

TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON MARCH 18, 2026 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN ERIC SKRMETTA, VICE CHAIRMAN JEAN-PAUL COUSSAN, COMMISSIONER DAVANTE LEWIS, COMMISSIONER MIKE FRANCIS, AND COMMISSIONER FOSTER CAMPBELL.

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1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**
2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON MARCH 18,**
3 **2026 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN**
4 **ERIC SKRMETTA, VICE CHAIRMAN JEAN-PAUL COUSSAN,**
5 **COMMISSIONER DAVANTE LEWIS, COMMISSIONER MIKE**
6 **FRANCIS, AND COMMISSIONER FOSTER CAMPBELL.**

7 **CHAIRMAN ERIC SKRMETTA:** We're going to go ahead and get started, if
8 everybody'll take their seats for a minute. And I've asked Commissioner Lewis to
9 lead us in a prayer followed by Pledge of Allegiance by Commissioner Coussan.

10 **[COMMISSIONER DAVANTE LEWIS LEADS IN PRAYER]**

11 **[VICE CHAIRMAN JEAN-PAUL COUSSAN LEADS IN PLEDGE]**

12 **CHAIRMAN SKRMETTA:** Okay. Well, welcome everybody to the -- a March
13 frosty morning. Go ahead and move into announcements from Staff. Anybody --
14 any Commissioners have any announcements?

15 **VICE CHAIRMAN JEAN-PAUL COUSSAN:** I have a quick announcement.

16 **CHAIRMAN SKRMETTA:** Go ahead.

17 **VICE CHAIRMAN COUSSAN:** As most of us notice, this is a -- this crowd who
18 typically attends our meetings is a pretty insular group, but we invite and often
19 welcome guests. Today, I'd like to welcome anyone who hasn't ever been to a
20 Public Service Commission meeting. I have one of my lifelong friends, Anthony
21 Adams, here. Anthony, coming from Lafayette, thanks for joining us this morning
22 to see what we do at the Public Service Commission. Welcome.

1 **CHAIRMAN SKRMETTA:** Any other announcements? I do know we have a
2 continued announcement about the next Commission meeting, which will take
3 place in Alexandria. Staff, if you want to reactivate that announcement, please.

4 **MS. KATHRYN BOWMAN:** Sure. So it is April 15, I believe is the date, and it
5 will be held at the Bentley Hotel in downtown Alexandria. And Commissioner
6 Francis has indicated he's going to have a welcoming function the night before.

7 **CHAIRMAN SKRMETTA:** Okay. And they'll -- Staff will provide information
8 on that as it becomes available, correct?

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

10 **CHAIRMAN SKRMETTA:** And is it going -- for those of -- folks who are not
11 going to spend the night before, do y'all have information on the room where the
12 meeting is going to be held yet?

13 **MS. BOWMAN:** I can post that on the website when we have it.

14 **CHAIRMAN SKRMETTA:** Okay.

15 **MS. BOWMAN:** I believe it's in one of the conference rooms at the hotel, but
16 once I confirm that, I can put that on the website.

17 **CHAIRMAN SKRMETTA:** And we're going to start at 10 A.M.?

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

19 **CHAIRMAN SKRMETTA:** Okay. Great. All right. Thank you. And no other
20 announcements?

21 **COMMISSIONER MIKE FRANCIS:** Casual dress.

22 **CHAIRMAN SKRMETTA:** Commissioner says casual dress.

23 **MS. BOWMAN:** Casual dress.

1 **VICE CHAIRMAN COUSSAN:** No shorts, please.

2 **CHAIRMAN SKRMETTA:** Casual Rapides. Rapides casual. Okay.

3 Commissioner Campbell, you have any announcements? Nope? Okay. Let's go

4 ahead and move into --

5 **MS. BOWMAN:** So, I'm sorry, Staff has two more announcements.

6 **CHAIRMAN SKRMETTA:** Go ahead.

7 **MS. BOWMAN:** One, on the agenda, we are moving Exhibit Number 2 to the end

8 of the agenda.

9 **CHAIRMAN SKRMETTA:** Okay.

10 **MS. BOWMAN:** And then Exhibit Number 6 is deferred. And then Auditing

11 Staff has an announcement.

12 **MS. ROBIN PENDERGRASS:** Yes. Commissioners, I would like to introduce

13 y'all to our newest Auditor, Ms. Courtney Gordon. Courtney.

14 **CHAIRMAN SKRMETTA:** There she is. Welcome, Courtney.

15 **SECRETARY BRANDON FREY:** And Courtney was here last month. We just

16 didn't want to throw her to the fire that early.

17 **CHAIRMAN SKRMETTA:** Overwhelm her?

18 **SECRETARY FREY:** But she got to observe, and she's still here, so.

19 **CHAIRMAN SKRMETTA:** So she didn't run -- she didn't like hightail it out of

20 here. You didn't scare her too bad. Okay. Let's go ahead and move into the

21 agenda, please, with Exhibit 2.

22 **MS. BOWMAN:** Exhibit 3.

23 **CHAIRMAN SKRMETTA:** I'm sorry. Exhibit 3. Sorry about that.

1 **MS. BOWMAN:** Yes, sir. Exhibit Number 3 is Docket Number T-37796. This
2 is the Commission versus AD Movers on an alleged violation of the Revised
3 Statutes 45:161 through 180.1, by engaging in activities related to moving
4 household goods prior to complying with the requirements of 45:164 (E), and
5 General Order dated March 16, 2021, and for failure to comply with the
6 requirements of General Order dated April 3, 2008 as amended. This is a discussion
7 and possible vote pursuant to Rule 57 on an affidavit and stipulation executed by
8 the carrier. So this will need two votes. As a result of an investigation by
9 Transportation Staff, a citation was issued to AD Movers on November 26, 2025
10 based upon the aforementioned allegations. In response to the citation, the owner
11 of the company executed an affidavit and stipulation on behalf of the company
12 admitting to all the violations. The carrier agreed to the imposition of a \$25 citation
13 fee and a \$1,000 fine with 500 of that being suspended contingent on the standard
14 conditions Staff includes in transportation stipulations. Staff recommends that the
15 Commission: 1) Exercise its original and primary jurisdiction under Rule 57 to
16 consider the affidavit and stipulation; and 2) Accept the affidavit and stipulation
17 executed on March 4, 2026 for fines and fees totaling \$525.

18 **CHAIRMAN SKRMETTA:** Chair moves to bring the matter up under Rule 57.
19 Any seconds?

20 **COMMISSIONER DAVANTE LEWIS:** Second.

21 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any
22 opposition? [NONE HEARD] Hearing none, so ordered. Chair moves to accept
23 the Staff recommendation. Any seconds?

1 **VICE CHAIRMAN COUSSAN:** Second.

2 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Coussan. Any
3 opposition? [NONE HEARD] Hearing none, so ordered. Next item, please.

4 **MS. BOWMAN:** Exhibit Number 4 is Docket Number T-37814. This is the
5 Commission versus Lagniappe Chauffeured Services regarding alleged violations
6 of 45:161 through 180.1, General Order dated April 25, 2012 by engaging in
7 activities related to transporting passengers intrastate without Commission
8 authority. It's a discussion and possible vote pursuant to Rule 57 on an affidavit
9 and stipulation executed by the carrier. As a result of the investigation by
10 Transportation Staff, the citation was issued to the company on January 5 of this
11 year based on the aforementioned allegations. In response to that citation, the
12 owner of the company executed an affidavit and stipulation on behalf of the
13 company admitting to all the violations and agreeing to the imposition of a \$25
14 citation fee and a \$1,000 fine with 500 being suspended contingent on the standard
15 conditions Staff includes in transportation citation stipulations. Staff recommends
16 that the Commission: 1) Exercise its original and primary jurisdiction under Rule
17 57 to consider the affidavit and stipulation; and 2) Accept the affidavit and
18 stipulation executed on February 26 of this year for fines and fees totaling \$525.

19 **CHAIRMAN SKRMETTA:** Chair moves to bring the matter under Rule 57.

20 **COMMISSIONER LEWIS:** Second.

21 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any
22 opposition? [NONE HEARD] Hearing none, so ordered. Chair moves to accept
23 the Staff recommendation.

1 **COMMISSIONER LEWIS:** Second.

2 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any
3 opposition? [NONE HEARD] Hearing none, so ordered. Next item, please.

4 **MS. BOWMAN:** Exhibit Number 5 is Docket Number R-37773. This is the
5 Commission's vegetation management pilot program. It's a discussion and
6 possible vote on Staff's recommendation of a final rule. And this was Exhibit 5
7 last month. At the Commission's October 2025 B&E, Staff was directed to open a
8 rulemaking to create a vegetation management pilot for jurisdictional electric
9 utilities, with a focus on the distribution system. The directive also directed Staff
10 to use best efforts to have the pilot placed in early 2026 so that the benefits of the
11 pilot could start before the peak of 2026 hurricane season. Based on this directive,
12 Staff noticed the rulemaking in the Commission's Official Bulletin with several
13 parties intervening. After reviewing the comments received, Staff filed a proposed
14 final rule on January 29 and sought specific comments on a few topics. Revisions
15 were provided by Cleco Power, Entergy, and SWEPCO. Considering all
16 information provided by the stakeholders during the rulemaking, Staff filed its
17 Staff's recommendation of final rule on February 13, 2026. The final rule reflects
18 not only the Commission's directive, but also comments, revisions, and information
19 provided by the stakeholders. At the February B&E, there was discussion with
20 SWEPCO regarding the increase of the 1% customer cap, which resulted in the
21 matter being deferred to this B&E. After the February B&E, Staff and SWEPCO
22 had discussions regarding that customer cap, and SWEPCO has now confirmed it
23 is not seeking to reopen the rulemaking or change the 1% cap in the proposed pilot.

1 As such, Staff recommends that the Commission accept Staff's recommendation
2 on the final rules filed into the record on February 13, 2026.

3 **CHAIRMAN SKRMETTA:** Any motions?

4 **VICE CHAIRMAN COUSSAN:** Motion to accept Staff recommendation.

5 **CHAIRMAN SKRMETTA:** Moved by Commissioner Coussan. Chair seconds.
6 Any opposition? [NONE HEARD] Hearing none, so ordered. Next item, please.

7 **MS. BOWMAN:** Exhibit 6 is deferred, so we'll move to Exhibit 7, which is
8 Docket Number U-37464. This is Southwest Louisiana Electric Membership
9 Corporation's request for a letter of non-opposition to establish a regulatory asset.

10 It's a discussion and possible vote on an uncontested stipulated settlement. On

11 December 30, 2024, SLEMCO filed the instant request, which was published in the
12 Commission's Official Bulletin and no interventions were received. On May 25,

13 2025, SLEMCO filed supplemental and restated application, which was also
14 published in the Commission's Official Bulletin with no interventions. That

15 restated application reiterated the request for a non-opposition, but also requested
16 to implement a bill rider over 12 months. SLEMCO sought to create the regulatory

17 asset for the carrying cost associated with spreading the increase of fuel expenses
18 from Cleco Cajun from November '23 and December of '23, and then also costs

19 associated with unprecedented number of thunderstorms in the spring of 2024, and
20 costs incurred in preparation of Hurricane Francine in 2024. SLEMCO stated that

21 the average residential customer would see a charge of approximately \$1.96 for the
22 12 months. Staff reviewed the filing of the request and filed testimony on

23 November 17, 2025, recommending that the request be granted. Staff further

1 reviewed and recommended that SLEMCO's recovery mechanism for those
2 regulatory assets be granted. On January 13, 2026, SLEMCO and Staff entered
3 into an uncontested stipulated settlement, which was filed into the record. Staff
4 recommends that the Commission accept that uncontested stipulated settlement
5 filed into the record on January 13 of this year, and that the proceeding be effective
6 immediately.

7 **CHAIRMAN SKRMETTA:** Any motions?

8 **VICE CHAIRMAN COUSSAN:** I make a motion to accept Staff
9 recommendation.

10 **CHAIRMAN SKRMETTA:** Any seconds?

11 **COMMISSIONER LEWIS:** Second.

12 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any
13 opposition? [NONE HEARD] Hearing none, so ordered. Next item, please.

14 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-37595. It's Entergy
15 Louisiana's request for approval of demand response programs, including cost
16 recovery. It's a discussion and possible vote on an uncontested stipulated
17 settlement. On May 30, 2025, Entergy filed the instant application seeking a
18 finding from the Commission that its proposed demand response programs and
19 proposed schedule DRP included with the application were just and reasonable,
20 consistent with public interest, and in compliance with the applicable requirements
21 of the Commission's Demand Response Rule. The programs included for
22 residential customers smart thermostats, battery energy storage, and electric vehicle
23 charging offerings, as well as other offerings for agricultural and commercial

1 customers. The application was published in the Commission’s Official Bulletin
2 with LEUG, the Alliance, OxyChem, GSREIA, and Walmart intervening. After
3 discovery and the filing of testimony, the parties executed an uncontested stipulated
4 settlement, which was filed into the record on February 9, 2026. The major terms
5 of the settlement are as follows: The proposed programs are just and reasonable,
6 in compliance with the Commission’s Demand Response Rule, and therefore
7 approved and implemented over a five-year period as described in Entergy’s
8 application. The cost of the programs are deemed eligible for inclusion in and
9 recovery through an additional capacity mechanism provision of the company’s
10 current FRP. The total, not-to-exceed amount for the five-year program is \$75.6
11 million. And beginning in May of 2027, Entergy shall file annual reports of the
12 initial five-year term of the programs. The utility’s performance incentive is not
13 approved. Staff recommends that the Commission approve the uncontested
14 stipulated settlement filed into the record on February 9, 2026.

15 **CHAIRMAN SKRMETTA:** Any motions?

16 **COMMISSIONER LEWIS:** Mr. Chairman, I move to approve the uncontested
17 stipulated settlement.

18 **CHAIRMAN SKRMETTA:** Any seconds?

19 **VICE CHAIRMAN COUSSAN:** I’ll second.

20 **CHAIRMAN SKRMETTA:** Seconded by Commission Coussan. Any
21 opposition? [NONE HEARD] Hearing none, so ordered. Next item, please.

22 **MS. BOWMAN:** Exhibit Number 9 is Docket Number U-37706. This is
23 SWEPCO’s request for approval of short-term capacity purchase agreements

1 pursuant to the Commission's General Order dated September 30, 1983 and the
2 Market Based Mechanisms Order. It's a discussion and possible vote on an
3 uncontested stipulated settlement. On July 31 of last year, SWEPCO filed this
4 request pursuant to the Commission's General Order dated September 30 of '83 and
5 Market Based Mechanisms Order. The application was published in the Bulletin
6 and no interventions were received. SWEPCO requested Commission approval for
7 short-term capacity purchase agreements beginning in 2025 and further sought that
8 the Commission find that these were needed, prudent, and in the public interest in
9 accordance with the Commission's applicable orders. After an RFP process,
10 SWEPCO selected three TransAlta wind CPAs and one Kiamichi natural gas CPA.
11 Staff reviewed SWEPCO's application and filed testimony into the record on
12 December 15, 2025, concluding that SWEPCO demonstrated a need for additional
13 accredited capacity during the terms of the CPAs and that they were reasonable, in
14 the public interest. On February 6 of this year, SWEPCO and Staff entered into an
15 uncontested stipulated settlement which was filed into the record. Staff
16 recommends that the Commission accept the uncontested stipulated settlement filed
17 into the record on February 6 of this year, and that the order be effective
18 immediately.

19 **CHAIRMAN SKRMETTA:** Chair moves to accept the Staff's recommendation.

20 Any seconds?

21 **COMMISSIONER FOSTER CAMPBELL:** I'll second it. It's my --

22 **CHAIRMAN SKRMETTA:** Seconded. You have any comments,
23 Commissioner?

1 **COMMISSIONER CAMPBELL:** Thanks for handling my --

2 **CHAIRMAN SKRMETTA:** I'm sorry about that. I tell you what, I'll withdraw

3 my motion, and you can go ahead and carry it.

4 **COMMISSIONER CAMPBELL:** I make a motion that we accept unstipulated

5 settlement. Same as Mr. [INAUDIBLE] --

6 **CHAIRMAN SKRMETTA:** Any seconds?

7 **COMMISSIONER LEWIS:** Second.

8 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any

9 opposition? [NONE HEARD] Hearing none, so ordered.

10 **MS. BOWMAN:** Exhibit Number 10 is Docket Number U-37735. This is

11 Entergy's application to terminate the River Bend deregulated asset plan, and return

12 those assets to rate base with other associated relief. It's a discussion and possible

13 vote to retain Fishman Haygood. Entergy filed the instant application in September

14 of 2025, and the current procedural schedule sets a contested hearing for July of

15 this year. Given other obligations of Staff in the same timeframe, Staff has

16 identified the need for assistance of outside counsel to assist in trial prep and

17 preparation for the anticipated contested hearing. Staff solicited Fishman Haygood

18 given their experience with the deregulated asset plan, not only at the -- here at

19 Commission, but also at the FERC on various SERI and other Entergy dockets. As

20 such, Staff solicited Fishman Haygood's assistance pursuant to the Commission's

21 General Order dated November 10, 2014. Based on Staff solicitation, Fishman

22 Haygood submitted a proposed budget of 164,000 in fees and 10,000 in expenses.

1 Staff recommends that the Commission retain Fishman Haygood for 164,000 in
2 fees and 10,000 in expenses for a total not to exceed budget of \$174,000.

