want to make sure I'm understanding the events that led to that
3 Sunday event. So on Wednesday, we have River Bend that has gone down and has
4 reported to you as an unplanned outage in the market. Then we have other
5 unplanned outages that occurred that previous Thursday and Friday, and then there
6 were major price discrepancies that started on Friday. And then by Saturday, prices
7 were \$1,000 per megawatt hour in Zone 9. Is that an adequate timeline? Some of
8 it, maybe not as perfect, but roughly.

9 **MR. HILLMAN:** Yes, Commissioner.

10 **COMMISSIONER LEWIS:** Have you ever had that many outages in one
11 resource zone before?

12 **MR. HILLMAN:** That's a good question. We'd have to go look.

13 **MR. SMITH:** In my recollection, outside of significant storm damage, sir, no. I
14 don't recall having such consolidated area of outages like that.

15 **COMMISSIONER LEWIS:** Okay. And so the reason I'm asking that is so the
16 generating units and the transmission systems were not working as they should
17 have. And so in light of this kind of rough timeline, when did your operations
18 people start talking to Entergy and, subsequently, Cleco's operational staff? And
19 what contingency plans were being developed? Because I mean, I understand and
20 I know we've talked that this is the last case scenario. We didn't want to do it. But
21 I think there is a question of, okay, if we took -- if we're seeing this, we're looking
22 at the market, we're figuring this out, that some contingency plans, especially when
23 it comes to the operational side of making sure that we protect customers that we

1 have it listed as critical. I mean, while I'm not the regulator, I represent a good a
2 chunk of the city of New Orleans, and we lost critical infrastructure that the city
3 has identified that should be the last case scenario. And they -- unfortunately, some
4 of our healthcare centers were shut off. And so I guess my real question is I'm
5 trying to understand what contingency conversations were going on, while a load
6 shed, of course, I understand is the last case resort, then I think that gets back to
7 some of the questions we had earlier about indisruptible customers --

8 **MR. SMITH:** Sure.

9 **COMMISSIONER LEWIS:** -- whether or not -- I know Entergy New Orleans --
10 I know when they come they may mention that they didn't have enough time to
11 communicate to their distribution operators, so the transmission operators made
12 choices. But if we were having these conversations in these days leading up to
13 Sunday, there could've been those conversations with the distribution operators as
14 backup plans if there was something. So I just kind of -- I guess to get -- sum up
15 my comments in a generic question, what were those contingency plans being
16 talked about? Just to ensure I know that, while this is a last case resort and you
17 tried your hardest not to make this call --

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

19 **COMMISSIONER LEWIS:** -- what steps could we have taken in the interim
20 with the signals and the signs that we saw --

21 **MR. HILLMAN:** Right.

22 **COMMISSIONER LEWIS:** -- to ensure that didn't happen?

1 **MR. HILLMAN:** Well, part of that is lessons learned. I'm going to let J.T. talk
2 about all the communications that happened, but part of the lessons learned for us,
3 Commissioner, is that communication earlier on. You know, when you get close
4 to the system conditions that we had, you know, you're communicating constantly
5 with the other operators, right? You're doing reconfiguration plans and you're
6 studying and doing analysis on the system to make sure you try and avoid these
7 things if at all possible. So I'm going to let J.T. talk about sort of how we led up to
8 that point.

9 **MR. SMITH:** Yeah. So for especially Saturday looked a lot like Sunday ended
10 up until the afternoon, where a little bit of weather came in and helped cool off parts
11 of the area. But on Saturday, we did see a number of situations where if you'd lost
12 an element on the system, the only solution was to shed localized load. So we had
13 plans with our members called post-contingent action plans. We had those plans
14 with a couple of -- with our members to make sure that if that element would come
15 off the system, that we would take an action around it. Some of it was load shed,
16 some of it was a reconfiguration, as Todd mentioned. Some of it would have to
17 been, like, re-dispatching generation down so that it would not impact
18 infrastructure. Now we were doing that on all sides of the circles that you see now.
19 So we weren't just managing the Bogalusa, New Orleans area; we were also
20 managing out east near the Richard Substation, which also includes the Baton
21 Rouge area overall. So we're managing that across the system, or across this
22 southeast Louisiana area overall. So those communications existed throughout the
23 24th as well as the 25th. There were some comments that were made within the

1 operating logs of, you know, we're not far away from a load shed, but that's not the
2 conversation -- the more direct conversation that needed to be had. What we should
3 have been doing on Saturday is looking at what our solutions were, what our risks
4 potentially were going to be, and whether or not we should call on, for example,
5 those load modifying resources, those -- the non-firm load on the system. There
6 was about 160 megawatts available during the Sunday. Out of the 400 that are
7 registered, about 160 megawatts were available. All of them had something greater
8 than four hours lead time that were available. So for us, even when we got to the
9 point of having to make the directive, we couldn't get to those 'cause it was too late
10 in the game. So that tells us that we should have been doing better on the front end
11 of that planning effort. One of the things that we've learned since we've talked at
12 the city council, and we're working with our members, with Entergy and Cleco on
13 it, is looking at our models. Our models for the forward view were not reflecting
14 the dire conditions that were eventually shown. Our forecasts were generally good,
15 we understood what the system was, but the models weren't reflecting what the
16 actual situation came up. So those are things that we need to work better on. If I
17 have those better models, then I have that better information to potentially call on
18 those LMRs or to issue a more public communication for letting you all know that
19 load shed is potentially on the table.

20 **COMMISSIONER LEWIS:** Okay. And so I want to make sure I understand
21 your answer correctly. So there were conversations on Saturday that a potential
22 load shed could happen with members?

23 **MR. SMITH:** And there were actual plans.

1 **COMMISSIONER LEWIS:** There were plans.

2 **MR. SMITH:** There were plans for if something happened, then we would do that.

3 So those are -- we had post-contingent plans throughout the day in different parts

4 of the [INAUDIBLE].

5 **COMMISSIONER LEWIS:** And so did those post-contingent plans follow into

6 that Sunday is a possibility? Because see, what I'm missing is if you're having

7 these conversations on Saturday --

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

9 **COMMISSIONER LEWIS:** -- I'm a little concerned, and I'll have these

10 questions for the utilities, that while granted, yes, we may have made the IROL

11 decision with an eight to nine minutes notice, but there should've been planning if

12 these conversations are happening. So that's why I'm really honing into this

13 timeline because the initial reports were a little confusing --

14 **MR. SMITH:** Yes, sir.

15 **COMMISSIONER LEWIS:** -- on that, and so that's why I wanted to make sure.

16 So there were conversations at least on Saturday of a potential load shed?

17 **MR. SMITH:** Yes, there were. Throughout the day of Saturday and Sunday, there

18 were conversations around specific action plans, but not conversations specifically

19 going to, hey, we have a potential for an IROL. That was unforeseen. That was

20 the unforeseen part of it, but we had been managing the system for two days with

21 plans in an after-action move.

22 **COMMISSIONER LEWIS:** So you were looking on the capacity side, not

23 necessarily the transmission side?

1 **MR. SMITH:** It was --

2 **COMMISSIONER LEWIS:** I mean, well, I knew they're interrelated, but --

3 **MR. SMITH:** Yes, sir.

4 **COMMISSIONER LEWIS:** I just want it to be clear. So you weren't anticipating

5 an IROL because you were looking at the capacity constraints which have issues

6 with transmission, but it wasn't a true transmission system?

7 **MR. SMITH:** Correct. Correct. We had nothing sitting there in our models telling

8 us that we were going to be in an IROL ahead of time. We were actively managing

9 real time congestion and constraints and limitations on the system. Some of it with

10 post-action plans, some of it with taking efforts in re-configuration, but we did not

11 have that foreseeable IROL which required us to take action.

12 **COMMISSIONER LEWIS:** Okay. I have some more transmission questions,

13 but I want you to continue, and I know my colleagues may have some on this

14 portion.

15 **COMMISSIONER COUSSAN:** You mentioned earlier that MISO didn't have

16 the authority to have penalties against members who don't reach their potential for

17 load capacity. Did you mention that earlier that you don't have the ability to

18 penalize your members for not reaching where they're supposed to reach for

19 generation?

20 **MR. HILLMAN:** Well, at any time on the system, we're asking a generator based

21 on the parameters they tell us. They'll tell us my generation can do X, and that

22 generator does X, they're compensated for X, and performs X. But if they do not

1 perform that, then we have to -- they actually have to pay whatever that market
2 price is for what they do not provide.

3 **COMMISSIONER COUSSAN:** Okay. So it's not necessarily a penalty, it's just
4 a market --

5 **MR. HILLMAN:** It's a market cost.

6 **MR. SMITH:** It's market mechanisms.

7 **MR. HILLMAN:** But if you remember, at that time, the market costs for energy
8 were fairly high in this part of the system.

9 **COMMISSIONER COUSSAN:** Can you go back to the slide with the outages?
10 Let me just finish this train of thought real quick. So --

11 **MR. HILLMAN:** That's eight.

12 **COMMISSIONER COUSSAN:** This one right here.

13 **MR. HILLMAN:** Oh, that one? Yeah.

14 **COMMISSIONER COUSSAN:** So I guess likewise, when there are unplanned
15 generating units that are offline, does MISO have any ability to penalize those
16 unplanned generating units, the companies that own them, or is that a state function
17 for a regulator like the PSC?