3 **CHAIRMAN SKRMETTA:** Chair moves to accept Staff recommendation.
4 Seconds?

5 **COMMISSIONER LEWIS:** Second.

6 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any
7 opposition? [NONE HEARD] Hearing none, so ordered.

8 **MS. BOWMAN:** Exhibit 11 is undocketed. It's our reports, resolutions, and
9 discussions. We have one ratification this month, which is a discussion and
10 possible vote to ratify interventions of the Commission in RTO related or other
11 FERC proceedings. And this is pursuant to the scope of work approved in
12 connection with the retention of Fishman Haygood and United Professionals
13 Company at the February 24, 2021 B&E from MISO, SPP, and ERSC participation.
14 And due to the short deadlines allowed in those interventions, if advanced
15 Commission approval is not possible, the Executive Secretary can -- may authorize
16 the initial interventions, comments, or protests subject to ratification. Interventions
17 were filed in Dockets ER26-1087, 26-1197, 26-1355, 26-1311, and 26-1323. Staff
18 recommends that the Commission ratify the actions taken in those dockets.

19 **CHAIRMAN SKRMETTA:** Chair moves to ratify the intervention. Seconds?

20 **COMMISSIONER LEWIS:** Second.

21 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any
22 opposition? [NONE HEARD] Hearing none, it's approved.

1 **MS. BOWMAN:** Also, under Exhibit Number 11 is a directive from
2 Commissioner Lewis. It's a directive for Staff to open a rulemaking to consider a
3 framework for establishing new large load and this was Exhibit 15 last month. We
4 do have one yellow card on this matter.

5 **CHAIRMAN SKRMETTA:** Let's go ahead and hear from the yellow card.

6 **VICE CHAIRMAN COUSSAN:** Let's hear from Commissioner Lewis first.

7 **CHAIRMAN SKRMETTA:** Commissioner Lewis, you want to go ahead first?

8 **COMMISSIONER LEWIS:** Yes, sir. Thank you, Mr. Chairman, and thank you,
9 colleagues. As many of you know, I've been working on a process to allow some
10 stakeholder feedback, particularly on the work that we have done in the guidelines.
11 As I stated last month, I was supportive of the guidelines. I believe they are strong
12 and sets us up in an extremely great regulatory process. But as we know, there
13 were some questions that Staff had lingering, and I think some of the interested
14 parties, utilities, data centers, and all. So I wanted to create a process that allowed
15 for stakeholder feedback for us to consider any other items to ensure that we are
16 best protecting the Louisiana consumers and ratepayers. And I want to thank my
17 colleague, Commissioner Coussan, who I've had a lot of conversation with this
18 about since December, and I think we have come up with a solution that I believe
19 works for us all. And so I don't have the language, Commissioner Coussan, so I'll
20 pass to you to talk about that.

21 **VICE CHAIRMAN COUSSAN:** Thank you, Commissioner Lewis. And I agree
22 that the promulgation of the nonbinding rules last month was a great step to kind of
23 pull back the curtain on the activities of the Louisiana Public Service Commission's

1 Staff and the great work that they are doing on these large load additions and are
2 really a national leader at this point. As far as our discussions with Commissioner
3 Lewis, I think that stakeholder feedback can be accomplished more expeditiously
4 through a technical conference. As such, I would ask that we direct Staff to conduct
5 a technical conference on the guidelines that were promulgated as soon as
6 practicable with a report back to the Commission at a future B&E. All of that would
7 happen, obviously, this year, and sooner rather than later. Understand that we do
8 have commitments by our Staff and by our experts who I would also like at this
9 technical conference. And I know most of our technical conferences happen here
10 in the Public Service Commission building, but to the extent possible, I would like
11 to explore opportunities to have it somewhere in Baton Rouge that could
12 accommodate more interest that we might have than normal technical conferences.
13 And I want to ensure that, as Commissioner Lewis stated, all the stakeholders are
14 invited, particularly those that could be impacted by this technical conference and
15 these rules. So with that, that's the directive, and it's a joint directive.

16 **COMMISSIONER LEWIS:** And I thank Commission Coussan for working with
17 me on this. And I echo his comments. I believe the public and everyone has asked
18 questions, and us jointly allowing an opportunity for feedback, consideration, and
19 other ideas that we may have not considered -- or places is worthwhile to showcase
20 to the public that we have been steadfast in ensuring we protect Louisiana
21 consumers. So I once again thank my colleague for working with me on this.

1 **VICE CHAIRMAN COUSSAN:** And, Commissioner Lewis, if I'm not mistaken,
2 this directive that you and I have done is -- replaces and supersedes the one that
3 was on the docket.

4 **COMMISSIONER LEWIS:** Correct. Correct.

5 **VICE CHAIRMAN COUSSAN:** Okay. Thank you.

6 **COMMISSIONER LEWIS:** I am substituting the language.

7 **CHAIRMAN SKRMETTA:** And we'll still go ahead and take the yellow for
8 comment.

9 **MS. BOWMAN:** Absolutely. Mr. Baker?

10 **CHAIRMAN SKRMETTA:** Thank you, Mr. Baker. Go ahead and make sure
11 you have it close enough to you. Sometimes the mic --

12 **MR. ANDREW BAKER:** Sure.

13 **CHAIRMAN SKRMETTA:** You can pull it back to you.

14 **MR. BAKER:** Okay.

15 **CHAIRMAN SKRMETTA:** You don't have to hunch.

16 **MR. BAKER:** Perfect. Good morning, Commissioners. My name is Andrew
17 Baker here on behalf of the Greater New Orleans Housing Alliance. Over the past
18 several weeks, the public has watched with concern as proposals tied to Governor
19 Jeff Landry's Lightning Initiative has moved forward at an accelerated pace. These
20 proposals around large new loads could significantly reshape how major industrial
21 customers, including data centers, connect to our grid. Commissioner Lewis'
22 directive properly define what constitutes as a large new load before facilities are
23 erected and locked in long-term economic commitments is -- it's a necessary

1 safeguard. If this Commission is going to proceed responsibly, the definition of a
2 large new load must be clear, comprehensive, and protective of ratepayers.
3 Louisianans are already burdened by some of the highest energy costs relative to
4 income of the country. Many families in our region struggle every month to keep
5 the lights on. They cannot afford to subsidize speculated infrastructure built to
6 serve multinational data center operators under expedited timelines. These
7 decisions made under the Lightning Initiative will outlast the administration and
8 Commission. That's why properly defining what a large new load is, is essential.
9 Once facilities are erected and contracts are executed, the leverage to protect
10 ratepayers diminishes dramatically. The Commission's duty is to not speed the
11 project forward at any excessive cost. It is to ensure reliability, affordability, and
12 fairness for the people of Louisiana, and that requires transparency, careful cost
13 allocation, and meaningful public participation. And we urge you to uphold this
14 directive, strengthen it where it is necessary, and ensure that no accelerated process
15 erases the guardrails that protect Louisiana households. Thank you.

16 **CHAIRMAN SKRMETTA:** Great. And please pay attention to the scheduling
17 of the technical conference. You can feel free to attend that as well.

18 **MR. BAKER:** Wonderful. Thank you.

19 **CHAIRMAN SKRMETTA:** All right. Thank you very much for your comment.
20 We'll go ahead and move onto Exhibit 12.

21 **MS. BOWMAN:** Exhibit Number 12 is Docket Number U-37394. This is
22 SLECA's petition for approval of abandonment of electric facilities located in
23 Terrebonne and Lafourche parishes, pursuant to Commission General Order dated

1 July 9, 2008. It's a discussion and possible vote on a proposed recommendation of
2 the Administrative Law Judge pursuant to Rule 57. So this will need two votes,
3 and it's at the request of Vice Chairman Coussan. On September 25, 2024, SLECA
4 filed the instant petition with the Commission which was published in the
5 Commission's Official Bulletin and interventions were received. SLECA
6 requested that the Commission approve the abandonment of its Lake Lines
7 distribution facilities. Those lines consist of the following segments that served
8 recreational camps: Approximately 31 miles of line along the southern border of
9 Lake De Cade, approximately nine miles in Grand Pass area, approximately five
10 miles in the Lake Fields area, and approximately a quarter mile at the island of the
11 end of Four Point Road. This is a total of approximately 44.5 miles of distribution.
12 After discovery and filing of testimony, the matter proceeded to a contested hearing
13 on October 27 of last year. At the hearing, the following contested issues were
14 litigated: As stated by SLECA, it's whether the Commission's General Order
15 requires a segmented analysis of the Lake Lines and whether abandonment of those
16 lines as a whole is in the public interest under the Commission's General Order. As
17 stated by Commission Staff, whether abandonment of the Grand Pass, Four Point,
18 and Lake Fields segments of the Lake Lines is in the public interest under the
19 Commission's General Order. And as stated by Ms. Sara Boudreaux, who is an
20 intervenor in the docket, whether abandonment of the Grand Pass, Four Point, and
21 Lake Fields segments of the Lake Lines is consistent with the public interest where
22 SLECA allegedly caused the damage to the facilities and did not adequately
23 evaluate or pursue reasonable repair or restoration efforts prior to seeking

1 abandonment. After the filing of post-hearing briefs, ALJ Guillot issued a proposed
2 recommendation on February 27 of this year, and in the recommendation, the Judge
3 recommended that the Commission find SLECA failed to sufficiently support its
4 request for abandonment, and therefore that SLECA's petition be denied. And I
5 have a motion by the Commissioner Coussan. Would you like me to read that?

6 **VICE CHAIRMAN COUSSAN:** Well, first I'd like to make the motion that we
7 take the matter up under Rule 57, and assert our original and primary jurisdiction.

8 **CHAIRMAN SKRMETTA:** Sure. We have a motion under Rule 57. Any
9 seconds?

10 **VICE CHAIRMAN COUSSAN:** I'll second.

11 **CHAIRMAN SKRMETTA:** Chair will second.

12 **VICE CHAIRMAN COUSSAN:** Okay. I made the motion, you seconded it.

13 **COMMISSIONER LEWIS:** Mr. Chairman -- and I'll object.

14 **CHAIRMAN SKRMETTA:** Okay. And we have a second by Chair, an objection
15 by Commissioner Lewis. I need to take roll call vote to bring the matter up under
16 Rule 57. Please call the roll. And this is a roll call vote simply to hear the matter.

17 **MS. BOWMAN:** Simply to hear the matter. So let's start with Commissioner
18 Francis.

19 **COMMISSIONER FRANCIS:** Yes.

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

21 **VICE CHAIRMAN COUSSAN:** Yes.

22 **MS. BOWMAN:** Commissioner Lewis?

23 **COMMISSIONER LEWIS:** No.

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

2 **COMMISSIONER CAMPBELL:** [NO AUDIBLE RESPONSE]

3 **MS. BOWMAN:** And then Chair?

4 **CHAIRMAN SKRMETTA:** Yes.

5 **MS. BOWMAN:** So it passes four to one to take the matter up.

6 **CHAIRMAN SKRMETTA:** Okay. Well, go ahead and move it forward.

7 **MS. BOWMAN:** So we do have four yellow cards to speak --

8 **CHAIRMAN SKRMETTA:** Can we put a motion on the floor, please?

9 **MS. BOWMAN:** Yes, sir. Would you like me to read it?

10 **CHAIRMAN SKRMETTA:** And then we'll take the cards. All right.

11 **VICE CHAIRMAN COUSSAN:** Yeah. Would Staff mind reading my motion?

12 **MS. BOWMAN:** I move that the Commission deny in part the Administrative

13 Law Judge's recommendation and grant SLECA's request to abandon only the lines

14 identified as the Lake De Cade segment of the Lake Lines based on the evidence

15 provided in the record that SLECA's request to abandon this segment was made as

16 a last resort. Accept in part the ALJ's recommendation and find that SLECA failed

17 to make a prima facie case and therefore has not met its burden of proof regarding

18 the abandonment of the Lake Fields, Four Point, and Grand Pass segments of the

19 Lake Lines. Remand SLECA's request to abandon those three remaining segments

20 to the Administrative Law Judge with the following instructions: Within 15 days

21 from today, the Tribunal shall establish a procedural schedule in this docket for

22 SLECA to have the opportunity to offer additional evidence into the record to make

23 its prima facie case; the parties are allowed to induct additional discovery and

1 analysis regarding the evidentiary deficiencies addressed in the ALJ's
2 recommendation, specifically the requirements of Sections B(4), B(7), B(8), B(9),
3 and B(10) of the General Order dated July 9, 2008 in an expeditious manner and
4 best efforts as to have a recommendation back to this Commission by the September
5 2026 B&E. And I direct Staff to issue any requests for proposals for hiring of
6 outside consultants as necessary.

7 **CHAIRMAN SKRMETTA:** Do we have a second? [NONE HEARD] The Chair
8 will second. That's fine. Do we have cards now?

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

10 **CHAIRMAN SKRMETTA:** So let's go ahead and let's get them up first before
11 we move into comments from the Commissioners.

12 **MS. BOWMAN:** Absolutely. So, Ms. Boudreaux, which was an intervenor in the
13 docket, you can come forward, as well as a Mr. Brent Story. I believe he was also
14 an intervenor in the docket.

15 **CHAIRMAN SKRMETTA:** Sure. If we need extra chairs up here, we got them?

16 **MS. BOWMAN:** You want all four of them?

17 **CHAIRMAN SKRMETTA:** Okay. That's fine.

18 **MS. BOWMAN:** And Mr. Thomas Boudreaux and a Jason Melancon, y'all can
19 all come up.

20 **CHAIRMAN SKRMETTA:** Right. Anybody wants to come and -- they just take
21 whatever chair you want, and we'll just put everybody on deck on the spare chairs.

22 **SECRETARY FREY:** [INAUDIBLE]

1 **CHAIRMAN SKRMETTA:** I'm sorry. Say again? Well, yeah. They've got
2 your cards, so you could just push the button on the microphone and pull it close to
3 you, and you can just take your turn one at a time, so. We'll get to you if -- just
4 take a seat. One of y'all can come up here and grab the center chair. There you go.
5 No, no, no. Just sit down. I was talking about this gentleman here, so. You were
6 here first, so why don't you go ahead and you can push the button on your
7 microphone. You can pull it closer to you by the edge --

8 **MS. SARA BOUDREAUX:** Yes, sir.

9 **CHAIRMAN SKRMETTA:** And introduce yourself, and we'll go from -- hear
10 from you first.

11 **MS. BOUDREAUX:** Good morning, Commissioners. I am Sara Boudreaux, an
12 intervenor in the Lake Fields line, and I am a constituent of Mr. Coussan. I want
13 to stay focused on one standard today, the public interest. The process laid out by
14 the LPSC exists to ensure that utilities cannot abandon service without first proving
15 that doing so is justified, reasonable, and truly in the public interest. In this case,
16 that process matters, because it was not followed in practice. It is my opinion that
17 the decision made by SLECA to remove the infrastructure first -- the infrastructure
18 first prioritized the utility's interest over the public interest. The infrastructure was
19 removed before this Commission had the opportunity to make a determination on
20 abandonment. Therefore, SLECA limited the authority of the LPSC before the
21 legal process was complete. That alone raises a serious public interest concern
22 because if this is allowed, it sets precedent that infrastructure can be removed before
23 this Commission has ruled, effectively bypassing the very process designed to

1 protect the public. This represents 18 months of work from a public high school
2 teacher. Today, I am on a leave of absence without pay because I have participated
3 in every part of this process. I am out of personal days; therefore, I am on leave
4 without pay. I am a mom of three, and I'm a Catholic youth mentor. SLECA was
5 reminded over and over that they had the burden of proof here throughout this
6 process. The docket went through the full process. Discovery was made, was
7 conducted, evidence was collected, and a hearing was held. Up to now, the system
8 worked as it should. All parties had opportunities to submit evidence. After that,
9 multiple parties reached the same conclusion. Commission Staff states that SLECA
10 did not meet its burden of proof. The ALJ found multiple sections of the general
11 order that were not satisfied. Based on that record, the Commission has a clear
12 basis to find that the burden of proof for abandonment was not met. I want to briefly
13 address the possibility of the motion to go back into a rehearing. And I say this
14 respectfully, I understand that -- in getting the decision correct is important. In this
15 case, the process has already worked exactly as it is designed. A rehearing or going
16 back and allowing SLECA more time, shifts this process from a prove your case,
17 to try to get it right again. That is not in the public interest. It also sets a precedent
18 that a utility may act first, justify later, with the expectation of additional
19 opportunities if the initial showing falls short. This is also an unfairness issue. As
20 an intervenor, I participated in this process in good faith, with the understanding
21 that an outcome would be based on the evidence presented. Going back, allowing
22 extra time after clear findings, places an unfair burden on the public while
23 rewarding a failure to meet the burden the first time. Delays only extend the impact

1 of those affected, while SLECA faces no consequences for its earlier decision-
2 making. Delays are not neutral. As time passes, costs will increase, restoration
3 becomes less attainable, while the utility faces no consequences for not meeting the
4 burden in the first instance. Going back should not become a second chance to
5 meet a burden that was clearly not met the first time. I'm asking the Commission
6 to address a fundamental issue here. A utility must fully evaluate all reasonable
7 options before permanently abandoning service. In this case, SLECA did not.
8 Funding opportunities were available and declined. Additional grid resilience
9 grants were not pursued. Alternatives were not fully developed or supported with
10 evidence. Temporary solutions like generators are not long-term, not safe, or a
11 economically viable substitute for permanent electric service. The issue has been
12 framed as a cost issue and an impact to ratepayers. I understand this concern. Cost
13 is in the public -- of the public interest, but cost cannot be evaluated in isolation. A
14 utility cannot conclude something is too expensive without first pursuing available
15 options to reduce the cost. In SLECA's exception to the ALJ's proposed
16 recommendation, they argued that their application was consistent with a past --
17 with past abandonment findings. I researched all five of those dockets. They all
18 involve a natural gas service, not electric service. Four out of five cases,
19 alternatives were provided and accepted. Four out of five of those, compensations
20 were afforded to the customers and the conversion -- and/or the conversion to
21 propane. There were zero intervenors in all five dockets. Clear findings from the
22 Staff that requirements for abandonment were met. Filing numbers range from
23 three to nine. The customers affected were two, two cases of four, 10, and 30. In

1 comparison to this docket, SLECA offered \$1,000 per customer, conditioned with
2 a release of liability. There are more than 70 intervenors, customers affected began
3 at 282 meters, and there are 223 filings in this docket. I also want to address the
4 reported decrease in meter count. That reduction may not reflect a true decline in
5 need, but rather the fact that properties are being sold, and new owners are not
6 permitted to establish service due to the lack of infrastructure. As a result, the
7 numbers continue to drop artificially, which in turn inflates the per customer cost
8 analysis. Finally, I ask you to consider Lake Fields based on its actual conditions.
9 Not all areas are the same. Lake Fields includes inland, freshwater, more stable
10 ground conditions. Areas where restoration is more feasible than the extreme
11 coastal saltwater and marshy type of areas of the three Terrebonne lines. Parts of
12 Lake Fields had power restored within a month of Hurricane Ida by another electric
13 service provider. Those were the same conditions and the same post-restoration
14 scenario that was faced by SLECA. That directly matters when evaluating whether
15 abandonment was truly the only reasonable option, and whether the infrastructure
16 really posed a legitimate safety concern. At the end of the day, this decision is not
17 just about Lake Fields, it's about whether the process designed to protect the public
18 interest is upheld. Because if a utility can remove infrastructure first, and justify it
19 later, then the public loses that protection this Commission was created to provide
20 and sets a precedent that weakens that protection going forward. Thank you.

21 **CHAIRMAN SKRMETTA:** Thank you, ma'am. And your last name again?

22 **MS. BOUDREAUX:** Boudreaux.

23 **CHAIRMAN SKRMETTA:** Boudreaux? Okay.

1 **MS. BOUDREAUX:** Yes, sir.

2 **CHAIRMAN SKRMETTA:** All right.

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

4 Boudreaux, but would you rather everyone speak first?

5 **CHAIRMAN SKRMETTA:** Why don't we go ahead, make notes on each

6 speaker, and let's go through the various speakers so we don't have to --

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

8 **CHAIRMAN SKRMETTA:** If you want to move the microphone, and we'll just

9 take you, sir. And we'll just move on down the line if it's okay. Just introduce

10 yourself and then go ahead.

11 **MR. JASON MELANCON:** Good morning. My name is Jason Melancon. Good

12 morning, Commissioners. I was just commenting that this young lady has done a

13 fabulous job in this hearing. I second everything this young lady says. It has been

14 three and a half years we've been waiting for this. A decision needs to be made. I

15 also agree that going backwards is not the right answer. They've had their

16 opportunity. A ruling should be made. The level of anxiety that's being put on the

17 folks that are dealing with this is unreal. It's time to make a decision. If a decision

18 is made today, or at any point in the future, the reason I'm here is that we put a

19 timeframe on the expectation for whatever that is. I wanted that to be said. Again,

20 this has been dragging on for three years. People are passionate about this. We all

21 have money tied up in this, and we want a decision. That's all I have. Thank you,

22 sir.

1 **CHAIRMAN SKRMETTA:** Thank you. You can just use that microphone, sir.
2 If you want to go ahead and introduce yourself.

3 **MR. BRENT STORY:** Hello. My name is Brent Story. The reason I'm here is to
4 ask to please not let them abandon us. And just to give you a few reasons that's
5 good reasons why we don't deserve to be abandoned. Twelve years ago, I bought
6 my camp. I got \$165,000, I can't sell it for \$40,000 right now because I don't have
7 electricity. We've been listening. We've gotten two or three letters. Well, we got
8 two letters promising that they was going to replace our electricity. I could've sold
9 my camp way back then with that promise letter for three times the amount of
10 money that I could sell it for today with them trying to abandon us. We've gone
11 through so much -- it's four and a half years we ain't had electricity. But I know
12 y'all wasn't here for the -- when we did the trial thing, but I brought pictures and I
13 showed the complete bayou with every single camp and I explained. Look at the
14 high lines, look at the high lines, look at the telephone poles. Every telephone pole
15 was straight up and down, not even leaning a little bit. Not one broken wire. We
16 had a broken wire across the bayou in a residential -- pasture, actually, that's a
17 pasture. But -- and you can drive up to it with a truck, change the pole, splice our
18 wire back together, we back in business. Their own employee, which is here today,
19 and I hate to throw anybody under the bus, but came out there, stood on our wharf,
20 and told us I do not understand why this has not been repaired. Y'all have no
21 damage. It's, you know, practically nothing. Would've only took a couple of hours
22 to splice a wire back together. And it just doesn't make sense. And we -- you
23 know, we didn't -- nobody came out there and pulled wires for years after the

1 hurricane. Nobody came out there and pulled poles and wires until we started
2 inquiring when are y'all going to change -- we waited. We patiently waited for all
3 the FEMA trailer parks and all of that to get done. We sat back and just patiently
4 waited. Well, we've lost the use of our camps for four and a half years now. They
5 tell us we ought to be able to go out and buy a generator for \$1,000. A \$1,000
6 generator? But we're going to have to buy one every other weekend if we get a
7 \$1,000 generator, because that ain't gone last no time trying to run a camp. And
8 plus, you know, our camps, because we had electricity, our camps have multiple
9 freezers, refrigerators, electric stoves, a washer and dryer. And you get a big
10 enough generator to run that, you up there in \$20,000 generator. That ain't no --
11 ain't no \$1,000 generator. And I don't know, we've -- when we came to Court, just
12 for instance, their engineer that's here today stood up there and told us he personally
13 went out there and he personally saw the devastation. Once I showed my pictures
14 that showed there was no devastation, that story changed to, well, actually I went
15 out there after the poles and the wires had been disconnected, but I made the
16 recommendation not to replace everything. But he didn't see no devastation. He
17 went out there it was all gone. It wasn't even there. And that's the way the whole
18 thing went. On that side of the room we listened to that all morning long, and none
19 of it was true, and then we testified in the afternoon time and kind of straightened
20 out the situation. But another reason is just like Sara said, that we don't deserve to
21 be abandoned is -- just like she said, you know, from everything I've read, they
22 probably should've got permission from y'all before they abandoned us. Not just
23 go out there and pull all the poles and then fight the battle later. But we didn't have

1 anything removed until we started questioning them about it. And I guess when
2 they got timed and they realized that we was going to fight them over here for this,
3 they hurried up and went out there and pulled everything. And it's -- I don't know.
4 It's a shame. I just ask y'all, please don't let them abandon us. It's not right. And
5 not only that, that sets a precedent. If they abandon us, 250-something camps, if
6 they abandon 250 -- what's to stop them later on from abandoning a subdivision
7 with 250 houses in there? To fix ours, you did not have to get in a boat and launch
8 a boat. You just drove up with a truck, put a telephone post, splice the wire back
9 together, and we got electricity four and a half years ago. Now, I retired. I spent
10 almost all my money I had saved up to buy this camp. And I'm 67, fixing to be 68
11 years old, and I'm kind of old to be hauling 15-gallon jugs of diesel out there to --
12 you know, they took away all the -- I know, it's a camp, but it was convenient. We
13 paid a lot of extra money for convenience and not to have to haul 15-gallon jugs of
14 diesel and ice chests full of ice and everything. We had everything there. So I'm
15 asking y'all one more time, please don't let us -- don't let them abandon us, please.
16 And that's all I have.

17 **CHAIRMAN SKRMETTA:** Thank you, sir. Yes, sir. You might have to -- you
18 can hold it. That's fine.

19 **MR. THOMAS BOUDREAUX:** Thank you. Thomas Boudreaux. I am not
20 affiliated with the camps or -- I'm coming from the standpoint of not everybody --
21 it's my understanding that the costs that are going to be associated with restoring
22 power to recreate 200 and something recreational camps, not homes, are going to
23 present an impact on the remainder of the SLECA customers because they're not

1 going to have enough money. So ultimately, it's going to be passed down to the
2 other customers of SLECA. I can't remember how many it is, I'm sure somebody
3 does. Thousands of people. Not everybody that is a SLECA customer has only
4 one meter. I have anywhere -- I have -- right now I have 22, and it fluctuates
5 between 20 and 25 due to our cane farm and moving of pumps and such and
6 whatnot. But, I mean, I think it's unreasonable that we're going to be forced to bear
7 the excess cost if y'all do rule in favor of this, when we have absolutely no say in
8 the matter. We're going to have absorb the cost for putting electricity back to
9 recreational facilities. And for someone like me with that many meters, you know,
10 we do financial planning and do our budgets a year in advance according to our
11 available monies. So if we have done our planning and set our budgets for say next
12 year, and then this passes and we come back and my bill could be affected as much
13 as \$500 per month. Where do I -- so I didn't plan for that, so what do I do? Where
14 do I go? Who do I ask for money? You know, I put a generator in my house. I
15 didn't ask the other SLECA customers to pay for it. And that's all I have to say.
16 Thank you.

17 **CHAIRMAN SKRMETTA:** Thank you very much. We have questions for y'all
18 from some of the Commissioners. Commissioner Lewis first.

19 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. And thank you all for
20 your testimony in this proceeding. I'm going to start with you, Ms. Boudreaux. I
21 want to first thank you for your engagement in this. I am a son of a public-school
22 teacher, I'm a former public-school teacher myself, and so I understand the
23 hardships of trying to be civically engaged as well as educating our young people.

1 And I have followed, and you and I have had multiple conversations, this process.
2 And I want to commend you as I think by far one of the most stellar intervenors
3 that I have seen at least in my tenure here of someone who is not a lawyer or a
4 lobbyist for one of the utilities or a person that we typically see in this audience.
5 So I want to commend first for your engagement, but also, I believe some of the
6 stellar work that you have done. A few of the questions that I had based off of your
7 testimony. When we went through this procedure, there were multiple data requests
8 that you conducted with other intervenors; is that correct?

9 **MS. BOUDREAUX:** Yes, that's correct.

10 **COMMISSIONER LEWIS:** And in that process, there were questions raised
11 specifically around SLECA's ability to provide either a safety report or a repair
12 cost, which was not produced in the record, correct?

13 **MS. BOUDREAUX:** Yes, sir. Even before discovery came, I had a private
14 meeting because of -- you know, school teacher followed the chain of command. I
15 requested a meeting with SLECA privately over a year ago. Can you please tell me
16 why my infrastructure was removed? And I was provided no reports then. I asked
17 in my discovery. No reports have ever been given to me. I've seen the same 10-
18 sentence engineering report in 2024 when the storm was 2021 that has vague
19 language. And it's 10 -- it's minor. It's not a whole report, it's a page.

20 **COMMISSIONER LEWIS:** Yes, ma'am. And when I reviewed the proposed
21 recommendation, and I know procedurally where we're at in this docket is
22 exceptions were filed on Monday, and you filed exceptions on Monday afternoon
23 as well as SLECA, which would have been allowing the Administrative Law Judge

1 to consider anything from this proposed ruling and then come back. And so part of
2 the reason why I did object to taking this is up is I believe we're on the five-yard
3 line and we should've finished the process, allowing the Administrative Law Judge
4 to now review those exceptions that SLECA and you and other intervenors filed,
5 and then presented a final recommendation for us to consider the entire thing. But
6 in her proposed recommendation, I found something that was extremely stark to me
7 is when she states that SLECA failed to establish their prima facie case that
8 produced a reasonable quality of evidence in support of the request. The majority
9 of SLECA's evidence in this proceeding was uncorroborated self-serving
10 testimony. I have never in my tenure here seen an ALJ be as stark and clear as this
11 proposed recommendation, which is what gives me some concern about the prima
12 facie case. And so in your exceptions, I want to go to something that you
13 mentioned, especially around the criteria in the General Order around B(10), which
14 is the requirement that an applicant list any previous filing for request for
15 abandonment. So you mentioned your research only found five proceedings, four
16 of them gas, but none of them electric, correct?

17 **MS. BOUDREAUX:** Correct.

18 **COMMISSIONER LEWIS:** And I will tell you, Ms. Boudreaux, in my research
19 with my Staff, we have looked across the country. I have scoured every regulatory
20 proceeding possible, and I have not found a single electric abandonment docket in
21 this nation, in a regulatory proceeding. Which means this case is not only
22 unprecedented here in the state of Louisiana, it's unprecedented in a regulatory
23 proceeding across the country. Which, I mean, I think showcases why following

1 that general order is of the utmost importance. And so your discovery in your
2 exception in B(10) shows that SLECA did not meet that burden under the
3 requirement, and I think the ALJ concludes that, and you rebutted that. Onto the
4 criteria of B(8) about adequate energy sources as an alternative, can you describe
5 any alternatives that SLECA presented to the intervenors or even just the
6 membership here in that proceeding?

7 **MS. BOUDREAUX:** None that I'm aware of except for the \$1,000. We were sent
8 letters to sign a release of liability and \$1,000 towards alter -- any alternative energy
9 source. And that came only a few months ago. Alternatives before that -- I mean,
10 I have the document somewhere in here, but it was more recently that that \$1,000
11 was -- actually it was right before the hearing the \$1,000 was offered to the 282
12 meters.

13 **COMMISSIONER LEWIS:** And that was never submitted into the record? That
14 was just an offer that they made independently or was it submitted formally into
15 the record? Do you have any recollection of that?

16 **MS. BOUDREAUX:** We spoke about it at the hearing in the transcripts.

17 **COMMISSIONER LEWIS:** At the hearing? So I will go back to the transcript.

18 Also, I want to -- Mr. Boudreaux; is that correct? Or Mr. Guy?

19 **MR. MELANCON:** Melancon.

20 **COMMISSIONER LEWIS:** Melancon. I'm sorry. You're Mr. Boudreaux.
21 Sorry, I'm getting -- wrote my names down and I just want to make sure I get
22 everyone -- everyone correct. Mr. Guy, I know you talked about items, and I know
23 that there were pictures put into the record by some of the intervenors that show

1 these camps. Look, I mean, I see a leaning oak tree and I see a pole that's perfectly
2 standing. Now, I can't be an engineer from a picture, but those pictures I believe
3 were taken in terms of communal aspects of neighbors looking out for each other's
4 camps. They weren't taken directly as evidence for a hearing that would come
5 three years later; is that correct?

6 **MR. MELANCON:** That's accurate.

7 **COMMISSIONER LEWIS:** And so the challenge that I think you were asking
8 us is the fact that we had a utility that has the right to say there are safety concerns,
9 there are repair concerns, but failed to do any of the adequate analysis to justify
10 that. I mean, where I struggle with sending this back to the ALJ on the prima facie
11 case is that when I look at B(10), I look at B(8), I look at B(7), I am not sure what
12 evidence or additional evidence that SLECA could submit into the record that
13 would hit the prima facie case of this general order. And if that is not the case, then
14 I'm -- I am struggling with why we would give them another opportunity. Ms.
15 Boudreaux, you're a teacher, I'm a teacher. If I give you a test, and you fail it, I
16 don't always get to say, well, you know what, let me come back and give you
17 another opportunity because you didn't do your homework, you didn't even study.
18 You take the grade that you get. That's sometimes what our lesson plans require
19 us to do. And so that is where I am struggling with this there. But I want to thank
20 all of you as intervenors for your comments. Mr. Boudreaux, I understand your
21 concerns and hear you. I think they are valid in terms of cost, but one of the things
22 that I would say is this is what happens in utilities when let's say there is a storm in
23 another part of the state, all members pay. All utilities pay. If there's a hurricane -

1 I know my friend over here will tell you if there's a hurricane in my district, and
2 Entergy customers in Shreveport, they have to take some of those costs because
3 that's the system as a whole. And so while I think their costs should be looked into
4 the record, I think there's still a case to be made. But I just wanted to share those
5 comments with you. And, Mr. Chairman, I thank you for the time, and I'm done
6 with the witnesses.