18 **MR. HILLMAN:** The primary way that they are -- I wouldn't say penalized, but
19 where they are impacted is for that next planning year. We judge how much value
20 that unit has from a capacity basis based on how they performed. It's called
21 accreditation. So they'll get less accredited for those days, which will impact how
22 much capacity that unit can actually claim in MISO.

1 **COMMISSIONER COUSSAN:** Okay. But what does that do for the customer
2 who was out, you know, in this situation?

3 **MR. HILLMAN:** Right.

4 **COMMISSIONER COUSSAN:** So what is the -- is there a real time regulatory
5 authority to, you know, basically show some accountability for these generating
6 units that are offline from MISO or from -- and I'll ask the Staff from the PSC
7 standpoint.

8 **MR. HILLMAN:** So from the utility perspective, and they can speak better to this
9 than I can though, they still have load that they need to cover. So they have to
10 figure out a way to cover that load. So if that's out, they're buying from other parts
11 of the system, they're getting energy to match their load. So many times, that's
12 from the MISO market itself.

13 **COMMISSIONER COUSSAN:** Well, again, that's a market mechanism.

14 **MR. HILLMAN:** Correct.

15 **COMMISSIONER COUSSAN:** So they're penalized financially.

16 **MR. HILLMAN:** Correct.

17 **COMMISSIONER COUSSAN:** I'm asking from a regulating standpoint, are
18 they -- is there a penalty that they're subject to for not having generating units online
19 when they're supposed to? So we can go back and tell our constituents, yes, they
20 were penalized, we held them accountable. What does holding them accountable
21 mean in this situation?

22 **MR. HILLMAN:** Sure. For us, again, it's that need to make a market whole, and
23 the capacity side, outside of that, those are the parameters of the MISO market.

1 **COMMISSIONER COUSSAN:** Kathryn.

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

3 **COMMISSIONER COUSSAN:** What about from the PSC standpoint?

4 **MS. BOWMAN:** That is going to be a Mr. Sisung question.

5 **COMMISSIONER COUSSAN:** Well, Mr. Sisung, welcome back.

6 **MR. SISUNG:** Sure. Just because the unit's out --

7 **COMMISSIONER COUSSAN:** Turn the light on for you.

8 **MR. SISUNG:** Just because the unit's out doesn't necessarily mean there's

9 accountability. The accountability determines on whether the prudence associated

10 with the outage. Just like cars can break when you did nothing. So every two years

11 on a cycle, we do fuel audits. And within each fuel audit, we look at every outage,

12 and we look at that root causes of those outages. And if we find that those outages

13 were caused by imprudence, then we generally recommend to the Commission that

14 you take that LMP, that high cost, and that they have to give that back to customers.

15 But if we do do a review on an outage, and it was something that was just beyond

16 their control, a piece of equipment broke, something that they couldn't -- that was

17 completely out of their control and not within their prudent management, we

18 generally don't make that recommendation.

19 **COMMISSIONER COUSSAN:** Well, I think that's something really important

20 for us to know as Commissioners to be able to answer our constituents to say there

21 is a prudence review on these outages over time. They might not happen exactly

22 right when these outages occur, but that there is a way for us to essentially have

23 them financially penalized and for the customer to benefit from that at some point.

1 **MR. SISUNG:** And I will say that there have been instances, such as Uri, where
2 we have done specialized audits on just that period. When -- the last time there was
3 a major outage, there was a specialized FAC review of everyone for that period of
4 time that was done.

5 **COMMISSIONER COUSSAN:** Well, we have a directive today, I mean, that
6 doesn't cover what we're looking for from Commissioner Lewis, that basically has
7 a post, you know.

8 **COMMISSIONER LEWIS:** Yeah, the after-action report?

9 **COMMISSIONER COUSSAN:** Yeah, the after-action report. Yeah, the after-
10 action report. Does that include this specialized audit?

11 **MR. SISUNG:** I'm going to tag back in.

12 **MS. BOWMAN:** So it does not, but --

13 **VICE CHAIRMAN SKRMETTA:** -- [CROSSTALK] Lane don't know it.

14 **MS. BOWMAN:** It does not, but, I mean, we could do a specialized audit on these
15 outages, assuming the outages are from one of our jurisdictional utilities.

16 **COMMISSIONER COUSSAN:** Right. [INAUDIBLE] we have to assume that
17 without anybody telling us. Okay.

18 **SECRETARY FREY:** And I think we'll hear from the utilities if they can -- you
19 know, whether some of their units were out as well.

20 **COMMISSIONER COUSSAN:** Okay. Thank you, and --

21 **CHAIRMAN FRANCIS:** Well, I --

22 **COMMISSIONER COUSSAN:** Go ahead.

1 **CHAIRMAN FRANCIS:** MISO I want to make a point, tag on what he said. This
2 outage is utility problem, notMISOISO problem, right?

3 **MR. SISUNG:** The outage is the utility problem,MISO a MISO problem.

4 **CHAIRMAN FRANCIS:** Yeah. That's right.

5 **MR. SISUNG:** But the contribution of the outage -- the contribution of a generator
6 outage to the transmission outage is what's under investigation.

7 **CHAIRMAN FRANCIS:** Right. Well, they get workbooks on every generator,
8 every utility to be able to plan their load, keeping their load level. And when the
9 workbooks fail, the generation's not there, you know, you're the one who has to
10 say we don't enough electricity. It's just we've got to have load shed, but it's not
11 your jurisdiction to police these generators and these transmissions. That's our job.
12 Okay. All right.

13

14 **COMMISSIONER COUSSAN:** Thank you, Lane. Have y'all gotten through
15 your own slideshow yet?

16 **MR. HILLMAN:** I'm getting them fast, but I'm going to get through them.

17 **COMMISSIONER COUSSAN:** Lights back off.

18 **MR. HILLMAN:** In fact, I'm going to cut to the chase and move to 11 and 12
19 quickly. So the question we also got a fair amount is, okay, well these load pockets,
20 what are you and your members doing about load pockets? I want to just make a
21 couple mentions, Commissioner Lewis earlier and I talked about this ERAS, which
22 is the Expedited Resource Addition Study. We're trying as best as we can to get
23 generation in all parts of our footprint, but also in areas like load pockets that could

1 do that. We're seeing very robust plans for our south states in terms of interest in
2 this ERAS. So we believe once FERC approves that, we will have a very large
3 contingent of south members that are going to want to take advantage of this and
4 get generation on as soon as possible. The second thing is that left chart. So in the
5 north and central parts of MISO, we have been doing some long-range transmission
6 plans, which is -- think of an 11-statewide plan where a whole bunch of folks get
7 together, they have to agree. You see these very large numbers, 10 billion, \$20
8 billion. And people always ask, well, what are we doing in the south? In addition
9 to the work we're doing on our Tranche 3, I just wanted to show you that just
10 independent of that, our members in the south are doing a tremendous amount to
11 get transmission investment happening in the south states. I mean, if you look at
12 the '23, '24, and '25 numbers combined, that's about \$10 billion, which is
13 equivalent to our long-range transmission plan first tranche, which happened in
14 2022. So we're seeing a lot of interest, we're seeing a lot of development, we're
15 working very closely with them. A lot of these transmission requests are expedited.
16 What that means is our members are coming to us and saying we need it now, we
17 need it fast, we need it as soon as possible. So we're seeing these as definite steps
18 and signs that more generation and more transmission is significant and it wants to
19 get built in the MISO South region.

20 **CHAIRMAN FRANCIS:** Why was '24 so low? I mean, such a drop off?

21 **MR. HILLMAN:** Projects can be cyclical, Mr. Chairman, so you may have a lot
22 of big projects in one year. The second year is more of the standard maintenance
23 that you might see, and then that next year is that big project again. So as load

1 comes in and load is announced. But you've also got every year where you have a
2 certain amount of projects, just the care and feeding of the system itself.

3 **CHAIRMAN FRANCIS:** And you're -- we're upgrading in the amount of reserve
4 margins at your suggestion, which we should concur with. So looks like that next
5 year it might be 5 billion -- is that billions or millions?

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

7 **CHAIRMAN FRANCIS:** Okay.

8 **MR. HILLMAN:** Yes, sir. And the slide for me and then any other questions you
9 might have. So we've got to get better. Certainly, while the action we took was
10 required, as J.T. said, the circuit breaker did happen. We've got to figure out better
11 ways to communicate. They were insufficient. We have to strike that right balance
12 of not saying too much and get too much information out there so then it doesn't
13 become effective anymore. We have to make sure we're striking that right balance,
14 give you the information that you need, that our escalation triggers timely
15 clarification of what you're hearing, and then just communication protocols overall,
16 right? So having a communication plan for these transmission emergencies. We've
17 had a plan for all along for these capacity emergencies, this one's a little bit
18 different. We don't have a lot of those. We're not quite used to those from the
19 standpoint of how are we going to better communicate those? So that's the work
20 that MISO is committed to do and work with our members to do that. We are
21 actively communicating with you all. We've got data requests out there. We have
22 the August report that was just approved. As J.T. rightly mentioned, we're sharing
23 models with our members to say, hey, how can we finetune these things and get

1 them better, so that when we get to those points, that wider view we have is better
2 and more accurate. And we're working also with our other regulators like SERC
3 and NERC to make sure that all that information comes out. We're going to do our
4 best to better train and better model with our members, as well as our operators.
5 Maybe start doing more drills around these transmission emergencies, things like
6 that that we could certainly get Commission and Commission Staff and consultants
7 involved in. How those went and lessons learned there. But at the end of the day,
8 Commissioners, my point at the beginning is the same one. Who is responsible for
9 the reliability? We are. Who's accountable for better communicating? That's us
10 as well.