7 **CHAIRMAN SKRMETTA:** Sure. Any other Commissioners have any questions
8 or comments for any of the witnesses?

9 **COMMISSIONER CAMPBELL:** I got a question.

10 **CHAIRMAN SKRMETTA:** Go ahead Commissioner Campbell.

11 **MS. BOWMAN:** Let's make sure you use your microphone, please.

12 **COMMISSIONER CAMPBELL:** Thank you.

13 **MS. BOWMAN:** Thank you.

14 **CHAIRMAN SKRMETTA:** Just pull it closer. You'll be fine. It's on.

15 **COMMISSIONER CAMPBELL:** So your problem is that you don't think you
16 ought to have to pay for all this for these folks?

17 **MR. BOUDREAUX:** Say that again?

18 **COMMISSIONER CAMPBELL:** Your problem is, or your concern is, you don't
19 think it's fair for everybody to have to pay for this out of expense; is that correct?

20 **MR. BOUDREAUX:** Yeah. That is correct. That is correct.

21 **COMMISSIONER CAMPBELL:** How much would it cost you?

22 **MR. BOUDREAUX:** About \$487 more a month according to the figures that I
23 looked at on my meters.

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

2 **MR. BOUDREAUX:** So for 200 and how every many recreational camps, we're
3 not talking about subdivisions, we're not talking about where people live, we're
4 talking about where people go to hunt and fish and recreation. For 200 and
5 something for the rest of us to have to absorb the cost and for me personally, it
6 would be \$487. No, that's not fair.

7 **COMMISSIONER CAMPBELL:** But everybody doesn't have to pay \$487; is
8 that correct?

9 **MR. BOUDREAUX:** Well, not everybody has just one meter either.

10 **COMMISSIONER CAMPBELL:** What would the average person have to pay if
11 you helped these people? Anybody know that?

12 **CHAIRMAN SKRMETTA:** We'll bring up the company in a minute.

13 **MR. BOUDREAUX:** Y'all have that somewhere in the --

14 **VICE CHAIRMAN COUSSAN:** Commissioner, we're going to --

15 **CHAIRMAN SKRMETTA:** We're going to bring up SLECA.

16 **VICE CHAIRMAN COUSSAN:** We're going to bring up some other folks to
17 answer that type of question, but these witnesses --

18 **CHAIRMAN SKRMETTA:** Right.

19 **VICE CHAIRMAN COUSSAN:** They're just fact witnesses as far as how they've
20 been affected personally.

21 **CHAIRMAN SKRMETTA:** Right.

1 **COMMISSIONER CAMPBELL:** How long have you had electricity down there
2 in these camps? How long have you owned the camps? How long have you had
3 had electricity?

4 **MR. MELANCON:** Hold on one second. Mo?

5 **MR. ALDEN MARRERO:** I've been down [CROSSTALK] --

6 **MS. BOWMAN:** Wait, wait, wait. Please, you've got to come and get you a --

7 **MR. MELANCON:** I think he's been here for over 30 years.

8 **CHAIRMAN SKRMETTA:** I think that's good enough for what we need to
9 know. If you want to come --

10 **MS. BOUDREAUX:** I can answer very specifically.

11 **CHAIRMAN SKRMETTA:** First thing is, just introduce yourself on the mic,
12 she'll give you a card to fill out after. You just pick up the microphone and --

13 **COMMISSIONER CAMPBELL:** Another question I have, is anybody living in
14 these camps? I mean, is the --

15 **MR. MARRERO:** My name is Alden Marrero. I've been a camp owner for over
16 40 years down there. There's a lot of questions I have. But one thing, SLECA has
17 three-phase powerlines going down Bayou du Large. There's no reason -- at one
18 time they had wildlife and fisheries camp down there. God knows why they had
19 three-phase, but they did. So after Hurricane Andrew, the lines were torn down. In
20 about 6 months, they put them back. And so it's been that way ever since. One
21 line would be sufficient enough to feed the camps down in that area. And I know
22 because I'm an electrician. I'm licensed in New Orleans and Jefferson Parish. So
23 anyway, I saw them taking the lines down. They took the lines down and rolled up

1 all the aluminum wire in nice neat reels and God knows what they did with it.
2 Probably sold it. So they made money on that.

3 **COMMISSIONER CAMPBELL:** Is anybody --

4 **CHAIRMAN SKRMETTA:** I have a question for you. I think what
5 Commissioner Campbell is -- of all the camps that you're aware of, out of those
6 200-plus camps, do anybody -- does anybody permanently live in them?

7 **MR. MARRERO:** Well, I don't think anybody -- I think there's a stipulation with
8 the rent through the state.

9 **CHAIRMAN SKRMETTA:** These are state-leased properties?

10 **MR. MARRERO:** For the camp sites.

11 **CHAIRMAN SKRMETTA:** Yeah. They're all state property?

12 **MR. MARRERO:** You can't rent them out and those -- is one of the things.

13 **CHAIRMAN SKRMETTA:** But they are -- the property itself, they're all state
14 property and leased to the lease holders?

15 **MR. MARRERO:** Yes, to the state.

16 **CHAIRMAN SKRMETTA:** Okay.

17 **MR. MARRERO:** I also pay taxes to Terrebonne Parish for that -- to use of that.
18 Recently before the storm -- before, yeah, the storm, I put a bulkhead in to try to
19 save the land, which I've paid \$30,000 for.

20 **CHAIRMAN SKRMETTA:** Uh-huh.

21 **MR. MARRERO:** Now that's just -- not counting my camp, that's just bulkhead.

22 **CHAIRMAN SKRMETTA:** I understand.

23 **MR. MARRERO:** So did Mr. Melancon. He had done the same thing.

1 **CHAIRMAN SKRMETTA:** Right.

2 **COMMISSIONER CAMPBELL:** My question is, and I hadn't --

3 **MR. MARRERO:** As far as during COVID, I stayed at my camp because it was

4 a good way of getting away from the population with the disease that was going

5 around.

6 **COMMISSIONER CAMPBELL:** So basically, you're saying nobody lives there

7 permanently; is that right? It's their camps, but no --

8 **MR. STORY:** I did --

9 **CHAIRMAN SKRMETTA:** You have to use the microphone, sir.

10 **MR. STORY:** I lived in my camp for about 6 months before the hurricane, we

11 planned on moving out there, period. I mean, I'm retired, that's what I -- that's why

12 I bought it.

13 **COMMISSIONER CAMPBELL:** And you rent -- the land is owned by the state

14 of Louisiana?

15 **MR. MELANCON:** I leased the land. Yes, sir.

16 **COMMISSIONER CAMPBELL:** And is there any provision in the lease that

17 you can't live there permanently?

18 **MS. BOUDREAUX:** So we're talking about four different locations here. So

19 you're asking a general question that I don't think anybody can -- I can answer. I'm

20 Lake Fields, specifically, so my land is leased through the state and I own the

21 property. So if that helps you answer your -- to answer your question. Lake De

22 Cade, Four Point, and Grand Pass are in the Terrebonne locations. I can tell you

23 that for Lake Fields specifically, we lease the land from the state and then we own

1 the property -- the structures that are on the property. My family has had electricity
2 since the 1960s when it was established. So my -- there was a -- my family owned
3 the property in the 1960s, the property was sold to one other owner, and then I was
4 able to acquire the property back into the family. And so I've had it since.

5 **CHAIRMAN SKRMETTA:** Okay.

6 **MS. BOUDREAUX:** I also want to say that I am also a co-op member. So I pay
7 for everyone else's restoration as well. So as a camp owner, I'm a member of the
8 co-op. So when you ask the question like do I think I need to pay for someone
9 else's restoration? As a co-op member, I do. I pay for all of their -- I pay for all
10 of their restorations. So I am a co-op member by being a camp owner, and I am
11 paying for other people's restorations as well.

12 **COMMISSIONER CAMPBELL:** For your information, it might help you. This
13 is just -- has to do with something else. When I was in the Senate, I passed a bill
14 to let school teachers take a personal day. You could do whatever you want, you
15 could go to New Orleans and go shopping if you wanted to. That's the law. It was
16 the law. But you could take a personal day. So if you took a personal day to come
17 up here, that's legal. And they can't -- you can't be charged for it. That's the law.

18 **MS. BOUDREAUX:** I'm out of personal days due to this.

19 **COMMISSIONER CAMPBELL:** No, a business day. Check and see.

20 **MS. BOUDREAUX:** Okay. I'll surely be -- I'll check on that for you.

21 **COMMISSIONER CAMPBELL:** Thank you. I had -- in Bossier Parish one
22 time, a guy went to the racetrack and he was going to be --

1 **MS. BOWMAN:** Commissioner, can you use your microphone, please? Thank
2 you.

3 **COMMISSIONER CAMPBELL:** We have a racetrack in Bossier, Louisiana
4 Downs. So I had a friend that went to the track and they saw him out there. It's
5 almost like they saw a spy or something, you know? But anyway, so I passed a bill
6 to let you do what you want to do with your personal days.

7 **MS. BOUDREAUX:** Well, I made sure I filled out the paperwork that way if I'm
8 on YouTube and they see me, then I don't get in trouble for it.

9 **COMMISSIONER CAMPBELL:** Well tell them that Senator Campbell said that
10 you shouldn't get in trouble. Senator -- ex-Senator.

11 **MS. BOUDREAUX:** I'm going to post that on social media for you.

12 **CHAIRMAN SKRMETTA:** Okay. Commissioner Coussan has a question for
13 you.

14 **MS. BOUDREAUX:** Yes, sir?

15 **VICE CHAIRMAN COUSSAN:** Ms. Boudreaux, I want to echo Commissioner
16 Lewis. Obviously, you have represented yourself exceptionally well and the other
17 camp owners. I can't emphasize, you have ate, slept, and lived this thing more than
18 any of us. So I can't ever speak to that side of it, and we can try to just have empathy
19 and try to put ourselves in your shoes. And I've tried to reach down there to elected
20 officials, you know, to find out what's going on on the ground in addition to
21 everything that you put in the record and your conversations with Commissioners.
22 So in doing that, I reached out to -- I spoke with all 20 of the SLECA board
23 members, and they have voted, I think multiple times now, unanimously, so 20 to

1 zero, to not repair the lines. And I want to know what is your opinion as far as their
2 votes as representatives? Because government closest to the people is usually the
3 best way to govern. And so they're so much closer, they also live in your
4 communities. You know, I mean, some of the camp owners doesn't necessarily --
5 like you just said, they're not necessarily rate -- they're not necessarily members of
6 the co-op. But all of the co-op members plus the -- and the board members of the
7 co-op, they're all together. It's part of your community. So why are they voting 20
8 to nothing, and then, you know, we have to make a decision based upon, obviously,
9 our record? But from a standpoint of me reaching out to local elected officials,
10 that's as local as it gets. And it's unanimous. And I made sure to talk to and hear
11 from every one of them personally on a telephone call to ensure that there was no
12 wavering, you know. They're resolute. And so even if, you know, we were to
13 require the lines to be rebuilt, they would also have to take another vote to go and
14 take further actions. And they've committed that they're not going to vote for that
15 either. And so there's procedural issues in the future. Just like we're looking at the
16 past, we have to look at the future. So, you know, we would run into an issue we
17 have a 20 person -- and I might be off on the exact number, that are resolute, and
18 they voted already, and they've committed to voting against anything that we would
19 actually ask them to move forward with relative to any financing, relative to any
20 request, you know, for the voting to FEMA -- to sending resolutions to FEMA.
21 And so why are they doing that? And that's a question that I'm asking you for your
22 opinion because I'm not there to figure out what's the politics on the ground that I'm
23 not seeing.

1 **MS. BOUDREAUX:** Absolutely. And I think that's a fair question. So I'll
2 address it kind of in two parts. So the first part is, is, you know, it may be thrown
3 back at me, why didn't you contact the board members or the person who represents
4 your district? My answer to that is I had no reason to. I received letter after letter
5 after letter. Power is coming. I had board members come to the Lake Fields Game
6 Commission meeting that said, we are working through the FEMA process. It's
7 going to be years, potentially, but we're working on it. They came, in person, and
8 represented themselves and told us it is coming. We applied to FEMA. They -- I
9 had no reason to go to a board member, because I was being clearly communicated
10 over and over again through letters that said it's coming, we're working on it, we're
11 doing the things. On the flip side, they take a vote at a meeting to abandon power.
12 No one contacted me, said, hey, this is an option. You may want to come to a
13 meeting. You may want -- let's have a conversation. I need to see -- as your board
14 member, we need to have a conversation about abandonment. Can we have a
15 conversation? So I never went to them because I never had a reason to go to them
16 because I was reassured through SLECA that power was being restored, and that
17 they were working through the process. And SLECA nor their board never reached
18 out to me, as a co-op member, and -- as a co-op member or a camp owner, either
19 way you want to look at it, and said there are conversations that these things are
20 going to be happening. Let's have a poll. Let's have -- what are you willing to
21 pay? Are you willing to, you know, have a separate rate for camp owners for
22 restoration? Let's talk about repairs. No one ever reach out to me to warn me of
23 that, that that was on the table, and nor did I feel the need to contact anybody

1 because they were communicating clearly with me that power was coming back,
2 and was being pursued. Let me say that. Was being pursued.

3 **VICE CHAIRMAN COUSSAN:** Okay. Thank you. Thank you. I appreciate
4 that perspective. I think you would like to comment on that same question?

5 **CHAIRMAN SKRMETTA:** Mr. Marrero, you have a comment on the same
6 question?

7 **MR. MARRERO:** Yes. I was saying --

8 **CHAIRMAN SKRMETTA:** You have to push the button on the microphone,
9 please, sir. There you go.

10 **MR. MARRERO:** Yeah. So I can testify to that because I -- at one of SLECA's
11 meetings they have at the civic center, I was talking to the general manager of
12 SLECA and I was asking him the same questions. He kept on saying, well, we have
13 -- we allocated the money from SLECA, but first we have to do the work and then
14 get paid from SLECA. So what he told me, the money was allocated by SLECA,
15 but first they have to do the work. Saying that it's going to be done, telling me how
16 they are going to put the poles in concrete, how to make the poles, he was telling
17 me great lengths, all these things. And all of that has went poof. Thank you.

18 **CHAIRMAN SKRMETTA:** All right.

19 **VICE CHAIRMAN COUSSAN:** Got one more quick -- quick comment.

20 **CHAIRMAN SKRMETTA:** Go ahead. Yeah.

21 **MR. STORY:** Okay. To answer your question as why did all 20 of them vote to
22 not restore power. It's kind of like when the government needed more money and
23 they taxed a \$1 a pack on cigarettes. Everybody that smokes cigarettes, screaming

1 and hollering. Everybody that didn't, say, oh, good, they're not raising my taxes,
2 they're raising his taxes. And that's the same thing with this. But it's talking about
3 being a co-op member, I have three SLECA bills every month. I pay hurricane
4 restoration fees for three different places every month. And the first time in 50
5 years that I need to use -- for them to pay one bit of damage in anywhere that I've
6 lived, my camp, they gone figure out a reason not to repair it. And it's just not
7 right. And by the way, we are just a neighborhood. If you ever go out there to Lake
8 Fields, you will see our neighbors is from here to that thing right there from each
9 other all the way down. And we are just a neighborhood. We walk to each other's
10 camps and -- you know, anyway. So anyway, that's why I think that all 20 members
11 vote to not restore the power because you ain't stepping on their toes, it's not raising
12 their electric bill, so. But we -- I guarantee you every hurricane that comes along,
13 there's over 250 houses that has to have electricity restored and we all pitch in to
14 pay for all those houses. And now it's their turn for them to pitch in and pay for
15 ours, too.

16 **CHAIRMAN SKRMETTA:** Okay. I got just a few comments for all of you.
17 Because I -- and I'm completely sympathetic to your issues. First off, I want to tell
18 you, Ms. Boudreaux, I'm very appreciative of your commentary. I think that it's
19 been well said that you are well versed in this and you've hit the target on a lot of
20 this. Because it's some of the same problems that I've macerated over this issue,
21 particularly over the problems over the other forms of capital available, and that
22 I've had long conversations, several times, with company representatives about,
23 well, why didn't you get the other money? And they said, well, we asked for it and

1 they didn't give us to us. And I said, well, why haven't you litigated it? Problem
2 is, is that a federal bureaucrat or a state agency associated with federal bureaucrat
3 says, no, you can't have that. Well, that would never stop anybody from proceeding
4 to a point where a judge tells you you can't have it. You litigate this issue. You
5 bring it forward all the way to the point where demonstrating why that money for
6 resilience can't be used to supplement the FEMA 90% to make that difference. And
7 it's a failure on the part of the co-op to not take that step because they figured they'd
8 take the easy step. And I think that's a failure on their part. And I think the fact
9 that you received letters from the board of directors telling you everything's going
10 to be all right that you detrimentally relied on information from the board of
11 directors that told you something when you had a civil right to act in a way that was
12 appropriate for you to recover an adequate compensation, right? So I think the
13 problem that I look at on this is, we've got a system that's removed, the system that
14 may not be able to be rebuilt, and a group of people that's adequately identifiable
15 that has been undercompensated. You've been vastly undercompensated. My
16 Honda generator that I run my [INAUDIBLE] cost me close to \$1,000. So I know
17 that can't run a camp. So for them to say I'll give you \$1,000, sign here, I think it's
18 demonstrating the complete lack of understanding or intent to not act appropriately.
19 And that the second thing besides this issue of a generator -- because, look, I've
20 had camps that had generators. I had a camp that was a state lease. I had a camp
21 that was fee simple where I owned the property where I had, you know, power. So
22 I've had the whole spectrum of life with living in the camps of Louisiana. But I
23 can tell you that I truly think that under the regulatory compact, that they have a set

1 zone of services that are available to them and they're obligated to provide services
2 in it. But it becomes a problem where they have a vote of the board, and the board
3 determines that it's too expensive to do this and it's going to raise the prices and
4 they decide to do this and they took this down before they came to the Commission,
5 it's a problem. And I think the board has a problem. I think the board committed
6 error, I think the board committed omission, and I think the board has insurance for
7 doing such things. And I think that has to be looked at. And I think that the problem
8 now is what can the board -- this Commission do about getting you adequate
9 compensation in what court of issue? I don't know about getting the system rebuilt,
10 I don't know about any of that, but I know this, your property value is diminished,
11 your ability to get a generator for \$1,000 is a joke. You know, after Katrina, I
12 bought a whole home generator, and that's more than a few years ago. And I
13 remember when I bought it, it was \$12,000. And I've had it since then and I service
14 it every year, right? And I see this as a real problem for the Commission because
15 we're in a position where we have to move forward, but we're in a position where
16 you folks have been harmed and that action has to be taken to find adequate
17 compensation. And I've seen Commissioner Campbell work on issues in his
18 district for when they had to terminate gas service when we had, you know, sink
19 holes swallow up communities and have to take -- you know, you've already
20 researched these issues. But, you know, the problem is that the board -- this isn't
21 the first time SLECA has acted in some way improperly, okay? And, you know,
22 this is not strike three, but it's getting really close to the bottom of the ninth on these
23 issues. And I'm unimpressed. But I think that the Commission has to find a way

1 to find adequate compensation, and I think that's more than -- that's probably the
2 single biggest thing we can do. And we may have to be in a position to where we
3 have to move forward on this, but we have to also find a way to help people like
4 you achieve your goals. First thing you ought to do, because you've demonstrated
5 the capacity to be a better board member than the person serving your district, is to
6 run for board seat. You should be the replacement board member. And I think
7 everybody up here on this Commission would support you in doing that. Because
8 they need somebody who's going to be a logical, thoughtful person and somebody
9 who's not going to just send random letters out saying, you know, take a nap,
10 everything's going to be fine. And so I do think that we're in that sort of a position.
11 I hope you all understand this, because we're going to call the company up and
12 you're going to hear a whole different story. And I like to say story because they
13 used to come bound up with like Aesop's fairytales and things, right? But we're
14 going to be in a position to understand this, that we understand that we're going to
15 have to take certain action, right? But at the same time, I don't think you're going
16 to see the Commission stop trying to find a way to gain adequate compensation.
17 And I think that's the goal. And I don't think you should either, because I think
18 you have the opportunity to find a pathway to pursuing this because you were led
19 down a primrose path, you were not told the truth, the board has insurance, the
20 board acted improperly, in my view, you know. What am I, right? I'm a guy who's
21 looking at it from the 10,000-foot mark, right? But you're down in it and you know
22 it, so. And I've seen way bigger compensation mechanisms, and they know they
23 should step up on this. So I think that it's important for this. But don't be

1 disheartened if we move this matter down the road, but you folks have a different
2 path you have to take, right? But I do think we're in a position to where we would
3 support what I just told you. But at the same time, I'm very disappointed in the
4 company for not pursuing the federal resilience money in a way where they've
5 litigated it. And I've already told their attorneys this. I've had meetings with them
6 about this. And I'm not the kind of guy where if they come and tell us, oh, I'm
7 sorry, you can't have the money, then I'm not going to say, well, let's let a judge
8 tell me I can't have the money. You know, let's have a real judge tell me. Let's
9 have a court of appeals tells me I can't have the money. Let's pursue it to the end.
10 So I want to tell you how much I appreciate y'all being up here and I want to thank
11 you. I think Commissioner Coussan has one more thing to say, and then we're
12 going to ask the company to come up and talk to us. Oh, Commissioner Francis
13 has something.

14 **COMMISSIONER FRANCIS:** Yeah, I decided I might as well get my licks in,
15 too. Ms. Sara and the others, I spent my adult life in the oilfield. When I was 18
16 years old, I worked at my first job, and I was living in Dulac. So I'm familiar with
17 Theriot, and Falgout Canal, Lake De Cade, Lost Lake, Blue Hammock. I love that
18 area and I feel y'all's pain. I'm just a country boy at heart, even though I had a large
19 business. I believe in local control in government. That's school boards, co-ops,
20 all that. And we have -- we rely -- because we believe in that. We rely on local
21 control of government. And one of the things that's caused us some pain here for
22 all of us is the board of directors that represents all the customers for SLECA has
23 voted unanimously to take the action of not giving you your line. So that's one of

1 the problems I face. So we're going to -- looks like we're going to dig into this a
2 little deeper. And so thank y'all for what you do and coming up there. And I wish
3 I had a camp out on Lake De Cade. That's -- I'll stop right there. Thank you.

4 **CHAIRMAN SKRMETTA:** All right. Thank y'all for your comments. I'd like
5 to call SLECA up. The representatives of SLECA can come on up for -- talk to us
6 for a little bit. Go ahead. Go ahead and -- y'all have all cards already put in place?

7 **MS. KARA KANTROW:** I think we have --

8 **CHAIRMAN SKRMETTA:** Everybody's got a card already?

9 **MS. KANTROW:** Well, fill them as we --

10 **CHAIRMAN SKRMETTA:** Go ahead and introduce yourself for the record and
11 then we'll make sure that each of y'all that don't have a card -- I know y'all -- I
12 think you have a permanent card as attorney.

13 **MS. KANTROW:** We don't have to.

14 **CHAIRMAN SKRMETTA:** But those who don't, please just introduce yourself.
15 You can pass the microphones, because you won't be able to hear you on the end.
16 So if you want to just go down the line and introduce yourself first, and then you
17 can identify who's going to be your primary speakers and handle it from there.

18 **MR. BROOK SAMUEL:** I'm Brook Samuel, vice president at Booth &
19 Associates, SLECA's consulting engineering firm.

20 **CHAIRMAN SKRMETTA:** Okay.

21 **MR. KYLE MARIONNEAUX:** Kyle Marionneaux of Marionneaux Kantrow
22 Law Firm on behalf of SLECA.

1 **MR. JUSTIN PROCTOR:** Justin Proctor, C.H. Guernsey and Company,
2 representing SLECA.

3 **MR. JASON GUY:** Jason Guy, Royal Engineers and Consultants representing
4 SLECA.

5 **MR. MATTHEW PETERS:** Matthew Peters, general manager of SLECA.

6 **MS. KANTROW:** And then Kara Kantrow --

7 **COMMISSIONER CAMPBELL:** What is your name?

8 **MR. PETERS:** Matthew Peters.

9 **MS. KANTROW:** Matthew. He took over for Joe.

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

11 **MS. KANTROW:** And Kara Kantrow on behalf of SLECA. Thank you all for
12 the opportunity to speak today on this matter. I think I want to start off with, you
13 know, SLECA did not take this decision lightly. It's not an easy decision for
14 SLECA. The facilities were destroyed by Hurricane Ida, removed for safety
15 reasons, service hasn't been out there since 2021, I think. Commissioner Campbell,
16 you asked how much per member to build it back. As most of you are aware,
17 FEMA -- 90% of it, of this reconstruction would be paid for and our cost share is
18 10% of the reimbursable expenses. Coming down to per customer over the course
19 of 30 years, it'll be anywhere from 13 to \$24 per month for the next 30 years.

20 **COMMISSIONER CAMPBELL:** Wait a minute. I'm going to ask the questions.
21 So that's what it's going to cost the people to do this project?

22 **MS. KANTROW:** Each individual member. And Justin Proctor, who's here with
23 C.H. Guernsey, can talk more about that. He is our lead consultant for SLECA.

1 The board, who's actually made up of nine board members, made the decision not
2 to reconstruct only after receiving the prices coming back to how much the
3 membership -- the burden, the financial burden on the membership --

4 **MS. BOWMAN:** Kara, can you move the mic a little closer, please? Thank you.

5 **MS. KANTROW:** The board did not make the final determination not to
6 reconstruct only when -- until they got that price back on how much it was going
7 to cost to reconstruct. SLECA had every intention of reconstructing the line. It
8 was removed for safety reasons, we went through the process. The communications
9 that were sent from the previous CEO to the membership indicated that they were
10 looking forward to reconstruction and putting the power back on. It was only after
11 we got the cost back that the board determined that that was too much of a financial
12 burden to put on each one the members of SLECA.

13 **COMMISSIONER CAMPBELL:** These people that are not going to have use of
14 electricity from your co-op, how long have they had electricity?

15 **MS. KANTROW:** I was not -- I think the line has been there or constructed
16 sometime in the '60s.

17 **MR. PETERS:** I think it was late '60s, early '70s.

18 **COMMISSIONER CAMPBELL:** So you got somebody down there that's had
19 electricity for 40 years, and now all of a sudden, they're going to be without
20 electricity, correct?

21 **MS. KANTROW:** That's correct. You know --

22 **COMMISSIONER CAMPBELL:** And if you do supply them electricity, it
23 would cost the other members how much a month?

1 **MS. KANTROW:** Anywhere between -- depending on what is determined,
2 anywhere between \$13 and 24 per month for the next 30 years. You know, SLECA
3 -- you don't have funds sitting there to do this. It would be something that we
4 would take out a loan for our 10%. And in that, I don't even think -- I mean, it
5 includes interest and O&M. You know, these financial figures were put into the
6 docket and also shared. It comes down to us, and I recognize some of the
7 conversations that have been had. You know, we did meet with intervenors
8 privately. Staff found that we have met the burden in the ALJ -- I mean, in the
9 order but for not segregating the lines into four separate lines, but their Staff
10 recommendation did find that.

11 **CHAIRMAN SKRMETTA:** Well, I got a quick --

12 **MS. KANTROW:** Outside the economic analysis --

13 **COMMISSIONER LEWIS:** Ms. Kantrow, that's not what the Staff
14 recommendation says at all. They found that segmentation -- and we can read the
15 order. That's not what Staff said. Staff made a recommendation that Lake De Cade
16 could be, but that segmentation wasn't, so. And I would defer, and I would actually
17 ask our Staff, Mr. Bello, who's been working this docket. Can you please correct
18 what Staff's recommendation was?

19 **MR. JUSTIN BELLO:** Thank you, Commissioner. Justin Bello on behalf of
20 Commission Staff. That's correct. We did not say that they met their burden for
21 all of this. We indicated that segmentation of the four lines was essential and that
22 they didn't meet their burden for three of those four lines is what we said, for not
23 showing the financials appropriately.

1 **COMMISSIONER LEWIS:** Thank you.

2 **CHAIRMAN SKRMETTA:** Actually, the folks that were up here testifying today

3 --

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

5 **CHAIRMAN SKRMETTA:** -- they were I believe in Terrebonne Parish, or

6 Lafourche? Lafourche.

7 **MS. KANTROW:** I think they were in both.

8 **CHAIRMAN SKRMETTA:** My understanding that the folks that were in

9 Lafourche were actually in a position to have their lines repaired as being closer to

10 the system that other parishes -- because you're in multiple parishes, that the others

11 one might've been in a further, harder to repair, more costly repair. But those folks

12 that were in Lafourche Parish were in a position where it would not have cost as

13 much to do the repair; is that accurate?

14 **MR. GUY:** We did provide --

15 **CHAIRMAN SKRMETTA:** You need to use the microphone. Sorry.

16 **MR. GUY:** Hi. We did provide a segmented cost analysis at a later after the

17 petition of abandonment at the request of Staff. So we did provide -- we didn't

18 provide a repair estimate because the system was determined to be fully damaged.

19 So there was no repair cost per se.

20 **CHAIRMAN SKRMETTA:** Yeah, but that was your determination, not

21 Commission's determination. You said there was a determination.

22 **MR. GUY:** A determination --

23 **CHAIRMAN SKRMETTA:** By who?

1 **MR. GUY:** No, no. I said that determination that the system could not be repaired.
2 Not --

3 **CHAIRMAN SKRMETTA:** And who made -- who made the determination?

4 **MR. GUY:** The determinations? The federal government. Along with the --

5 **CHAIRMAN SKRMETTA:** The federal government made the determination?

6 **MR. GUY:** Yes, sir. Yes, sir. We have a catastrophic storm that --

7 **CHAIRMAN SKRMETTA:** I'm just saying, I'm just saying, who made the
8 determination? I was getting it was you, the federal government, or the
9 Commission?

10 **MR. GUY:** The determination for the repair cost?

11 **CHAIRMAN SKRMETTA:** Not the cost. You said that it was beyond repair.

12 **MR. GUY:** It was a repair -- there was no repair going to take place. The entire
13 system was hit by a catastrophic -- the line was down.

14 **CHAIRMAN SKRMETTA:** I understand. But there is a difference in the cost
15 between the camps that were in Lafourche --

16 **MR. GUY:** Oh, yes, sir. We --

17 **CHAIRMAN SKRMETTA:** -- than the difference in the cost in the other
18 parishes.

19 **MR. GUY:** I'm sorry. I misunderstood your question.

20 **CHAIRMAN SKRMETTA:** No, that's why I'm trying to clarify the question.

21 **MR. GUY:** So, yeah, we were requested to provide a segmented cost analysis per
22 segment for the entire facility, which was provided to Staff, and as well as verified
23 by Staff that that would be the cost to reconstruct.

1 **COMMISSIONER LEWIS:** That was not --

2 **CHAIRMAN SKRMETTA:** So which -- so I'm still not getting --

3 **MR. GUY:** They validate the cost estimates.

4 **CHAIRMAN SKRMETTA:** I'm going to try again.

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

6 **CHAIRMAN SKRMETTA:** What -- was there a cost differential, a lower cost

7 for the Lafourche repair in restoration versus the other parishes?

8 **MR. GUY:** It was -- certainly each segment of this facility are different lengths.

9 Okay?

10 **CHAIRMAN SKRMETTA:** Uh-huh.

11 **MR. GUY:** In sizes. So the overall cost --

12 **CHAIRMAN SKRMETTA:** Well, accessibility and length are different, right?

13 **MR. GUY:** Sure. Yeah. The overall cost for a segment in Lafourche Parish

14 would've been a lower total cost, not necessarily on a per unit basis, but a lower

15 total cost --

16 **CHAIRMAN SKRMETTA:** Right.

17 **MR. GUY:** -- to restore that facility. [INAUDIBLE]

18 **CHAIRMAN SKRMETTA:** And how many units are in the Lafourche versus the

19 other parishes?

20 **MR. GUY:** I'd have to go back.

21 **MR. PETERS:** How many meters?

22 **CHAIRMAN SKRMETTA:** Yeah. How many meters?

23 **MR. PETERS:** It's 72, sir.

1 **CHAIRMAN SKRMETTA:** So it's 72 out the 200 and --

2 **MR. PETERS:** Two hundred and seventy.

3 **CHAIRMAN SKRMETTA:** So it's about -- basically a third then, right?

4 **MR. PETERS:** Yes, sir.

5 **CHAIRMAN SKRMETTA:** Okay. So didn't that -- you didn't see that that

6 demonstrated an economic potential of restoration of those units for inclusion in

7 the system that would've provided a value to the system in the future?

8 **MR. PETERS:** So SLECA did -- like we discussed earlier, we always had the

9 thought to we were going to rebuild it. We follow the same procedure we've always

10 done following any disaster. We filed it as one project with FEMA and put all the

11 damage assessments and everything in one project to them. They validated that as

12 a complete destroy. Like, damaged beyond repair. FEMA validated that.

13 **CHAIRMAN SKRMETTA:** Well, you know, there's this place in Baton Rouge

14 called the Commission, right? So did you come to us or did you just go to FEMA?

15 Did you go to FEMA and then do it and then come to us? I mean, how did the work

16 through Candyland work on this?

17 **MR. PETERS:** So we went to FEMA because FEMA is 90% responsible for the

18 funding, and if we wouldn't have followed the FEMA guidelines, we would've

19 been 100% responsible for the cost.

20 **CHAIRMAN SKRMETTA:** Uh-huh. Well, look where you are today.

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

22 **CHAIRMAN SKRMETTA:** I'm sorry. Brandon, you have a question?

1 **SECRETARY FREY:** I pulled the numbers from the proposed recommendation.
2 Mr. Chairman, I think this is what you're talking about. So the high-end estimates
3 for restoration of the system as a whole was 35.9 million and the low end was 24.4
4 million. The Lafourche portion of each of those numbers would've been 5.5 out of
5 35 -- or 36 million actually on the high end, and 4 out of 24.4 on the low end.