11 **CHAIRMAN FRANCIS:** Commissioner Skrmetta.

12 **VICE CHAIRMAN SKRMETTA:** Just one more question. Can you go back to
13 the slide about the transmission cost and growth?

14 **MR. HILLMAN:** Eleven?

15 **VICE CHAIRMAN SKRMETTA:** Yeah. Eleven. Yeah, yeah, yeah. So on this
16 estimate of cost and growth transmission, and you're saying that's in MISO South.
17 That is not -- that's only in MISO South area. How much of that is in Louisiana?
18 How much is that -- any of that anticipated between MISO North and MISO South,
19 or is it -- you know, where do you anticipate the actual projects to be allocated?

20 **MR. HILLMAN:** I'm happy to get you -- we've actually got a list and we can
21 break that up by state and we can get that to you.

22 **VICE CHAIRMAN SKRMETTA:** Okay. So you don't have a rough guess now
23 you can talk here?

1 **MR. HILLMAN:** I wouldn't want to speculate. I mean, I know just in talking
2 with our members there's a fair amount happening in Louisiana in terms of load
3 growth, there's a fair amount happening in Mississippi in terms of load growth, and
4 certainly Texas is having some, but it's just a smaller part of our footprint. So I
5 would say Louisiana is going to be a pretty large chunk of this. But I think Entergy
6 and Cleco will be able to answer that as well.

7 **VICE CHAIRMAN SKRMETTA:** Yeah. None of this is in interconnect and
8 none of it's in MISO North?

9 **MR. HILLMAN:** None of this is MISO North.

10 **VICE CHAIRMAN SKRMETTA:** Okay. All right.

11 **COMMISSIONER LEWIS:** Todd, while we're on that, do you know how much
12 of this actual transmission lines are increasing import capacity?

13 **MR. HILLMAN:** It's a load pocket, so I'm sure there will be some,
14 Commissioner. This is not that Tranche 4 that you're familiar with, which is that
15 north-south transfer.

16 **COMMISSIONER LEWIS:** Yeah.

17 **MR. HILLMAN:** That's to be determined in the future. I think there's some great
18 work to be done on the load pocket areas within the south region. That's probably
19 where our focus is [INAUDIBLE]

20 **COMMISSIONER LEWIS:** So this is not just Zone 9?

21 **MR. HILLMAN:** No, this is 8, 9, and 10. So that's --

22 **COMMISSIONER LEWIS:** So this is 8, 9, and 10?

1 **MR. HILLMAN:** -- eastern Texas, Arkansas, central and south Mississippi, and
2 most of Louisiana.

3 **COMMISSIONER LEWIS:** And so going back, you mentioned Tranche 3, and
4 so I just want to make sure I heard you correctly that you believe that if some of the
5 proposed projects or projects in development in Tranche 3 or your long-range
6 transmission planning, this could've alleviated this problem in the future,
7 potentially?

8 **MR. HILLMAN:** That's a great question. Tranche 3 is a big analysis, and we're
9 just sort of scratching the surface of that. I think in the interim, we also have to
10 remember that as projects get built, it's just during the normal course of business,
11 those will have impacts on Tranche 3. The first thing we're doing now is trying to
12 get our futures right. So once we get our futures right, that's a thing that's going to
13 be towards the end of this year, we'll have a much better idea of what those impacts
14 could be as we look at that Tranche 3 set of projects.

15 **COMMISSIONER LEWIS:** And you didn't mention it -- I don't think you
16 mentioned it earlier in your presentation, but there was significant transmission line
17 that was down in the process.

18 **MR. HILLMAN:** Correct.

19 **COMMISSIONER LEWIS:** Am I understanding that line has now been restored
20 and is back operational; is that correct?

21 **MR. HILLMAN:** I think it came back that Monday or pretty close to that. Yes,
22 sir.

23 **COMMISSIONER LEWIS:** Pretty close to that?

1 **MR. HILLMAN:** That one out west you were talking to?

2 **COMMISSIONER LEWIS:** Yes.

3 **MR. HILLMAN:** That 500 kV? Yes, Commissioner.

4 **COMMISSIONER LEWIS:** Yes. And, well, I certainly hope we can take

5 important lessons from this. I'm going to stress once again, as I did at the city

6 council hearing, that we need greater interregional transmission and we needed it

7 probably two years ago. And I, quite frankly, want to see more movement, more

8 engagement, more expedient action to get our region better interconnected to our

9 neighbors. I mean, one of the things that I was looking at is just the negative price

10 index we saw in Mississippi.

11 **MR. HILLMAN:** Yes, sir.

12 **COMMISSIONER LEWIS:** While we're seeing this price index here on

13 Saturday, and that's greatly concerning to me that we are so closely located and we

14 had no ability, truly, to import generation, and that we need to have a better

15 developed grid. And you mentioned accreditation, and I want to get to something

16 that has been mentioned in some of the other reports or around, which is why we

17 couldn't really kind of utilize batteries as backup. We've seen this, we saw a

18 presentation from ERCOT at SEARUC about their use of battery. And one of the

19 things that I keep getting from experts is that the reason why we have not seen more

20 battery deployment, particularly in MISO South, is because of your accreditation

21 rules. That it has been too stringent upon there. I mean, so I want to kind of give

22 you an opportunity to either agree or disagree with those statements. Or see do you

23 believe we need to look at the real value of those assets on our energy system,

1 especially when we are seeing the patterns of weather changing, the constraints on
2 the grid? We know MISO South has significant -- is a load pocket. There're
3 significant transmission issues. And so that is an option, but from the experts and
4 developers, I'm hearing is that it's not accredited, so it's not a value to them to add
5 it to our system. So I put that out there. I'll give you an opportunity to respond any
6 way you feel on that question.

7 **MR. HILLMAN:** Sure. MISO spent a tremendous amount of time working with
8 our members on accreditation overall. That's for thermal units, that's for inverter-
9 based resources, that's for that storage demand response as well. We just don't
10 have, Commissioner, a whole lot of batteries yet. And I think right now, while
11 we're doing a fair amount of accreditation, that's just -- when you have such a small
12 amounts of them, right? It's different than when you have 30,000 megawatts of
13 wind versus 200 megawatts or 500 megawatts of battery. So I think we're just in
14 such the infancy stages in MISO -- MISO overall. I think as we see more
15 proliferation of batteries, our work is going to continue on accreditation. I think
16 we're in the forefront actually of resource accreditation from a U.S. perspective.
17 So I'm confident we'll do a deep dive into batteries, and I'm confident that that
18 work will be consistent with stakeholder input.

19 **CHAIRMAN FRANCIS:** Isn't it -- use of batteries, isn't that up to us and utilities
20 [INAUDIBLE] --

21 **MR. HILLMAN:** Yes, sir. MISO doesn't build any generation.

22 **CHAIRMAN FRANCIS:** [INAUDIBLE] whether we use batteries or not, right?

23 **MR. HILLMAN:** Yes, sir, Mr. Chairman.

1 **CHAIRMAN FRANCIS:** Look, you have -- today, you've got 95,000 megawatts
2 in MISO. How much of that, shoot from the hip answer, is in MISO South, out of
3 95,000 megawatts?

4 **MR. HILLMAN:** I'd say roughly 25%, would you say? I mean, it's somewhere
5 between 20 and 30.

6 **MR. SMITH:** Yeah, I would say about 27,000 megawatts of load is probably
7 where we're at right now.

8 **CHAIRMAN FRANCIS:** So out of 15 states in MISO, Louisiana MISO South is
9 30% of the whole bunch?

10 **MR. SMITH:** It is. Yes, sir. So on a peak day, MISO South will be about 30%
11 of the total load of MISO footprint.

12 **CHAIRMAN FRANCIS:** Yeah. Okay.

13 **VICE CHAIRMAN SKRMETTA:** I have one quick question.

14 **MR. HILLMAN:** And thank you for showing the app. Our communications head
15 is at the back. He's very proud that you pulled the app up to show [INAUDIBLE]
16 --

17 **CHAIRMAN FRANCIS:** Oh, it's a great app. Congratulations. Better than SPP.

18 **VICE CHAIRMAN SKRMETTA:** Quick question. On the North, South
19 interconnect --

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

21 **VICE CHAIRMAN SKRMETTA:** -- which we've been messing with since day
22 one, it's a contractual interconnect, not so much a physical limitation interconnect,
23 right?

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

2 **VICE CHAIRMAN SKRMETTA:** Yeah. Because we were talking about that

3 when I was at the FERC a couple weeks ago, and -- discussing this. It's like --

4 what? 2,800 megawatt, 3,000 megawatt, something like that?

5 **MR. HILLMAN:** 2,500, 3,000.

6 **VICE CHAIRMAN SKRMETTA:** Right. But because I do know that when

7 there was an emergency winter storm in the north, that it was opened up to 10,000

8 megawatts. There was a moment about six or seven years ago when there was a

9 day when they opened it and flooded through. They did allow it to open and free

10 flow in an emergency moment.

11 **MR. SMITH:** I do not recall --

12 **VICE CHAIRMAN SKRMETTA:** I remember it. So --

13 **MR. SMITH:** [INAUDIBLE] above, so.

14 **VICE CHAIRMAN SKRMETTA:** But you have to just put faith in the fact that

15 I remember when it happened

16 **MR. HILLMAN:** Yes, sir.

17 **VICE CHAIRMAN SKRMETTA:** So -- but my point about this is it's an

18 artificial constriction based on contract, and that's my base thing. So, you know,

19 we're fighting over this issue of how we're going to, you know, get through this

20 interconnect. I know a lot of it was to do with City of Memphis, and a lot of it

21 was due to SWPA and the other issues associated with that. But, you know,

22 contractual, you know, constrictions, to me, have the same effect of market

23 manipulation. Because if there's a limitation by contract, not by physical limitation,

1 there ought to be a free flow of electrons in that interconnect, which means that the
2 market should be able to move more power north without having to build more
3 transmission in that interconnect. I mean, if you got to go beyond 10,000
4 megawatts, you know, well, yeah, I get it. But I think we're being impeded by this
5 contractual market limit -- I mean, flow limitation. And, you know, when they
6 were talking about it at the FERC, I'm not sure that, you know, that the sort of --
7 this, you know, understanding of how that really impacts the flow of power between
8 the north and the south. And we're sitting here talking about building out more,
9 you know, transmission, when with a stroke of a pen, we could have a lot more
10 power moving back and forth. Number one. And, you know, I want to understand
11 how do we modify that? How do we get past that to undo this contractual limitation
12 and move into one that's a natural, more, you know, engineering driven, you know,
13 utilization of the current existing interconnect?

14 **MR. HILLMAN:** So we work a lot of what's called the joint parties there. It's
15 us, it's SPP, it's a number of other entities in that area, Commissioner. While the
16 discussions have always been to how do we maximize that contractual agreement,
17 as you called it, with PJM as an example, we have what you would describe, which
18 is there's no limit of flows between the two. So it would take us really looking
19 back at the FERC order there and seeing what FERC would view that as, and
20 working with SPP and those parties to see what was possible. But Tranche 4, in
21 reality, is there a physical solution to that sort of over and above that in terms of
22 actually building transmission.

1 **VICE CHAIRMAN SKRMETTA:** Well, I mean, we were talking about it nine
2 years ago. It was going to cost \$200 million. Now we're talking about it costing
3 \$2 billion to do the interconnect, when if it's the stroke of a pen cures it, seems like
4 you saved \$2 billion. I'm just saying, pens don't cost that much, right?

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

6 **VICE CHAIRMAN SKRMETTA:** But if they look at it with the interconnect
7 between MISO and PJM to where they don't limit it by contract, it seems that it's
8 somewhat discriminatory to allow it to function on a, you know, a west-east flow
9 into PJM. But with the north-south interconnect, they'll discriminate on the north
10 south through contract limitation. I think it provides a -- I think it's a commerce
11 cross problem, and I think it's a real issue associative of driving a different model
12 of impact into the marketplace. So I really do think it's a problem that could -- it
13 could be solved if we could look at it by modification of contract first --

14 **MR. HILLMAN:** Right.

15 **VICE CHAIRMAN SKRMETTA:** -- before we dig into any Tranche 4, you
16 know, pig spend into going into kind of going crazy on just building stuff, because
17 I personally believe MISO is a transmissions owners' club, right? I mean, you don't
18 have a lot of Commissioners on your board of directors, you got a lot of people
19 affected with the transmission owners' world involved with you. And when they're
20 getting FERC 12.5% ROE on their stuff, I don't blame them, right? But I really
21 think that a lot of problems could be solved by undoing this contractual limitation
22 in the north south. All right. I'm done.

23 **MR. HILLMAN:** Thank you, Commissioner.

1 **COMMISSIONER LEWIS:** Todd, one last question for you. I know we've
2 talked significantly about the load pocket, and I just kind of, for the public, want to
3 break that down a little bit, which means that theoretically, the power around New
4 Orleans -- there weren't enough lines to basically bring more power into, which is
5 why we had a load pocket. And so I've been pulling up and looking back some of
6 the studies by the ERSC, and I'm just curious about -- do you know off the top of
7 your head how long that we have had the Downstream of Gypsy load pocket?

8 **MR. HILLMAN:** I do not. We've been familiar with it since 2011 when MISO
9 began looking -- cooperating with states in the south, but that's sort of -- but I
10 believe it's been modeled with that for quite a long time, but for us, since 2011.

11 **COMMISSIONER LEWIS:** Right. And I think this is what I'm looking at. The
12 study dates back to 2012 that specifically identifies fixes for the Downstream
13 Gypsy load pocket that looked at cost benefit analysis. And so I guess really the
14 question, and maybe this is more for Entergy when they come up is what are we
15 doing for the Downstream Gypsy load pocket? And if this load pocket didn't exist,
16 maybe there's no outages, right? I mean, I know this is kind of looking backwards
17 in time, but I think this is the importance of why I kind of keep coming back to
18 transmission planning and really taking transmission capacity seriously. Because
19 while there are other events -- I know we've talked about the weather, we've talked
20 about the generators down, had we dealt with the Downstream of Gypsy load
21 pocket, we would not have had this capacity constraint. And so like I said, I'm
22 going to ask Entergy the same questions, but I think this is why I'm going to harper
23 once again. We really need to move on long term and interregional transmission

1 planning to ensure that blackouts do not happen again, especially as we are dealing
2 with changes in the infrastructure, changing in the weather, and also -- so I just
3 wanted to put that. But you've answered most of the questions that I've had. Thank
4 you.

5 **MR. HILLMAN:** Thank you, Commissioner. The thing I would add there on load
6 pockets, it's generation and transmission, right? So both actually helps us with
7 those issues. But you're correct on transmission, but generation as well helps if
8 that's in the load pocket and operating.

9 **CHAIRMAN FRANCIS:** You got it? Okay. Anything else? Anybody? Thank
10 y'all.

11 **MR. HILLMAN:** Thank you very much.

12 **VICE CHAIRMAN SKRMETTA:** See you in August. Move to adjourn.

13 **CHAIRMAN FRANCIS:** Move to adjourn. Got a second?

14 **COMMISSIONER LEWIS:** Do we not want Entergy?

15 **CHAIRMAN FRANCIS:** What?

16 **COMMISSIONER LEWIS:** Entergy. Entergy [INAUDIBLE].

17 **VICE CHAIRMAN SKRMETTA:** Oh, I didn't to realize Entergy had a
18 presentation.

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

20 **VICE CHAIRMAN SKRMETTA:** Come on up.

21 **CHAIRMAN FRANCIS:** Come on up, Entergy.

22 **VICE CHAIRMAN SKRMETTA:** You've got 10 minutes.

23 **MS. BOWMAN:** And, Jaime, you can go ahead and turn the lights back down.

1 **VICE CHAIRMAN SKRMETTA:** What?

2 **CHAIRMAN FRANCIS:** They got a slide?

3 **MR. HAND:** They do.

4 **VICE CHAIRMAN SKRMETTA:** Do you have better slides?

5 **MS. BOWMAN:** Okay. I'm going to ask the audience to either go outside or be
6 quiet, please.

7 **VICE CHAIRMAN SKRMETTA:** Okay. I'll go outside.

8 **MS. BOWMAN:** I'm sorry, you have to stay.

9 **MR. PHILLIP MAY:** Good afternoon, Commissioners. I'm Phillip May,
10 president, CEO of Entergy Louisiana. With me today is Charles Long, Larry Hand,
11 and Matt Brown. I'm going to open with statement, and then I'll turn it over to this
12 team to have some additional details. On May 25, Entergy was directed by MISO
13 to shed load in the Greater New Orleans area to satisfy what MISO determined to
14 be an IROL. Based on when the load was shed was directed -- was received by
15 Entergy, we had less than 10 minutes to comply with MISO's geographic directive,
16 which meant that MISO had to rely on opening transmission breakers as opposed
17 to using its distribution load level protocols that were adopted after Winter Storm
18 Uri. The result was that 45,000 Entergy Louisiana customers were interrupted with
19 no prior notice. This outcome is unacceptable for our customers, and Entergy is
20 committed to working with this Commission and MISO to take all necessary steps
21 to ensure it does not happen again. Near-term, we are working with MISO to
22 understand what they saw in their models to confirm that a load shed was necessary
23 and how to improve the timeliness of communication of load shed risk. These

1 questions and others will be the focus of the after-action review by Staff that is
2 subject to a directive of this Commission. We also continue to pursue resource
3 plans that would make our grid in southeast Louisiana more reliable and resilient,
4 including multiple significant transmission projects in the Amite South region to
5 inject power further south in the system and improve reliability, new dispatchable
6 generation in a region as well, and uprates at existing generations, along with new
7 demand response programs. We also acknowledge the Commission has directed
8 its Staff to develop a framework to analyze alternatives to remaining in the MISO
9 RTO. We provided input [INAUDIBLE] the Staff in developing that framework,
10 and we'll certainly continue to cooperate with Staff in its work to carry out that
11 Commission directive and any additional directives this Commission may have.
12 Importantly, MISO mentorship has saved Entergy Louisiana customers more than
13 a billion dollars since we entered. In any decision to exit MISO would require a
14 careful evaluation and consideration of the cost and benefits. Nonetheless, it's our
15 responsibility to ensure that MISO participation continues to serve our customers'
16 interests, and that necessarily involves ensuring we understand what alternatives to
17 MISO are available, if any, that may better serve the interest of Louisiana
18 customers. We appreciate the importance of the Commission's inquiry into these
19 issues. We stand ready to answer your questions. Thank you.