6 **CHAIRMAN SKRMETTA:** Seems like you could've saved a lot of money for
7 yourself in the future by just fixing the Lafourche end because looking at what the
8 compensation might be due to these people, might be approaching that number.
9 Okay. Anyway, any -- Commissioner Lewis?

10 **COMMISSIONER LEWIS:** Yes, yes. Thank you, Mr. Chairman. First, I want
11 to clarify something that you just said. You said Staff verified the repair cost. Staff,
12 is that an accurate statement, Mr. Bello?

13 **MR. JUSTIN BELLO:** No, it's not accurate. Commissioner, we did analyze the
14 cost that they presented to us, but we raised concerns about them not meeting their
15 burden with those numbers that were provided, with the estimates that they
16 anticipate. We called many of those into question at the contested hearing.

17 **COMMISSIONER LEWIS:** Thank you. And when I look at the ALJ's
18 recommendation, she also says that. And so my challenge here is this, the general
19 order of abandonment is by far I think one of the clearest, concise general orders
20 that we have. The criteria is set. And when we go through as I've gone, I've met
21 with you multiple times, Ms. Kantrow, I've talked with Ms. Boudreaux, I've read
22 every ounce of the transcript, I've read the ALJ recommendation, and you didn't
23 make your prima facie case. And I think the challenge that I've had with this entire

1 docket is being segmented, oh, these are just camps. And one of the challenges that
2 I have with that is, as regulators, we are to do nondiscriminatory services. I don't
3 get to make a choice of who I think is qualified for electric services, whether it's a
4 camp, whether it's a hospital, whether it's a school, whether it's a neighborhood.
5 If I go down that slope, that's a very dangerous slope to go, to start saying, well,
6 you know what, I don't like this neighborhood so they should be abandoned
7 because I'm going to come up with some numbers after I remove the equipment.
8 No safety report, no repair analysis. I trust you at your word that you say there
9 were safety concerns, but then you pulled it. And so then when I'm reviewing the
10 record to follow the criteria, there are substantial items that you didn't follow. You
11 filed this as an abandonment, and as the ALJ pointed out, you didn't address B(7),
12 you didn't address B(8), you didn't address B(10). And we go through the
13 procedural history here. And so while I am deeply struggling with this, why I
14 understand your cost analysis that you're putting, you didn't even make the case
15 for why abandonment should be considered. So I can't have these argumentations
16 of, well, this is what it does to the future membership and this is the determination.
17 So my question to you, so just please walk me through the timeline of the decisions
18 that were made. What -- the day of the storm, when you sent out the letters, when
19 you made the safety determination that removal is necessary, when you removed
20 the equipment, and then when you decided to abandon by the board vote, and then
21 when you filed, if you can kind of go in that order for me.

22 **MR. PETERS:** Yes, sir, Commissioner. Hurricane Ida made landfall on August
23 29, 2021. We sent out contract crews on October of 2021 to address the wires

1 affecting marine traffic and major waterways. The first letter was sent out in
2 October 25, 2021, telling them, due to the damage to our system, it'll be a while
3 before the facilities will be repaired, even looked at, to utilize a generator. Because
4 when you think of Ida, we lost our office. We're in the process of -- still in modular
5 buildings. Following all the Hurricane Ida, our main goal was to bring normalcy
6 back to the community and get people out of shelters and get them back into
7 temporary housing. So we ran hundreds and hundreds of FEMA's temporary
8 services to bring the community back, so I'm just saying that. Somewhere around
9 December of 2021, we went out, SLECA employees, and pulled the transformer
10 fuses and turned the meters to make a gap between us and the camp owners in the
11 event they improperly hooked up a generator, it would not back-feed our lines and
12 potentially cause an unsafe condition. The second letter was sent on July 13, 2022,
13 and it stated that we're working with FEMA and FEMA has agreed to rebuild the
14 lines. We're looking at both options, both steel and wood. And if we didn't follow
15 the FEMA guidelines, that we would -- and it says that the camp owners could
16 possibly be assessed a line item to them. So that's what we were doing. Started
17 removing unsafe and damaged material in September of 2022. This took months,
18 and in some places, it took over a year because we have to go through that process,
19 we have to get those contracts, we have to make sure they validate everything. And
20 keeping in mind, we're still working out of temporary trailers, 12 spread across our
21 entire facility. So it's not like we just walk down the hall, like you walk outside
22 and you walk around to talk to people. The third letter was sent out in April 5,

1 2023, that says we're still working with FEMA. There's nothing fast about FEMA,
2 there's nothing.

3 **CHAIRMAN SKRMETTA:** Can I interrupt you for a minute?

4 **MR. PETERS:** Yes, sir.

5 **CHAIRMAN SKRMETTA:** So, Brandon, I have -- I'm sorry. Brandon, I got a
6 question for you. So does the Commission have a process that requires the co-ops
7 to engage with the Commission as they process FEMA to ensure that they are
8 complying with Commission rules as they attempt to comply with FEMA?

9 **SECRETARY FREY:** Not that I'm aware of. I know through GOHSEP --

10 **CHAIRMAN SKRMETTA:** Well, crank one up.

11 **SECRETARY FREY:** Yeah. So, well, GOHSEP, I know we have
12 [CROSSTALK] communications --

13 **CHAIRMAN SKRMETTA:** Because I think we have a gap. I think we have a
14 gap issue. So whether you need to do -- look at it as a rulemaking, whatever, you
15 might want to bring that up for a process because I think we have identified a
16 significant problem in managing issues, particularly on disaster time, because this
17 is demonstrative of a real problem. So, anyway, continue. Go ahead.

18 **MR. PETERS:** Yes, sir. The third letter was sent out on April 5, 2023. It just
19 says we're still working through this process. There was a special board meeting
20 held on May 17, 2024, where the numbers were presented, and they came out that
21 we were going to look at all options to try to find the funding. A board meeting
22 again on August 5, and then the final letter was sent out saying we abandon on
23 August 21, 2024.

1 **COMMISSIONER LEWIS:** So when I'm following this timeline, so you
2 removed the equipment or started the removal of the equipment in September of
3 '22?

4 **MR. PETERS:** Yes, sir, that's correct.

5 **COMMISSIONER LEWIS:** That's correct. And so -- and then your presentation
6 of the financials you're saying was May 17, 2024 or '23?

7 **MR. PETERS:** The rebuild -- the repair -- the rebuild cost?

8 **COMMISSIONER LEWIS:** Yes, yes.

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

10 **COMMISSIONER LEWIS:** '23 or '24, I'm sorry?

11 **MR. PETERS:** '24.

12 **COMMISSIONER LEWIS:** '24, and then you decided to -- the board voted on
13 August 5 to --

14 **MR. PETERS:** Yes, sir.

15 **COMMISSIONER LEWIS:** At any point of that period, did you send a letter to
16 those individuals before this August 5 meeting saying that we will take up a
17 proceeding of considering abandonment?

18 **MR. PETERS:** No, sir. We didn't -- I mean, we addressed our FEMA updates at
19 our annual meetings.

20 **COMMISSIONER LEWIS:** Well, what I'm saying is so on May 17, you get
21 these numbers?

22 **MR. PETERS:** Yes.

1 **COMMISSIONER LEWIS:** And then on August 5, you go into a meeting to
2 abandon. So my question is between May 17 and this decision on August 5, what
3 communications did you have with any of the 272 customer -- members, members
4 because they're members, before the board took up the vote?

5 **MR. PETERS:** We just looked at other options to offset that cost, meaning we
6 went and looked for that 10%.

7 **COMMISSIONER LEWIS:** So you didn't engage -- to be very frank, you did
8 not engage with the members you wanted to abandon before the vote of the board
9 was taken. Did you give them any notice that you were taking a vote to abandon
10 their electric services so they had an opportunity to contact board members and
11 share their concerns or thoughts?

12 **MR. PETERS:** No, sir.

13 **COMMISSIONER LEWIS:** And so this is the problem that I'm having when we
14 talk about, well, the board made the decision. It seems to me, based off of the
15 timeline and the evidence, that the board said, oh, well, you know what, we're just
16 going to do this because we don't want to repair, but we're not going to give our
17 members -- and that's been the co-op's favorite word. These are our members.
18 They're not our ratepayers. They're not like the big IOUs. They're not our
19 customers. These are our neighbors, these are our friends, these are our members.
20 And you didn't even give them an opportunity to let them know that you were going
21 to vote to abandon their services, one of the most serious things that could happen.
22 Electric service is not an anomaly any more. It is a life or death thing. These are
23 people's businesses. This is their livelihood. And you said we're not going to give

1 you notice. You're not going to give the Commission notice. We're not going to
2 do a repair analysis, a safety analysis. We're going to blame FEMA when you
3 made the application for FEMA, and Congressman Higgins and the Governor just
4 announced you got money. I'm thankful, thankful Secretary Noem for approving
5 it before she left. And then now you're still saying, well, we should abandon even
6 though we went through the process. You're saying -- you're telling these people
7 you sent them letters to rebuild. You're saying that you never once, even when you
8 get to this May 17 option of reconsideration, where were the town halls, the
9 community letters, or the community meetings saying, you know what, we've seen
10 these numbers and we have now serious questions about our financial stability to
11 rebuild this and engage them in an appropriate way? Or even engage just in an
12 appropriate way because you filed the abandonment, so you were clear what you
13 wanted to do, and then you didn't follow the general order. You left things
14 unanswered and said, well, trust me. Well, I did it correctly. And so I'm really
15 struggling here with how do I then look customers in the eyes, members in the eyes,
16 and say a utility, who seems, in my opinion, was very derelict in their duty of
17 handling this, now should abandon because they made an impromptu decision to
18 pull up electric infrastructure? Now we're saying, welp, you can't really tell -- you
19 can't really evaluate if it was safe or not. You can't really independent evaluate
20 whether some poles needed to be repaired or some poles needed to be replaced. I
21 just tore it all up. Trust me at it. And now to put it all back, trust me on my numbers
22 once again. How is that a process that is just and reasonable that we can explain
23 not only to SLECA members? Because this decision that we make here doesn't

1 just affect SLECA. It affects DEMCO, SLEMCO, SWEPCO, Entergy, any electric
2 utility. And I really struggled, I've listened to your case, and so I want to know,
3 and I know this is a long question, if we remand this back to the ALJ, what new
4 evidence do you have to meet the criteria? What did you not put in the record?

5 **MS. KANTROW:** I mean, Commissioner, with all due -- we believe we did meet
6 the criteria in the record. Staff's recommendation, I want to clarify --

7 **COMMISSIONER LEWIS:** So then if that -- if that is your -- if that is your
8 opinion --

9 **MS. KANTROW:** -- [CROSSTALK] recommendation --

10 **COMMISSIONER LEWIS:** Excuse me, Ms. Kantrow.

11 **MS. KANTROW:** Yeah.

12 **COMMISSIONER LEWIS:** If that is your opinion that you have nothing else to
13 add to the record --

14 **MS. KANTROW:** No, I can add things to the record. I mean, we can take them
15 one by one, some of the things she thought we didn't do. One of which was did we
16 prove that we never filed an abandonment before? He said we didn't. We have an
17 affidavit saying we didn't. We couldn't find any, Staff couldn't find any, and she
18 felt like that wasn't enough information to determine whether or not we'd ever filed
19 one before. You know, we've issued a public records request to the Commission
20 saying, hey, if you know of any one. I believe Staff was on the stand, said they
21 didn't know of any. And that didn't meet her threshold to determine that we hadn't
22 filed one.

1 **COMMISSIONER LEWIS:** That didn't meet the Commission's threshold, not
2 her threshold, based off of the general order that is listed that you filed this
3 application under. You filed this application.

4 **MS. KANTROW:** I did. I did.

5 **COMMISSIONER LEWIS:** The Commission didn't ask you to do this. So you
6 should follow the general order and submit the evidence correctly; would you not?

7 **MR. MARIONNEAUX:** Your Honor -- I mean, Commissioners, on that point,
8 and sorry about that.

9 **COMMISSIONER LEWIS:** Thank you. Thank you for that upgrade, Kyle. My
10 mama's going to be really happy. I hope you're watching, mama.

11 **MR. MARIONNEAUX:** On that point, we said we didn't file one. There's no
12 evidence that we didn't file one. We've searched. There's your docket that you
13 can search. We searched it. I don't know what [CROSSTALK] --

14 **COMMISSIONER LEWIS:** I think B(10) is fine. Let's talk about B(8) or B(7),
15 the economic -- the environmental impact. I mean, that one's a very easy one to
16 pull, but there were other places within the general order that the ALJ in the
17 testimony recognized that you didn't meet the prima facie case as the general order
18 is written. So, I mean, that one I understand. As I said, I've looked across the
19 country, can't find another electric abandonment docket ever. So let's put that one
20 aside. What about the economic impact analysis or the environmental impact
21 analysis that the ALJ says you didn't conduct?

22 **CHAIRMAN SKRMETTA:** Yeah. Well, you know, it really comes down to this,
23 the board of directors failed to adequately notify the members of their pending

1 actions. It's clear to me that the letters that are identified by witness Ms. Boudreaux
2 are demonstrative of not clearly notifying the members of what their intents were
3 to do. And in doing so in that manner, I believe that it renders everything that the
4 company did as invalid and I think it's a real problem. And I think it's a problem
5 for the board and the board's actions. And I think that it's impacted the economic
6 impact on the 270-plus meter members. And, you know, they did not get an
7 opportunity to present an argument to the board, they did not get an opportunity to
8 make a presentation to the board. Their due process rights, whatever they may be
9 identified under private law, were not met. And I think it's a significant problem.
10 I think, look, everything is already done. So the question is is something going to
11 be -- is something going to happen where there's going to be system rebuild and
12 there's going to be an impact on the members? Or is it going to be something that's
13 going to come down from the Commission saying some of them are going to get
14 rebuilt, some of them are not, and that's going to be a burden that's going to be
15 placed? Or is there going to be an order from the Commission to rebuild that out?
16 Is there going to be an order for compensation or we're going to have to come back
17 and look at what the Commission is going to look at requiring significant
18 compensation to be paid to people? What is -- we've done it before with natural
19 gas abandonment lines and required, you know, compensation to be paid. So it's
20 clear to me that the board by -- what Commissioner Lewis was talking about,
21 between the May notification and the actions taken and the lack of interactivity with
22 the Commission, you know, this seems like a freewheeling event that the board
23 took action without really providing the proper process to not only the members,

1 but to the Commission. And, you know, there's going to be -- I don't want to say
2 hell to pay, but there's going to be dollars to pay one way or the other. Whether
3 it's going to go into infrastructure, or going to go into paying people who are
4 maleffected. So I think you got a problem, I think you got a serious problem. So,
5 Commissioner Campbell.

6 **COMMISSIONER CAMPBELL:** That's a --

7 **CHAIRMAN SKRMETTA:** You got to use the microphone, Commissioner.

8 **COMMISSIONER CAMPBELL:** Okay. Seems to -- Mr. Coussan, this is in your
9 area?

10 **VICE CHAIRMAN COUSSAN:** Yes, sir.

11 **COMMISSIONER CAMPBELL:** I'd like to hear what you have to say about it.

12 **VICE CHAIRMAN COUSSAN:** Thank you, Commissioner. So the motion that
13 I have on the table allows one of the lines that our Staff, our Public Service
14 Commission Staff, believe that they did satisfy their burden of proof --

15 **COMMISSIONER CAMPBELL:** Do away with it?

16 **VICE CHAIRMAN COUSSAN:** Do away with the -- to abandon the Lake De
17 Cade lines. The folks that testified earlier were not impacted by the Lake De Cade
18 line. There obviously were camps affected, but they weren't the witnesses that
19 were here. Our Staff felt like SLECA satisfies their burden of proof on Lake De
20 Cade, so we overruled the Judge in that part and said that we will abandon it. That's
21 my motion. And then we -- my motion is that we remand the remaining lines back
22 to the Judge, so that additional evidence and testimony can be had, so that they can
23 narrow the scope of their continued efforts to satisfy the burden of proof on the

1 remaining lines if possible. I believe that based upon the conversations that I've
2 had that there was evidence that either exists or was not framed properly that
3 satisfies some of the outstanding -- the outstanding issues that the Judge didn't find
4 that they satisfied. So my opinion was that it gives the parties another chance to
5 continue, both on the opposition and the proponents of the abandonment, to go back
6 and look at it one more time, because this is a \$150 million issue, and before we
7 say yea or nay, we give them another opportunity to continue to put more evidence
8 in the record. And then at the same time, it gives us time to look into the financial
9 damages of the remaining parties.

10 **CHAIRMAN SKRMETTA:** Okay.

11 **VICE CHAIRMAN COUSSAN:** So I have a motion on the table to answer what
12 my opinion is.

13 **CHAIRMAN SKRMETTA:** And Chair seconds it. And what -- with the intent
14 of it to back to the ALJ and approach it under the position of the motion. But I
15 would like the Staff to start looking into methodology of increasing compensation
16 for people under the abandonment that is validated down the road. Okay.

17 **COMMISSIONER LEWIS:** Mr. Chairman, at this time, I would actually, based
18 off of the record, make a substitute motion that we adopt the proposed ALJ
19 recommendation to deny SLECA's application for abandonment.