20 **CHAIRMAN FRANCIS:** Okay. The 500-kV transmission line, it was down
21 because of a tornado. Those things happen, and we can't help that. We put it back
22 together. I think it's back online. But all the generators that are in your area there
23 that were part of it, you had a lot of unplanned outages. And MISO doesn't know

1 unless we turn in a workbook on what this generator can produce and planned
2 outages to keep the system level. We have a lot of unplanned outages in that area.
3 That looks to me like that's what caused the problem. So how can MISO be
4 responsible for that when we're not producing the electricity that we told MISO we
5 would do? How do you answer a question like that?

6 **MR. LONG:** When the system is planned well in advance and in operations, there
7 are plans made for contingences. I think the events of May 25 -- there were a
8 number of generators out that certainly made that challenging. MISO is able to
9 approve the planned outages and then respond to the unplanned outages. As we
10 were preparing for the event, the generation outages in the area certainly made it a
11 challenge. But we also had a plan developed up until right before the event that we
12 believe would operate around and not have to shed loads. So there was no
13 indication in the days and hours leading up that things were so tight that one more,
14 you know, one event, or one recalculation of the event would -- recalculation of the
15 limits, would result at a load shed. So it's -- there's more to learn about the event.
16 I think that the interesting things about the event to learn are how we did the
17 analyses leading up to the event, the days leading up to the event, and the day of
18 the event, and how we got into a position where we didn't see it coming.

19 **CHAIRMAN FRANCIS:** When you have a planned outage, is there much time
20 overrun on how long getting behind on getting it back online? Do you have -- is
21 that one of the problems we face because of parts and just construction and
22 remodeling when you have a planned outage?

23 **MR. LONG:** Planned outages --

1 **CHAIRMAN FRANCIS:** We have a problem with those planned outages taking
2 too long to get up and get back online.

3 **MR. LONG:** Planned outages come back early sometimes and they come back
4 late sometimes. They're like any other plan, they have to adjust as things evolve in
5 the outage.

6 **CHAIRMAN FRANCIS:** Part of that has to do with your contractors you hire
7 and all the work you're doing. And we know when you fix things, sometime it
8 takes longer to get it back online.

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

10 **CHAIRMAN FRANCIS:** Is that a major problem for our future? Is that a minor
11 problem? Is it something we need to really look into? Why are these planned
12 outages taking longer? Is that a problem?

13 **MR. LONG:** I think the planned outages are -- I think we always try to get planned
14 outages done as quickly as we can. Those scopes are always done in a way to make
15 sure those units are available for the summer. I wouldn't say anything needs to
16 change. It's always been an important thing to get those units back online as
17 quickly as we can.

18 **CHAIRMAN FRANCIS:** Well, we've got to do something about the unplanned
19 outages to address that. I don't know, it doesn't seem like we need to look that far
20 to see what was the problem here other than that. And I know Commissioner Lewis
21 had asked for what units were down, unplanned, and that's a legitimate question.
22 And I know there's some factor out there about, well, because of competition, we

1 can't really publicize that. We hear that. Larry, is there some reason why we
2 shouldn't know what outages were out that shouldn't have been out, unplanned?

3 **MR. HAND:** Yes. And first off, your earlier point about --

4 **CHAIRMAN FRANCIS:** Is that confidential?

5 **MR. HAND:** It can be market-sensitive information. In real time, after the event,
6 there's more opportunity to share that information. Certainly from the utility
7 perspective, we are willing to provide that information to our regulator.

8 **CHAIRMAN FRANCIS:** Well, we're fixing to go into a lot of investigation and
9 when --in our August meeting, that's going -- [INAUDIBLE] sell tickets to that
10 one.

11 **MR. HAND:** And we will fully cooperate. I wanted to touch on your point,
12 Commissioner, about unplanned outages. Are they taking longer? You know,
13 some of the plants that have unplanned outages or planned outages that go longer,
14 some of these plants are older than me, you know. And so we are trying to
15 maximize their useful life for the benefit of our customers. And so we need to take
16 them down to do work. And sometimes when you're doing that work, you have
17 discovery of new issues you didn't expect, and you need to address them while it's
18 down. The other thing we're doing is we're -- we continue our effort that started.
19 In fact, when I joined the company, we started a significant effort to modernized
20 their generation fleet.

21 **CHAIRMAN FRANCIS:** Yeah.

22 **MR. HAND:** So we have a number of generators currently pending review and
23 approval by the Commission. We have more that are in an RFP, we're trying to

1 select those. So as modernize those, we reduce the outage times, the unplanned
2 outages, 'cause it's newer equipment, more reliable, what they call an E4 rate. So
3 we're working to address all of those things.

4 **CHAIRMAN FRANCIS:** The public needs to understand that -- how we handle
5 our generation -- our generation plants, where we build a new one or repair an old
6 one, that's not any of MISO's business. That's our business to put enough
7 electricity on the grid to where they don't have to call for a load shed. And I know
8 that in my years of business, I do a lot better with new equipment than I do a bunch
9 of old, run-down stuff. And when it breaks down, the public is looking at their
10 electric bill. And if we put in a new, you know, combined-cycle gas unit, it's darn
11 sure going to be more reliable. When we have a planned outage, it's not going to
12 go overtime. It's not going to break. And we have a lot of old generation here in
13 Louisiana that we need. And we're upgrading the amount of reserve margin we
14 have, and so this is a proof right here to look at where do we need to go with some
15 of these plans for our building generation and transmission, and so this doesn't
16 happen again. So, okay. And I'm going to stop right there if somebody else got
17 something to say.

18 **MR. HAND:** In the interest of time, Commissioner, I'm jumping around a little
19 bit, but I want to have Mr. Long -- it came up earlier, kind of the timeline of events
20 leading up to that load shed event. And I wanted Mr. Long to talk to that a little bit
21 because it really goes into the heart of the question that Commissioner Lewis and
22 others have been asking, is: Why didn't we call on interruptible load that was
23 available to us? And I will say first off, it's important to remember this was a very

1 localized event. So if we have an interruptible load customer in Geismar -- I'm
2 making up an example, that probably wouldn't have helped this situation.

3 **CHAIRMAN FRANCIS:** Okay. Good.

4 **MR. HAND:** So they've got to be in the right place, but you've also have to have
5 notice to call on them. And the other thing I want to point out is this timeline is
6 relevant to our ability to execute our distribution level load shed protocols that we
7 developed and enhanced after Winter Storm Uri. We didn't have the ability to do
8 those because there was not adequate time to do that more surgical approach and
9 avoid, you know, critical customers, critical feeders. So I think Mr. Long can speak
10 to the [INAUDIBLE].

11 **CHAIRMAN FRANCIS:** So interruptible load wouldn't be -- necessarily have
12 solved our problem is what you're suggesting?

13 **MR. LONG:** Not given the timeline that we had to execute it. Yes, sir.

14 **CHAIRMAN FRANCIS:** I'm glad to hear that. Glad to hear that. Okay. All
15 right. Commissioner Lewis?

16 **MR. LONG:** I was just going to walk through it. It was 4:02 P.M., we were on
17 the phone with MISO. They were indicating that, you know, the system was getting
18 -- you know, the margins were going down, systems are getting stressed. At 4:21
19 is when they issued the directive to shed load and then, you know, we begin
20 executing that immediately. It took a few minutes to do that. We began on the
21 distribution system and quickly discovered that we were not going to be able to
22 execute that in the amount of time we had. So we moved over to the transmission

1 system, where you can interrupt load faster. It's also unfortunately less surgical, as
2 was indicated, but we did that to meet the timeframes that we had.

3 **COMMISSIONER LEWIS:** Question. Looking at this timeline that I had asked
4 MISO -- so as your timeline says, on May 25 at 4:02, that transmission operators at
5 the operations levels were becoming more stressed. So at that point in time, what
6 contingency plans did you send to those transmission operators in Little Rock or
7 Jackson as contingency planning? While I understand in looking at the timeline of
8 what happened on Sunday, I still go back to the question, if we're having these
9 conversations on Saturday, what conversations internally did you have with the
10 transmission operators for a potential load shed since we are seeing the stress on
11 the system?

12 **MR. LONG:** We were seeing stress in the days before. We were anticipating that
13 that weekend was going to be -- the margins are going to be tight. We had worked
14 with Cleco -- we, Entergy, had worked with Cleco and MISO to develop a
15 reconfiguration plan that would reroute flows from this constrained area into other
16 areas that were not constrained, or not as constrained. And up until this point, all
17 the parties had agreed that that was the way we would go. If this event unfolded
18 the way we were concerned about, we would implement that reconfiguration, and
19 it would unload the system, and we wouldn't have to -- you know, that would take
20 care of the issue. As early -- I think about 3:00 A.M. on May 25, we had discussions
21 with MISO around that same thing again, to ensure that that was still the plan.
22 There was some discussions around whether that would need to happen in advance
23 of a contingency or after a contingency. I think at that time, we were still

1 anticipating that we could wait and see if we lost something else before we did that
2 reconfiguration. And then around 4:00 P.M., you know, sometime between 4:00
3 and 4:21, MISO's operations teams again evaluated that reconfiguration plan and
4 determined that it would not be effective. And so once that tool is out of the
5 toolbox, there was only one, you know. MISO issued the directive, and we had to
6 follow that directive. But leading up, the days in advance, and even that day we
7 were still working on that reconfiguration plan and we believed that it would work.

8 **COMMISSIONER LEWIS:** So at no -- so just want to make sure I'm
9 understanding you correctly. You were working on the reconfiguration plan, but
10 you did not have a -- you didn't do any contingency planning on potential load shed
11 as an option because you thought the reconfiguration plan would be sufficed?

12 **MR. LONG:** That's correct.

13 **COMMISSIONER LEWIS:** Okay. And I guess -- I know our investigation's
14 going to get into this, but I kind of want to give you an opportunity to respond to
15 some of the actual equipment failures that contributed to this event. So the Nelson
16 Richard line was out of service and has been out of service since March. It has
17 subsequently come back on the Monday following the event. Can you describe
18 what work was being done and what took that timeline --

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

20 **COMMISSIONER LEWIS:** -- so long? I got this question of it seems ironic that
21 the day after the load shed, all of sudden the line comes back on. But I just kind of
22 want to give -- I know that's been a question the public has asked, the media has

1 asked, so I want to give you an opportunity to describe the work and how it fits into
2 that timeline.

3 **MR. LONG:** Yes, sir. In March, we had a tornado come through the area, it
4 destroyed 19 structures. It's hard to paint the picture of what a structure is, but it's
5 a very large, lattice steel structure. The largest transmission towers that you see
6 around the city, they would be larger than those. So 19 of those were destroyed.
7 It's just a lot of work to go wreck out. You have to wreck out the old lines, so
8 there's that phase of it. Then you have to get new materials. We had a little bit of
9 issue getting materials. Steel, it's kind of hard to get these days. We didn't have
10 every little nut and bolt we needed, day one. It ended up delaying it maybe a day
11 or two -- the materials orders, materials constraints. We knew, you know -- we
12 knew then March that -- or we didn't know, but we suspected, hey, if it gets hot,
13 you know, we probably going to want this line back. And 500 kV lines are critical
14 to the system. They move a lot of energy. And so we were in a hurry already in
15 March, and the teams were working very diligently to get the line back as soon as
16 we could. I think it was actually two days after the event, not the day after the
17 event, they got it back. But they were working as fast as they could from the
18 beginning to get the line rebuilt, because it's an important line and we knew that
19 things could go wrong, so.

20 **COMMISSIONER LEWIS:** Okay. And then so -- thank you for that. Now, the
21 Barker-Bogalusa line didn't have enough capacity to act as backup when the
22 Franklin-McKnight line was being potentially overloaded that day. Are there any
23 plans or -- in the development to upgrade that former line?

1 **MR. LONG:** Yes. There's multiple upgrades that are planned in Louisiana, and
2 Entergy Louisiana will help. There's one specific one, it's the Adams Creek to
3 Robert line that's planned. It's right there -- it's just above the Audubon -- there
4 you go. That sort of -- the overloaded element is that blue line just to the east of
5 the purple dotted line, so it's just a direct bypass of that. So if you think about it
6 like a small road, it's just another road right next to it you can get on. It would've
7 absolutely alleviated the constraint and allowed more energy to flow down that way
8 and avoided the event.

9 **COMMISSIONER LEWIS:** Okay. And to the other units, you have three nuclear
10 units that have struggled to perform according -- looking at nuclear plants across
11 the country, Grand Gulf included. I know while that's a different story and is being
12 rolled off, but I want to know how are we addressing the performance issues of
13 these nuclear units since one was planned, but one also then was unplanned outages.
14 So what type of equipment improvements are you looking at as these generating
15 facilities in your territory?

16 **MR. LONG:** The details of how we're addressing those, I'd have to get some help
17 with, I don't -- I'm [INAUDIBLE] the nuclear organization, I'm in the transmission
18 organization, so I'd have to follow up with that.

19 **COMMISSIONER LEWIS:** Okay. Thank you. I have some other questions, but
20 I [INAUDIBLE] the presentation go on.

21 **VICE CHAIRMAN SKRMETTA:** Just got a couple of questions. When MISO
22 was up here, and they were talking about this, and y'all were just talking about --

1 who actually turned the power off to shed the load? Was it you, or was it MISO?

2 Because they were talking about transmission disconnect. Who actually pulled it?

3 **MR. LONG:** It was Entergy operators that pulled -- that opened the

4 [INAUDIBLE].

5 **VICE CHAIRMAN SKRMETTA:** At all points?

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

7 **VICE CHAIRMAN SKRMETTA:** Okay. So my question is did -- this next

8 question is did MISO tell you which bus to pull? Did they tell you which area to

9 disconnect?

10 **MR. LONG:** They gave us general guidance. I believe it was in the New Orleans

11 area. It wasn't -- they didn't give us specific buses, and the Entergy operations

12 teams had to figure that out.

13 **VICE CHAIRMAN SKRMETTA:** So nine minutes -- you basically wet your

14 finger, threw it up in the air, and said start pulling this and that just to try and dump

15 load as quick as you could?

16 **MR. LONG:** It was a challenging operating environment.

17 **VICE CHAIRMAN SKRMETTA:** Yeah.

18 **MR. LONG:** It included Slidell, which we [CROSSTALK] --

19 **VICE CHAIRMAN SKRMETTA:** Right. I understand --

20 **MR. LONG:** -- so that was another confusing piece of it.

21 **VICE CHAIRMAN SKRMETTA:** Well, my other question is so why not Baton

22 Rouge or why not Lafayette or why not these other areas? Why was it localized

23 and focused in the New Orleans metro area?

1 **MR. LONG:** We knew where the constraint was. The Bogalusa to Adams Creek
2 area was where the constraint was. And we knew -- we know from our operating
3 experience that that area that we targeted would unload that line. And that was the
4 goal, was to unload that potential overload. So it was chosen to relieve the overload.
5 We also tried to eliminate -- you know, we try to shed the least amount of load we
6 can. We don't want to interrupt more load than we have to, to get the relief on the
7 facility. And then, because we were on the transmission system making
8 adjustments, there's potential that you can open transmission breakers to make
9 some other thing worse, or some -- you know, move the constraint elsewhere, or
10 make the situation worse. So our operators were also working through, you know,
11 analyses to make sure that the actions they took didn't make it worse.

12 **VICE CHAIRMAN SKRMETTA:** So -- go ahead.

13 **CHAIRMAN FRANCIS:** Don't you have a predetermined plan with a book with
14 breakers to know what breakers to flip? So it's already predetermined what you're
15 going to do when you get a load shed in certain area, right?

16 **MR. LONG:** Not this type. No, sir. The --

17 **CHAIRMAN FRANCIS:** This type was different?

18 **MR. LONG:** Yes, sir. If we have a capacity event where there's just a general
19 shortage of energy, we do have a distribution load shed tool that we can use. It's
20 automated. It's predetermined. This one, because we got the guidance in the New
21 Orleans area and Slidell area, that's not -- we don't have a tool for that. So it's --
22 and I think it's an opportunity to learn here for all of us, to see how we could have

1 perhaps done differently. But, you know, in the heat of the moment, it was not
2 possible for us to go [CROSSTALK] distribution.

3 **CHAIRMAN FRANCIS:** I know in other load sheds we did have that benefit. So
4 you could've shut down a hospital or a law enforcement, some critical service --

5 **MR. LONG:** That's right.

6 **CHAIRMAN FRANCIS:** -- and we need to figure out for that not to happen again.
7 Okay. And of course, y'all know that. We're all ears. Give us some suggestions
8 out of what to do. Because we can't blame that on the RTO, can we?

9 **MR. LONG:** Can't blame what on the RTO?

10 **CHAIRMAN FRANCIS:** That we have this load shed we couldn't control.

11 **MR. LONG:** I think we need to complete the investigation to see [INAUDIBLE]
12 --

13 **CHAIRMAN FRANCIS:** Okay. All right. Gotcha. All right. Good.

14 **MR. HAND:** And, Commissioner, I would just say, you know, one example -- we
15 need to look at it, do the after-action review. But had we gotten more granular
16 directions on which substations or line segments were overloaded, that may have
17 given us an opportunity to use our distribution level load shed at that substation.

18 **CHAIRMAN FRANCIS:** Does RTO have the ability to do that, you think?

19 **MR. HAND:** No. They should have the ability, I think, in their models to tell us
20 what's overloading, so --

21 **CHAIRMAN FRANCIS:** That's going to be a good question.

22 **MR. HAND:** That is something both of us are committed to work towards. So
23 next time we can be more specific.