20 **CHAIRMAN SKRMETTA:** Any seconds? [NONE HEARD] Failing to receive
21 a second, the substitute motion does not pass. We would require a roll call vote?

22 **COMMISSIONER LEWIS:** Yes, sir, I'm objecting to the original motion.

23 **CHAIRMAN SKRMETTA:** Okay. Call it a roll call vote on the primary motion.

1 **MS. BOWMAN:** So on the primary motion --

2 **COMMISSIONER CAMPBELL:** If there was a second?

3 **CHAIRMAN SKRMETTA:** Substitute motion failed.

4 **MS. BOWMAN:** It works without it, you're okay.

5 **CHAIRMAN SKRMETTA:** It works without it. It's just the cover.

6 **COMMISSIONER CAMPBELL:** Does that work?

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

8 **COMMISSIONER CAMPBELL:** All right.

9 **CHAIRMAN SKRMETTA:** So roll call vote.

10 **COMMISSIONER LEWIS:** Did you have a question?

11 **COMMISSIONER CAMPBELL:** No, I'm ready to vote.

12 **MS. BOWMAN:** Okay. So on Commissioner Coussan's original motion to

13 abandon the Lake De Cade line and remand the remaining lines back to the ALJ,

14 Commissioner Francis, how do you vote?

15 **COMMISSIONER FRANCIS:** I support Commissioner Coussan's motion, yes.

16 **MS. BOWMAN:** And Commissioner Coussan?

17 **VICE CHAIRMAN COUSSAN:** Yes.

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

19 **COMMISSIONER LEWIS:** No.

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

21 **COMMISSIONER CAMPBELL:** Yes.

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

23 **CHAIRMAN SKRMETTA:** Yes.

24 **MS. BOWMAN:** So --

1 **CHAIRMAN SKRMETTA:** The matter passes.

2 **MS. BOWMAN:** Matter passes four to one.

3 **CHAIRMAN SKRMETTA:** All right. And like I said, I would really like the
4 Staff to look into, you know, potential compensation like we did under the gas
5 abandonment systems for -- they can privately discuss that with us down the road.

6 **COMMISSIONER FRANCIS:** Mr. Chairman, can I have a --

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

8 **COMMISSIONER FRANCIS:** -- couple of minutes?

9 **CHAIRMAN SKRMETTA:** Yes, sir, go ahead.

10 **COMMISSIONER FRANCIS:** Chairman -- Secretary Frey, sorry.

11 **CHAIRMAN SKRMETTA:** Brandon.

12 **COMMISSIONER FRANCIS:** We're doing a similar project approved by
13 FEMA in Cameron Parish with another co-op, Jeff Davis, and I've been working
14 with Ms. Evans on that, as far as my contact. And these have went along relatively
15 smooth. It's almost a \$400 million project. When you're through, look at the
16 operations. The Commission's at the top of the pyramid, but we still got to have
17 FEMA's money and work with them. Do we need more rules or we have any
18 problem with anything we followed in this step? We've been doing this for over a
19 couple years now. Do we need to have more rules made to follow what we're doing
20 or do you suggest any? Looking at this problem, on this other side of the state, you
21 got any suggestions?

22 **SECRETARY FREY:** You want me to jump in on that one, Lauren?

23 **MS. LAUREN EVANS:** Lauren Evans on behalf of Staff. Sure.

1 **SECRETARY FREY:** No. You know, to the Chairman's point, it always helps,
2 as we know with everything, the sooner we receive information, the better. And
3 that's to everyone in the audience. And I know we've been very consistent on that.
4 So if we have -- if we would adopt concrete rules in scenarios like this, I mean, you
5 know, unfortunately, it's going to happen again. But I know with another co-op,
6 who are -- I won't name, but there was an issue with an ice or a snow storm where
7 I was able to intervene at GOHSEP to make sure -- you know, to move it along.
8 Where if we would've been more involved at the onset, we probably could've
9 provided more guidance to them and helped them get that recovery sooner. So to
10 your question, Commissioner, yes, I think it would not hurt to have a more concrete
11 reporting system at the very least, to where when there is an application that's going
12 to be made with FEMA, we require those to be submitted to us at the very least. So
13 we can start that process. I mean, when they ultimately come to us for cost recovery
14 either through a reg asset or a rider, we're going to be asking for all that
15 documentation. So them providing that to us at the onset, sure, I think it's not a
16 bad idea at all.

17 **COMMISSIONER FRANCIS:** Well, I just think -- they were talking about they
18 sent out letters to their customers, they were working on it, looks like we're going
19 to be repairing it, and all of a sudden, boom, it's not going to be repaired. Do we
20 get a copy of those letters when they send it out to the people in the process?

21 **SECRETARY FREY:** I don't know that -- I mean, we've seen them, obviously,
22 I think through this docket. But when they were actually sent out in real time, no,
23 I don't think we did.

1 **COMMISSIONER FRANCIS:** Because we represent the people, so we should
2 know about the communications. Just a simple little fact, but at least we know what
3 the utility's telling all the customers, or we should be in the loop there. And I'm
4 just trying to think about what we did in Cameron Parish, we had a lot of meetings,
5 and it seemed like we didn't have any complaints from the public that -- to know
6 what was going on, except when those generators ran out of fuel a couple of times,
7 we heard from them. But I'm just trying to think of -- did we learn anything from
8 -- because we've had a very successful operation in Cameron. Did we learn
9 something here that they might've could've done a better -- done better in
10 Lafourche and Terrebonne? I can't think of anything right now. So just my few
11 little thoughts. Thank you.

12 **CHAIRMAN SKRMETTA:** Commissioner Campbell's got a comment.

13 **COMMISSIONER CAMPBELL:** If I'm not mistaken, Brandon, two times in
14 north Louisiana, we abandoned service.

15 **SECRETARY FREY:** Correct.

16 **COMMISSIONER CAMPBELL:** We didn't pay 1,000, we paid 5,000.

17 **SECRETARY FREY:** That sounds right. It was between --

18 **COMMISSIONER CAMPBELL:** That's the deal [CROSSTALK] --

19 **SECRETARY FREY:** -- 35 and 5 I think.

20 **COMMISSIONER CAMPBELL:** -- they paid 5,000 to take somebody's
21 electricity, 1,000 --

22 **CHAIRMAN SKRMETTA:** That was to turn the gas off.

23 **SECRETARY FREY:** To get -- it was gas, yes.

1 **CHAIRMAN SKRMETTA:** It was a gas issue. It was not -- it was gas. They
2 put in propane tanks and they gave money.

3 **SECRETARY FREY:** Right.

4 **CHAIRMAN SKRMETTA:** Change their stoves out.

5 **SECRETARY FREY:** To electricity, correct. Yes.

6 **COMMISSIONER CAMPBELL:** It's real close --

7 **SECRETARY FREY:** Yeah.

8 **COMMISSIONER CAMPBELL:** -- to the same thing.

9 **CHAIRMAN SKRMETTA:** Yeah.

10 **COMMISSIONER CAMPBELL:** People had something. They lost it. One
11 thousand dollars doesn't do anything [CROSSTALK].

12 **CHAIRMAN SKRMETTA:** Correct.

13 **SECRETARY FREY:** Yeah.

14 **CHAIRMAN SKRMETTA:** What I'd like to do -- we move through the agenda
15 is take the next item up of 13, and then we'll take a 10-minute break before we
16 move into Number 2. Okay.

17 **SECRETARY FREY:** Okay.

18 **CHAIRMAN SKRMETTA:** Item Number 13.

19 **MS. BOWMAN:** So Exhibit Number 13 is Docket Number U-37502. This is
20 SWEPCO's application for an extension of formula rate plan, service quality
21 improvement program. It's a discussion and possible vote on an uncontested
22 stipulated settlement pursuant to Rule 57, so this will need two votes, and this is at
23 the request of Commissioner Campbell. On February 10 of last year, SWEPCO

1 filed the instant application. It was published in the Commission's Official Bulletin
2 with the Alliance for Affordable Energy timely intervening. In SWEPCO's
3 application, they requested approval to extend its formula rate plan and its service
4 quality improvement program, both of which were previously approved in Order
5 U-35441. As proposed, the FRP would continue for an additional three-year term.
6 SWEPCO also seeks continuation of its SQIP including ongoing commitments
7 related to vegetation management, reliability performance, staffing, reporting, and
8 service quality oversight. On August 11, 2025, Staff filed its testimony detailing
9 its review of SWEPCO's application and made corresponding recommendations.
10 On March 12 of this year, the parties subsequently entered into an uncontested
11 stipulated settlement, which was filed into the record and sought the Commission
12 to exert its original and primary jurisdiction pursuant to review this matter. The
13 major terms of the settlement are as follows. SWEPCO will be authorized a return
14 on equity of 9.7%, a reset of rates to the midpoint allowed ROE of 9.7 for the 2025
15 test year, and then an implementation of a 25-basis point bandwidth for the test
16 years '26 and '27. There's also a requirement that SWEPCO file a separate
17 proposal within six months of this settlement to address mitigation of the
18 differential between summer and winter rates. There's also a continued exclusion
19 of NOLC ADIT for the FRP unless and until recovery is authorized by a final order
20 in the associated docket. And continuation of the SQIP through December 31,
21 2028, with updated provisions relating to vegetation management, reliability
22 reporting, staffing, and annual reporting obligations. Staff recommends that the
23 Commission, first, exercise its original and primary jurisdiction to take this matter

1 up pursuant to Rule 57, and then accept the uncontested stipulated settlement filed
2 into the record on March 2, 2026.

3 **CHAIRMAN SKRMETTA:** Chair moves to bring the matter up under Rule 57.

4 **VICE CHAIRMAN COUSSAN:** Second.

5 **COMMISSIONER CAMPBELL:** I'll second.

6 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Coussan. Any
7 opposition? [NONE HEARD] Hearing none, so ordered.

8 **COMMISSIONER CAMPBELL:** I make a motion that we accept Staff
9 recommendation. We're going to go up to 9.7 ROE --

10 **MS. BOWMAN:** Yes.

11 **COMMISSIONER CAMPBELL:** -- compared to five, but just for the record,
12 that's what Cleco asked and also Entergy.

13 **MS. BOWMAN:** Yes, sir. It's comparable.

14 **COMMISSIONER CAMPBELL:** So basically, it'll just be joining those three.

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

16 **CHAIRMAN SKRMETTA:** Seconded by -- motion by Commissioner Campbell,
17 seconded by Commissioner Francis. Any opposition? [NONE HEARD] Hearing
18 none, so approved. Chair moves to take a five-minute recess. Any opposition?
19 [NONE HEARD] We'll be back in five minutes.

20 **[OFF THE RECORD]**

21 **[BACK ON THE RECORD]**

1 **CHAIRMAN SKRMETTA:** I'm going to go ahead -- we're back on the record,
2 to confirm that, Court Reporter. Okay. Great. And we're in session. I have a
3 motion to --

4 **MS. BOWMAN:** Let me read -- can I read the in re first?

5 **CHAIRMAN SKRMETTA:** Yeah. Read the in re first, please.

6 **MS. BOWMAN:** Sure. So this is Exhibit Number 2, which is Docket Number T-
7 37136. This is Cantium v. Rosefield Fourchon Operating. It's a complaint against
8 Rosefield for transportation and terminalling of crude oil as a common carrier
9 pipeline without a tariff on file with the Commission at rates that are excessive, and
10 request that Rosefield pay reparations, refunds, and damages for charges above
11 those just and reasonable rates. It's a discussion and possible vote on the
12 Commission's jurisdictional determination of Rosefield. And I can tell that you're
13 ready to get going, but may I read Staff's recommendation?

14 **CHAIRMAN SKRMETTA:** Yeah. Go ahead. Do whatever you need to do.

15 **MS. BOWMAN:** Staff's recommendation is that the Commission not amend its
16 finding in Order T-37136, where Rosefield Fourchon Operating Company was
17 found to be a common carrier pipeline under Louisiana law, as the recently
18 amended Louisiana Revised Statute 45:251 and 255 do not alter the Commission's
19 findings. Staff further recommends that the Commission move forward with
20 Chairman Skrmetta's directive from the June 2025 B&E to open a rulemaking to
21 review and potentially revise the Commission's General Order dated March 9,
22 2015. And would you like me to now move --

1 **CHAIRMAN SKRMETTA:** Yeah. The motion conforms to this general
2 recommendation, but please go ahead and read the motion.

3 **MS. BOWMAN:** So Chairman Skrmetta has two motions. The first motion is: I
4 move that the Commission not amend its findings in Order T-37136 where
5 Rosefield Fourchon Operating Company was found to be a common carrier pipeline
6 under Louisiana law, as the recently amended Louisiana Revised Statute 45:251
7 and 255 does not alter the Commission's findings. Staff -- excuse me. The Chair
8 further recommends that the Commission move forward with his directive from the
9 June 2025 B&E to open a rulemaking to review and potentially revise the
10 Commission's General Order dated March 9, 2015.

11 **CHAIRMAN SKRMETTA:** Okay. That's the first one?

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

13 **CHAIRMAN SKRMETTA:** Okay. That's my motion, but the Chair will need a
14 second.

15 **VICE CHAIRMAN COUSSAN:** I'll second.

16 **COMMISSIONER FRANCIS:** Second.

17 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Coussan. And the next
18 one?

19 **MS. BOWMAN:** The next motion on the floor is: Further, given the
20 Commission's finding that Rosefield is a common carrier pipeline subject to the
21 Commission's jurisdiction, I also move that the Commission require Rosefield to
22 place all payments made by Harvest or Cantium since October of 2023 until March
23 of 2026 for any amounts in excess of 67 cents per barrel into an escrow account

1 until resolution of this docket. I further move that any future payments made by
2 Harvest or Cantium in excess of 67 cents per barrel will be held in an escrow
3 account until such time that the Commission has the opportunity to establish a
4 reasonable rate. Rosefield shall work with Commission Staff on establishing said
5 escrow account.

6 **CHAIRMAN SKRMETTA:** So moved. Any seconds?

7 **COMMISSIONER FRANCIS:** Second.

8 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Francis. Any
9 opposition? Oh, sorry, no vote yet. Sorry, y'all need the one. We're going to have
10 -- we have the visitor or third-party. We're going to hear you first if it's okay with
11 you, and then we'll hear from the parties. So if you want to come up and take a
12 microphone, and just have to speak reasonably close to it.

13 **MR. RYAN FRENCH:** Thank you, Mr. Chairman. Commissioners, my name is
14 Ryan French. I'm an attorney. I'm here on behalf of two interested parties who
15 are appearing here pursuant to Rule 10 as trade associations with a fundamental and
16 significant interest in the issues before this Commission.

17 **CHAIRMAN SKRMETTA:** Who are they?

18 **MR. FRENCH:** That is the International Liquid Terminal Organization, or the
19 ILTA, and the Liquid Energy Pipeline Association, which is L-E-P-A or LEPA. I
20 believe LEPA has previously moved to be recognized as an interested party and is
21 listed as that. To the extent I need to formally add ILTA to that, I'd like to do so
22 as well.

23 **CHAIRMAN SKRMETTA:** Kathryn will handle that with you.

1 **MR. FRENCH:** And by way of brief introduction, both of these -- these are two -
2 - these are essentially the two main trade associations that terminals, entities that
3 are engaged in the terminalling business, may join across the country.

4 **CHAIRMAN SKRMETTA:** Sure.

5 **MR. FRENCH:** They've got several hundred members. They represent the
6 industry that we're going to be discussing, terminals. That's about 80 different
7 terminal facilities in Louisiana controlled by 50 or so different companies. But I
8 want to be clear, I'm not here necessarily on behalf of Rosefield. Rosefield, in fact,
9 we have a lowest tier of membership that includes Rosefield. We're here because
10 this is of significant concern to our entire entity, to our entire entity's membership.
11 They see what is happening to Rosefield and how it is potentially being carved out
12 for regulation for rulemaking as something that, despite the assurances that we're
13 hearing, is not something that can be limited to Rosefield based on the facts that are
14 being used. That is because, fundamentally, what we're talking about here is we're
15 not talking about a sui generis facility, and by that, I mean, we're not talking about
16 a facility that's unlike other terminal facilities. It's been suggested that this facility
17 is different because it has this long 13,000-foot line. Or that other facilities might
18 have -- that have lines that stick out, or that attach to pipelines, or that may be
19 attached to roads, or that attach to other waterways. That that might take it out of
20 the realm of terminals and bring it into the realm of pipelines, which of course
21 comes with significant issues. I think the starting point is what is the definition of
22 a terminal? You have -- I've seen in the briefing that there are plenty of definitions
23 offered by Rosefield. They all share a common thing. This is a nexus. It's a point

1 or a junction. Or as Merriam-Webster might define it, a freight or passenger station
2 that serves as a junction at any point with other lines. A terminal is defined by
3 being connected to some type of transport system. So to determine that it's not --
4 that it's a part of that transport system just because it's connected to it, well, we're
5 going to sweep every terminal in Louisiana into the pipeline if we do that because
6 every terminal has to be connected to the transportation system if it's going to
7 function as a terminal. A terminal that's in the middle of nowhere, that's not
8 connected to anything, that doesn't have pipeline access, road access, or water
9 access does no one any good. Those terminals don't exist. Take Rosefield. Ideally,
10 if you can be set up, you want to be as close to those transportation networks as
11 possible. You want to be right on top of the pipeline if you can. But you also need
12 road access. You need to have people who can get there for maintenance. Or even
13 better, you also have water access. And if you're in the best location, you minimize
14 the distance that connects you to water, to roads, and to the nearest pipeline or
15 pipelines. In the Louisiana marsh, it's not always practical for that to be mere
16 inches or a few feet away. You might have several hundred feet of driveway, or of
17 dock, or of transfer lines, or connection lines that get you to the transportation
18 pipeline. That is all still part of the facility. If you take those characteristics of a
19 terminal and say that that causes you to lose your terminal status, well, that's every
20 terminal. Every terminal is going to now be part of a pipeline because it's going to
21 have some kind of appendage, some kind of tentacles that reach out to connect to
22 the networks. And to say that those things now disqualify you from terminal, or
23 that the exception in the statute, in the revised 251 that's an attempt to describe

1 terminals as broadly as possible, that's not going to apply to anyone if the very
2 things that you need to connect keep you from being the terminal after that. That's
3 my attempt to frame this practically. As a lawyer -- and I apologize if I call you
4 Your Honors because I'm sure I will.