1 **VICE CHAIRMAN SKRMETTA:** How long timewise -- in a timeframe, and
2 just a rough guess, how long does it take you to execute your interruptibles? At the
3 -- let's just say at the longest.

4 **MR. MAY:** It varies by contract, Commissioner. The longest would be like four
5 hours. The shortest could be much shorter than that, but nowhere near the
6 timeframe we had for this event.

7 **VICE CHAIRMAN SKRMETTA:** So what do you think is a real -- how long do
8 you think -- and from your -- because you're running the game, they're running an
9 analysis. You're actually running the system. So do you think that it is possible
10 that there was enough information to anticipate what was going wrong with the
11 system in their viewpoint earlier than nine minutes?

12 **MR. MAY:** I'll let Charles respond to that.

13 **MR. LONG:** I don't know. We need to complete the evaluation and see what we
14 --

15 **VICE CHAIRMAN SKRMETTA:** Okay.

16 **MR. LONG:** I think that's a part of what we need to learn.

17 **CHAIRMAN FRANCIS:** [CROSSTALK] know that in August? At the August
18 meeting, will we know that?

19 **MR. LONG:** I think we will.

20 **VICE CHAIRMAN SKRMETTA:** Okay.

21 **CHAIRMAN FRANCIS:** Okay. Something we'd like to know, you know, by --

22 **VICE CHAIRMAN SKRMETTA:** Write that down, Lane.

23 **MR. SISUNG:** Already in a question.

1 **CHAIRMAN FRANCIS:** What?

2 **MR. SISUNG:** It's already in a question that's been asked.

3 **VICE CHAIRMAN SKRMETTA:** What? Okay.

4 **COMMISSIONER LEWIS:** Charles, on that point, can you -- so when you got

5 the directive from MISO to load shed in a general area, can you just walk me

6 through a little bit the process that your transmission operators used and how did

7 they exactly know which substations to shut down? I know there's the distribution

8 level, and I know they didn't have -- from your earlier testimony, in New Orleans,

9 the transmission operators didn't have enough time in that nine minutes to

10 communicate with the distribution operators. But I just kind of want to know

11 generically or the process of what went in those conversations or in that time period

12 of substations.

13 **MR. LONG:** Our operators know in generally -- generally from analyses they do

14 day to day what substations would be contributing loading to that facility. And it's

15 generally distance, but it's not really geographic distance. It's distance -- electrical

16 distance between the loads that we have, the substations that we have to serve

17 customers, and where the constraint is. So those operators started to open breakers

18 that they knew would unload the constraint based on their knowledge of the system.

19 There were a couple other constraints. If they -- so they were targeting 500

20 megawatts, that was the directive. Had they chosen more distant locations, you

21 know, say they had gone to, you know, Lafayette or Baton Rouge or whatever and

22 shed 500 megawatts, that line would've still been overloaded. So they were trying

23 to make sure that 500 megawatts had the desired effect of unloading that and we

1 didn't have to shed anymore. So that was one thing. And they know that from their
2 system operations experience, they know where those loads are going to have the
3 most impact on that. Two other constraining things: We don't want to shed more
4 than 500 megawatts to get rid of the problem, and then the other is we don't want
5 to open lines that may cause constraints elsewhere in the region that would cause,
6 you know, additional directives to shed load or other problems or isolate generation
7 from the area for, you know, an example. We wouldn't want to isolate generation
8 from the area that's helping to unload the flows as well. So they would think they
9 were balancing those three things.

10 **COMMISSIONER LEWIS:** Got you. And maybe this is a better question for
11 Larry or Phil. Given kind of the public comments that we heard earlier, and we
12 know there were significant constraints placed on the system on that particular day
13 and that weekend, do you have -- and I asked the same question in New Orleans,
14 do you have or can you speak to what you may see as the bill impacts for people
15 based off of the price constraints that we saw?

16 **MR. HAND:** Commissioner, at this time, you know, we're still trying to see how
17 it all settles out with, you know, the MISO impacts, but keep in mind as we buy the
18 bulk of our power in the MISO day ahead market, so we look at our load and we
19 buy day ahead to kind of match up that energy. So we were not fully exposed to
20 the high hourly real time LMPs that you saw. There's going to be some exposure
21 'cause if you have a mismatch in an hour with load -- real time load versus your day
22 ahead purchases, there's that, but we'll see what that is I think in the coming weeks

1 when we get the settlements from MISO. But I wouldn't expect significant
2 exposure in terms of those real time high LMPs you saw.

3 **COMMISSIONER LEWIS:** Okay. Great. Thank --

4 **MR. HAND:** And speaking only for Entergy, you know, other folks may purchase
5 it differently and have different arrangements, so I can't speak to Cleco or co-ops
6 who may have been exposed to it.

7 **COMMISSIONER LEWIS:** No, I'm not -- no, appreciate that. I know MISO
8 made in their presentation about multi-value and market enhancement projects to
9 MISO. Have you all proposed any?

10 **MR. MATT BROWN:** You're speaking of a specific project type?

11 **COMMISSIONER LEWIS:** Yes. Have you just put any -- have you proposed
12 any multi-value or market enhancement projects to MISO?

13 **MR. BROWN:** So the projects that are, you know, most effective in addressing
14 the load pocket import issues that led in part to this event are the projects that are
15 summarized in these slides. So these are projects that, you know, have the effect
16 of improving the import capability into the southeast Louisiana area. Each of these
17 projects is -- you know, has been approved in the MTEP, is moving through the
18 Commission process. And as Charles noted, you know, if we had these projects,
19 particularly the Adams Creek to Robert project in the plan or in service during this
20 event, it would've had a significantly beneficial impact. Like, these are the projects
21 that -- you know, the ones that you see summarized in these slides in southeast
22 Louisiana, the Amite South, import capability is a key feature of these projects and
23 it addresses the import constraint that we saw on the day at issue.

1 **VICE CHAIRMAN SKRMETTA:** One quick question. Which -- and, Philip,
2 you might know this or you, sir. After Hurricane Ida when we imported power
3 from the east through southern companies, which line did we use to bring that
4 through the New Orleans power plant, use that as a switch? Do you remember
5 which particular line that was?

6 **MR. LONG:** Yeah. It was the Slidell to Front Street that came down toward
7 Michoud area.

8 **VICE CHAIRMAN SKRMETTA:** So -- and that line is still functioning and up?

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

10 **VICE CHAIRMAN SKRMETTA:** Okay. So that provides import reliability
11 from the east side?

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

13 **VICE CHAIRMAN SKRMETTA:** Okay. And that was up and functioning
14 during this event?

15 **MR. LONG:** Yes, sir.

16 **VICE CHAIRMAN SKRMETTA:** So it was still more of that Adams Creek
17 issue?

18 **MR. LONG:** Yeah.

19 **CHAIRMAN FRANCIS:** Okay.

20 **VICE CHAIRMAN SKRMETTA:** The reason I'm asking that because I just
21 want to clarify, we're discussing this as a load pocket, but it's not -- in the strictest
22 sense of word, it's not a pocket like the Acadiana load pocket was in like '09, where
23 we had to bring in power from Cleco from Rodemacher. I mean, we have power

1 coming in from the east and the west and the north. The only place we don't have
2 power coming in is from the south. So it's not -- there's a lot of discussion about
3 this being a load pocket when it's not -- I don't think it's a classical load pocket, I
4 just think it's a load demand area, right? So we do have -- we have a lot of lines
5 coming in, but we just obviously -- the concept is to bring more lines in and I get
6 that. But I didn't want people to lose track of how, you know, this paradigm exists.

7 **MR. LONG:** There -- I mean, it has geographical boundaries with water.

8 **VICE CHAIRMAN SKRMETTA:** Yeah.

9 **MR. LONG:** You know, the way I would think about it is, you know, if you have
10 an area that's dependent -- we have to bring -- either bring energy in or produce it
11 locally and there's an economics -- there are economics to how you do that we
12 evaluate and figure out which is best.

13 **VICE CHAIRMAN SKRMETTA:** Is that an element of that from the city of
14 New Orleans going from what was 800 megawatts down to 120 megawatts of
15 power where they used to generate in the city and then moving to the smaller local
16 generation plant?

17 **MR. LONG:** You know, that -- all megawatts would have been helpful that day
18 including those that were there.

19 **VICE CHAIRMAN SKRMETTA:** [INAUDIBLE] because they went from --
20 was it 800 down to 120?

21 **MR. LONG:** I believe it was about 500 or 600. The whole plant.

22 **VICE CHAIRMAN SKRMETTA:** I knew it was significant. So it went from
23 like 520 down to 120, basically?

1 **MR. LONG:** That's in the ballpark.

2 **VICE CHAIRMAN SKRMETTA:** And you shed 500?

3 **MR. LONG:** Yes, sir.

4 **VICE CHAIRMAN SKRMETTA:** So if you would've had that 520, you
5 wouldn't have to shed the load?

6 **MR. LONG:** It certainly would've helped. We'd have to go do analysis, see if it
7 it's one to one [CROSSTALK] would've made a big difference.

8 **VICE CHAIRMAN SKRMETTA:** Okay. I was just curious because I know
9 when there was a replacement when the city was looking at it's -- you know, what
10 they were going to replace the decommissioned Entergy facilities at ENO that they
11 replaced that larger facility with a smaller facility with the concept of importing
12 power through transmission versus generating power locally. Okay. Thank you.

13 **COMMISSIONER LEWIS:** Matt, kind of going back to what you were talking
14 about. Will some of these projects proposed better connectives beyond just Entergy
15 territory? Or do they primarily reinforce just lines within our region?

16 **MR. BROWN:** Well, we've got -- again, going back to the issues and causes here.
17 Obviously, we had a variety of different circumstances, as you've heard, between
18 generation and transmission outages that sort of led up to this event. The reason
19 we're highlighting these projects is because these are projects that bridge the Amite
20 South and Downstream of Gypsy areas that were constrained. You know, those are
21 the areas where MISO said you need to shed load because we can't serve all of the
22 load in those areas. These projects bridge between the area of where the power was
23 more plentiful, if you will, and the area that was constrained. And so, you know,

1 these are projects that are designed among other benefits to improve the import
2 capability. And as you can see, it's a little bit small to print, but that operational
3 flexibility concept is really what we're getting at with these projects where, you
4 know, we don't know in a future event where you're going to have a storm come
5 through and take out a transmission line. Where you're going to have a generator
6 that suffers an unexpected issue and trips, you know. That -- you know, we can do
7 things to plan and prepare for those types of events, but you can't always know,
8 you know, on a bad day where's it going to happen, where's the spot going to be.
9 We know that Amite South and Downstream of Gypsy are an area of the system
10 that rely on imports. These projects which will be built to the latest wind standards,
11 because there's a resilience component as well, will help deliver power into that
12 constrained area and give us the flexibility to withstand unexpected events like what
13 happened on May 25. So they provide, you know, these are the -- these are, you
14 know -- we didn't obviously know what was going to happen --

15 **COMMISSIONER LEWIS:** Right.

16 **MR. BROWN:** -- on May 25, but we designed these projects in significant part to
17 address this area of the system recognizing that we have, as Larry noted, aging
18 generators. You know, we have load growth that we're trying to accommodate. So
19 these projects, you know, I don't think about it so much as what region they
20 connect. It's about the specific geographic area that we're trying to improve
21 reliability and address operational flexibility needs. That's Amite south, that's
22 Downstream of Gypsy. These projects bridge -- you know, provide new avenues
23 to bring more power, more reliably into those specific areas.

1 **COMMISSIONER LEWIS:** Thank you. No, and I was looking back and I know
2 in the resiliency plan there's about 15% dedicated to transmission rebuild, so about
3 \$285 million in spending. And you believe that these projects would help in an
4 event like this? Maybe not directly, right? Because as you mentioned location
5 wise, but those are some of the kind of pre-advancements that you -- or investments,
6 I should say, that you've been making into that?

7 **MR. BROWN:** Right. So the resilience portfolio, the transmission piece of it is
8 looking at facilities that are aging that are in veg rich areas. So that's looking at
9 existing lines that need to be hardened in order to provide, you know, so that they
10 don't trip out during a hurricane or a severe weather event. The projects that you
11 were looking at on the slides a moment ago work together by building new
12 pathways --

13 **COMMISSIONER LEWIS:** Gotcha.

14 **MR. BROWN:** -- built to the latest wind standard, which is significantly more
15 robust than it was, you know, 30 or 40, 50 years ago when some of these older lines
16 were built. So it -- the two pieces work together to both improve reliability, like on
17 a day like May 25, but also to improve resilience in the aftermath, for example, of
18 a Hurricane Ida type event. So when you build those new lines or harden your
19 existing lines to that latest wind standard, then when you have a hurricane come
20 through, you don't see the structural damage like what Charles described with the
21 tornado.

22 **COMMISSIONER LEWIS:** Gotcha. And my last question for you and I'll
23 combine them both is can you tell me what is the hold up with proposing some

1 LRTP and Tranche 3 projects? Because, I mean, I've been mentioning this. I think
2 this is a big topic. I want to see progress. I know we sort of got into a little bit of
3 conversation about Tranche 4, but I want to kind of get back to where we're stuck
4 at right now, which is Tranche 3 because, I mean, I just want to know more
5 generally how do you view your oil and transmission expansion that can prevent
6 constraints like we've seen like this in the near future? Because my fear is it only
7 gets worse. And so I want to look at the totality of everything that happen. I
8 mean, we can get back to the simple generation failures, but I also want to look at
9 what are we doing in the future to ensure -- or to the best of our ability that we are
10 not creating more avenues for this.

11 **MR. BROWN:** Yeah. So we are working with MISO on concepts for Tranche 3
12 and other stakeholders I think are doing the same. You know, that's a longer-term
13 proposition. Projects, you know, as we've seen in MISO North with the LRTP
14 long-range transmission plan projects in MISO North, you know, they take
15 significant amount of time not only because they're big projects and the
16 development timeline is long, but also because you have to get stakeholders
17 comfortable because you're allocating the cost of those projects over a wide region.
18 You've got to have good stakeholder buy-in that they're going to benefit from those
19 projects because you're going to be -- you got a lot of different people paying for
20 projects that are in faraway places. You know, we're working with MISO, you
21 know, to bring ideas to the table about where we think projects for the long-range
22 plan would be beneficial but, you know, with the projects that we were showing
23 you a moment ago, you know, the business case there is really different. Those are

1 coming online from 25 to 28. Like, you could never achieve those timelines with
2 an LRTP. And the other thing is, from a cost allocation perspective, the benefits of
3 those projects flow into southeast Louisiana, into Louisiana as a state. They serve
4 the Louisiana area, they help facilitate the growth, you know, with new economic
5 development projects in southeast Louisiana. So allocating large portions of the
6 cost of those Amite South projects that we showed you to customers in Arkansas
7 or Mississippi or Texas, you have a mismatch there because your cost and your
8 benefits don't match up. The benefits are in Louisiana and the cost would be
9 flowing elsewhere. So the LRTP concept doesn't really work very well for projects
10 like those, both from a cost allocation perspective and from a timing and delay
11 perspective. We're -- you know, I think the point we're trying to show you with
12 these slides is just that we're not sitting back and waiting around for MISO to come
13 in and figure out a big plan. You know, we are planning, too. And we are
14 identifying large-scale projects that move power over, you know, a large region in
15 southeast Louisiana. There are projects in the current MTEP. You can see it on
16 the map there, Babel to Webre. That's a major project that covers roughly 200
17 miles through the middle of the state. It doesn't have that LRTP label on it, but it
18 will provide enormous benefits to the state in terms of enhanced reliability,
19 flexibility during events like May 25, hurricane events. You know, it's set back
20 from the coast, so it'll allow moving power even when a hurricane comes through.
21 So it has a variety of benefits. Most of those benefits are in Louisiana. And so,
22 you know, that's the -- you know, that's the rationale for the planning approach
23 with these projects that would take [CROSSTALK].

1 **COMMISSIONER LEWIS:** No, and I appreciate that. And my last kind of point,
2 as I've stated, I just think we do all benefit from greater interconnection, so I don't
3 want us to pit or have a process where we're only looking at one. I think on
4 transmission, we need to take a more holistic approach. I believe we need to really
5 finalize Tranche 3, even though as you mentioned, Matt, I appreciate that. It is --
6 that's why it's called long-term, because it's not necessarily a near-term solution,
7 but I do think if we don't take transmission capacity seriously right now, we are
8 setting ourselves up for future events. And I think that is a place over the next few
9 months I'm going to be very aggressive with talking with you and MISO and all of
10 our utilities about what are we doing on transmission capacity? I know it's going
11 to be hard. I mentioned this during your IRP, I would like to see even some
12 suggestions in the next IRP phase about transmission planning, but I think I've
13 made that point, so I'm not going to keep belaboring it. So thank you.

14 **MR. HAND:** And, Commissioner, we welcome that discussion. And I want to
15 emphasize and leave you with this last slide is we have an all of the above approach
16 to solving the energy needs of the state. It is transmission, as we've been discussing
17 here today, that'll help, but we're also looking at generation. So we have a number
18 of generators, you know, proposed to the Commission for certification. We're
19 exploring, you know, uprates at our nuclear plants where they're economic. We
20 have a number of procurements underway to procure solar resources for the state.
21 We've completed or conducted an RFP for existing capacity that we could
22 potentially acquire for the benefit of our customers. We're also conducting a
23 developmental RFP for new CCGT capacity over and above the generation that's

1 being proposed. And lastly, we recently filed a demand response program for
2 review and approval by the Commission. So we're only going to be able to meet
3 the demands in Louisiana for economic development for reliability with kind of a
4 whole state solution and it's going to take everything. Transmission, generation,
5 all sorts of generation, demand response, energy efficiency, all of it. So that's
6 where we're trying to get and we appreciate the time today, the questions, and look
7 forward to working with you and your Staff as we kind of do the deep dive with
8 MISO and report back in August. So thank you.

9 **CHAIRMAN FRANCIS:** Thank you for coming. Thank you very much. I want
10 to move to adjourn. You got a motion?

11 **VICE CHAIRMAN SKRMETTA:** Second -- move to adjourn.

12 **CHAIRMAN FRANCIS:** I make a motion, Skrmetta seconded. It's done.

13

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

15

1 I certify that the foregoing pages 1 through 174 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 18, 2025 in Baton Rouge, Louisiana.

4 *****

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