5 **CHAIRMAN SKRMETTA:** That's okay.

6 **MR. FRENCH:** I think a legal way to look at this is what is a facility? We know
7 that terminals and terminal facilities are exempt under the statute. In reading the
8 briefs, the definition of facility that you've been offered, I don't think has actually
9 been explicitly stated by Cantium or by the Commission Staff. The suggestion is,
10 is if you look at it on a map, if you draw a circle around the main facility, and if
11 anything sticks out, well, then that's not part of the facility anymore. That's now a
12 pipeline and now that makes you a pipeline. But, respectfully, that's not a very
13 realistic definition of a facility. What is a facility? I Googled it this morning just
14 so that I could have some definition. The very first definition that pops up from
15 Oxford dictionary, a place, amenity, or piece of equipment provided for a particular
16 purpose. If we're going to extend that Oxford definition, the Google definition of
17 facility to a terminal facility, it's not just going to be the tanks. It's going to be all
18 of the things that are connected to the tanks and to that piece of land that enable
19 those tanks to serve their function, which is to store oil until it can be moved to
20 intermodal transport, train transport, boat transport, pipeline transport. Those
21 things all form the facility. So when you're shown a map today by Cantium,
22 because I've seen this map, that the facility is just this block of land, it's not the
23 lines that go out from it that connect to the transportation pipelines. Well, says

1 who? That's not the definition of facility. The facility has to include all of the
2 equipment that's integral to that storage and that connection function. And if we
3 take it -- if we draw a line just because on a map, we want to have a good-looking
4 square or a good-looking circle, well that's why I'm here, is because that's not just
5 going to apply to Rosefield. I'd be surprised if any of our terminal members have
6 a facility that doesn't have connections to stick out to the roads, to the pipelines. I
7 suspect they all do. And if the definition of facility that's accepted here today
8 doesn't take that into account, well, that's a major problem for this industry. This
9 is an industry that has fundamentally designed itself around contracts, around
10 competition, around offering different services, being in the best location,
11 evaluating the risk, how much is this investment going to be, what is the return on
12 our investment going to be, what relationships are we going to have? To have all
13 of that thrown out the window because you can't draw a neat line around what
14 someone wants to call the facility, well, that's going to not just bring in regulation,
15 that's going to bring in -- that's going to bring in price controls. That's going to
16 take -- that strips them of the basis of their business, the economics that they've
17 designed this business around, which is profit, loss, expense, investment, return on
18 capital, making a good decision, taking a risk that others won't, all without any kind
19 of guarantee that a utility or some other kind of entity might have. If you do this,
20 we'll limit your price, but we're going to guarantee you business. Everybody who's
21 in this area has to use you and we're going to eliminate competition. These entities
22 don't have that benefit, so that's what the industry is worried about here. If I'm
23 making a slippery slope argument, I am. This is very much a potential slippery

1 slope. Whatever this Commission does, I think it needs to identify what a facility
2 is and define it in a way that doesn't completely eliminate all terminal facilities in
3 Louisiana.

4 **VICE CHAIRMAN COUSSAN:** Did you -- can I ask a quick question?

5 **CHAIRMAN SKRMETTA:** Yeah. I don't think he's finished, but there you go.
6 Go ahead.

7 **VICE CHAIRMAN COUSSAN:** Well, you paused. Did you testify in
8 Natchitoches last year?

9 **MR. FRENCH:** I did not. I did not.

10 **VICE CHAIRMAN COUSSAN:** Did you have someone from your organization?

11 **MR. FRENCH:** I believe both Steve Kramer, who is one of the executives of
12 LEPA, was there, as well as Jay Cruz, who is an executive vice president from
13 ILTA, was there. Mr. Cruz is actually here with me today, who's made the trip at
14 the request of his board because this is a very concerning issue for them. They
15 operate in all 50 states. Candidly, they don't usually -- and the reason I'm here,
16 and you haven't seen me before, because I'm not a public commission -- I'm not a
17 public service commission lawyer. They don't fly around appearing in front of
18 public service commissions or intervening in state matters. This is -- to the best of
19 our knowledge, this is the first time that any state has sought to potentially extend
20 pipeline regulations and that authority to the realm of terminals.

21 **VICE CHAIRMAN COUSSAN:** What's the -- you have a -- what's the average
22 -- it's a terminalling organization, both of them?

1 **MR. FRENCH:** Correct. Some of them have more -- some of them have more
2 members than just terminals. ILTA is focused on terminals and terminal support
3 entities. LEPA includes pipelines, and terminals, as well as other adjunct
4 industries.

5 **VICE CHAIRMAN COUSSAN:** What's the average cost of terminalling for oil
6 typically per barrel for your members in these organizations?

7 **MR. FRENCH:** I honestly can't say.

8 **VICE CHAIRMAN COUSSAN:** Well, that's very important.

9 **MR. FRENCH:** I don't know that it is, Your Honor, because I don't think your
10 jurisdiction depends on whether --

11 **VICE CHAIRMAN COUSSAN:** I'm asking what it is just as a matter of fact. I
12 know it's an average.

13 **MR. FRENCH:** Oh, I'm not prepared to say. I really don't know. But my
14 response to that would be, to the extent that the prices are of concern here, well,
15 what controls the prices in this industry is your contract. Did you sign a contract
16 that allows either that specific price or some determination that allows the price to
17 be toggled in a variable way? Well, if so, well, you're bound by that contract. If
18 you didn't, then you have -- then you have the full right to go and challenge that
19 contract in court, to seek to dissolve that contract, to sue for breach of contract, to
20 sue for bad faith breach of contract. You have plenty of options. In fact, the precise
21 types of options that I understand Cantium is presently pursuing in a civil court
22 matter in Terrebonne. And if that's the only place where this dispute is playing out,
23 my organization wouldn't be launching.

1 **VICE CHAIRMAN COUSSAN:** Well, I'm not going to be able to ask them
2 because they are not an association with a lot of different members, so we can ask
3 them as to the facts of their organization. But I'm asking you just a question about
4 the association. But you didn't have an average of what y'all charge per barrel
5 across the market, with all given market forces in place? You don't have an
6 average?

7 **MR. FRENCH:** I do not know that. I do not know that, Commissioner.

8 **VICE CHAIRMAN COUSSAN:** Okay. All right. Thank you.

9 **MR. FRENCH:** If you'd like me to submit a supplemental comment or anything
10 with that, I'd be happy to do so.

11 **CHAIRMAN SKRMETTA:** I got a couple of questions for you.

12 **VICE CHAIRMAN COUSSAN:** I don't need a need a supplemental, but I
13 appreciate it. Thank you.

14 **CHAIRMAN SKRMETTA:** So two things. First off, you were at the 19th JDC
15 for the trial or the hearings that have taken place in this matter?

16 **MR. FRENCH:** For one of them, yes, Mr. Chairman.

17 **CHAIRMAN SKRMETTA:** Right.

18 **MR. FRENCH:** For the appeal proceeding.

19 **CHAIRMAN SKRMETTA:** And did you testify at any of these?

20 **MR. FRENCH:** I did not testify. I presented arguments as an amicus on behalf
21 of the two organizations I'm here on behalf of today.

22 **CHAIRMAN SKRMETTA:** So you didn't -- so you presented it in the form of
23 an amicus brief?

1 **MR. FRENCH:** Yes, Mr. Chairman.

2 **CHAIRMAN SKRMETTA:** So you did it oral or in writing?

3 **MR. FRENCH:** Both. We submitted a brief on the wall and we also submitted
4 about 10 minutes --

5 **CHAIRMAN SKRMETTA:** Well, while you're looking up the definition of
6 terminal, you can look up the definition of testify, so. But you testified there. Did
7 you testify that you had not -- you weren't familiar with the terminal arrangement
8 where Cantium and Rosefield -- that facility itself, you weren't really familiar with
9 it?

10 **MR. FRENCH:** I don't recall that. What I do know and what I would've spoken
11 from is the maps that are in the records, which, based on what I've seen, are
12 consistent from all parties.

13 **CHAIRMAN SKRMETTA:** So -- but since then when you testified at the 19th,
14 have you become more familiar with the actual terminal facility and pipeline
15 arrangement that's at the Cantium/Rosefield facility?

16 **MR. FRENCH:** I don't think so. I had a pretty decent working knowledge of the
17 diagram and what the lines were and what the layout was then. And I've restudied
18 that to be familiar today.

19 **CHAIRMAN SKRMETTA:** So how many other states have terminal
20 associations?

21 **MR. FRENCH:** To be clear, I don't know the answer to that. But to be clear,
22 we're not a state-specific terminal association. We're a national terminal
23 association.

1 **CHAIRMAN SKRMETTA:** Well, how many states regulate terminals?

2 **MR. FRENCH:** As far as we know -- now, regulation, I'm sure they're subject to

3 all kind of regulation in the generic sense of dealing with hazardous chemicals,

4 dealing with whatever --

5 **CHAIRMAN SKRMETTA:** No. But I mean in the context of what you're trying

6 to present.

7 **MR. FRENCH:** In the context of a common carrier -- a common carrier or a

8 ratemaking, as far as we know, it's not --

9 **CHAIRMAN SKRMETTA:** We're not trying to -- I mean, I think that you're

10 taking this to a bridge too far. The Commission is talking about pipeline tariffs.

11 We're not trying to regulate terminals. And I think that this extension of the

12 argument you're making about what our definitions are and how we're approaching

13 this, we are absolutely not trying to regulate terminals. We're talking about

14 pipelines. We're talking about tariffs. We're talking about, you know, companies,

15 you know, exercising tariff values without coming to the Commission and

16 exercising, you know, a presentation and requesting a tariff application, right? So

17 I don't want to have this being presented in a sense of this is about terminal

18 regulation when it's about a pipeline tariff, and a pipeline tariff that has to come to

19 the Commission for a request for a pipeline tariff, and a pipeline tariff that was

20 applied without coming to the Public Service Commission. And it's a question of

21 the differential between those two tariff amounts and what we got to do about it

22 because the Commission still hasn't really acceded to what a final tariff should be,

23 right? So we're not really in the game of trying to define what a terminal is. We

1 don't regulate terminals. We're never going to regulate terminals unless the
2 Legislature tells us to because we regulate pipeline tariffs. So this sort of, you
3 know, movement into what's a terminal, what's a pipeline, I think are two divergent
4 animals. And while I appreciate your testimony, I don't want to get lost in the
5 pathway of having concerns from the world of terminals. I think that the Public
6 Service Commission has some expansive growth interest in regulating terminals,
7 which we don't. You know, this is all about a pipeline that went through a tank
8 that's on a property that's shared between two parties that have a contractual
9 dispute, that have an issue of that contract and how it's, you know, managed
10 between the parties. And about a tariff, a pipeline tariff, that hasn't been finally
11 determined by the Commission, but a pipeline amount in that tariff that's been
12 applied without approval from the Commission in its final state. So I just don't
13 want you to lose track about your associations' concerns, I think are -- while I
14 appreciate the concerns, I don't think they need to worry about that because we are
15 not in the interest -- this Commission's not in the interest of dealing with terminals.
16 **MR. FRENCH:** Your Honor -- and I appreciate that -- and I did what I said. I'm
17 sorry.

18 **CHAIRMAN SKRMETTA:** That's okay.

19 **MR. FRENCH:** I appreciate that. I think --

20 **CHAIRMAN SKRMETTA:** Unless you were in traffic court one time and then -
21 - it was those days, but there you go.

22 **MR. FRENCH:** The concern is, is that while that may be the intent and the limited
23 intent of the Commission today, the legal basis that that's --

1 **CHAIRMAN SKRMETTA:** I double-pinky swear on it. I'm telling you. It's
2 pretty specific on what we are allowed to do and that we don't mince words about
3 this that the Commission is not in the business of terminal regulation. And if we
4 said one word about it, it would be demonstrable evidence to preclude us from
5 doing it.

6 **MR. FRENCH:** My concern, Your Honor, is --

7 **CHAIRMAN SKRMETTA:** That's okay. Keep going. Don't break the cycle.

8 **MR. FRENCH:** Mr. Chairman, is that we're talking here about regulating a
9 pipeline and the definition of pipeline, which I agree, you have precisely the
10 authority there that you suggest. What the Legislature has done just months ago
11 though is said, wow, we need to make sure that excluded from pipeline is anything
12 that might otherwise be a pipeline, but that now meets this definition of terminalling
13 services. Then the definition of what's included in terminalling and it's excluded
14 from pipeline is, frankly, lines of pipe, provided they are used for particular
15 purposes. And our concern here is precisely the basis that's being used to
16 distinguish what is being suggested as the basis to distinguish Rosefield as really a
17 pipeline and not a terminal. That is -- whether this Commission wants it to be
18 precedent or not, that is going to sweep in many of our members.

19 **CHAIRMAN SKRMETTA:** And I understand what you're saying, but
20 understanding the concept of Rosefield being an in globo aspect of Rosefield is not
21 what's at play. It's a pipe that extends through a part of the Rosefield infrastructure
22 that is a pipeline that goes through it, and that is what the Commission regulates. It
23 doesn't regulate any other aspect of this terminal, all right? It is the pipe itself and

1 what flows through the pipe. It's what flows though the pipe. It's about flow. So
2 I think you can't say that the Commission can apply a cost on any other aspect of
3 that terminal other than what flows through the pipe that is owned by Cantium,
4 right? And you can't -- you can try to argue it for the purposes of, say, injecting
5 concern and legal fear into the industry, but the reality is it does not exist because
6 the nomenclature of what this is, it is a pipe which exists when you have more than
7 one pipe attached to another one, it's a pipeline. And it's about what flows through
8 that pipe is what this Commission regulates. It's not about the infrastructure of that
9 pipe itself. It's about what flows through that pipe. So I'm not going to get into a
10 protracted argument about this because you are an association representative, you
11 made your argument, and you're starting to get right on the edge of being a
12 representative of a party in this, right? And so I want -- if you want to extend your
13 billing hours, I'm all for it, right? But, realistically, that is the defining definition
14 in my mind is a pipe is -- could be infrastructure, but it is not a terminal. And what
15 flows through a pipe is what we regulate. And then they could call it a pipeline,
16 but what we do is we regulate flow and we regulate the amount of money that is
17 paid for the flow through a pipeline. So nowhere anywhere is that going to be
18 associated with a terminal and I think any concerns associated with that are just not
19 effective. So I'd appreciate if we could move on, if you're okay with that.

20 **MR. FRENCH:** Absolutely, Mr. Chairman. So the other concern we have that's
21 equally -- and I understand that we -- I think we might differ on that point in terms
22 of how this could be used later. But there's another slippery slope and that is -- is
23 that this Commission fundamentally is supposed to and is limited to intervening

1 into matters of public concern. And there's even Louisiana Supreme Court cases
2 that say before you start messing with contracts or disrupting contracts for pipelines
3 or for whatever it is, a terminal that's also a pipeline, that there needs to be a public
4 policy justification for it. What we have --

5 **CHAIRMAN SKRMETTA:** Well, not to interrupt you, but the public policy
6 aspect of what we're doing is when someone assesses a pipeline tariff that's not
7 approved by the Public Service Commission, they have violated the public policy
8 of the Public Service Commission. So that is the part that we are engaging in. Is
9 until we can make a determination of what this pipeline tariff should now be, and
10 what it should be limited to under the constitutional authority of the Public Service
11 Commission, this is where we are stepping in and going, okay, everybody needs to
12 take a break. We're going to establish a escrow account. We're going to get this
13 done. We're going to accumulate money. We're going to find out what this tariff
14 really needs to be, this pipeline tariff, you know. And then we're going to get it
15 done, and then whatever the differential is, we're going to make sure that each party
16 receives the correct amount of money out of it. But if you're looking at public
17 policy associated with what the issue is, that is the public policy issue, and it is
18 clearly defined in what the constitutional authority of the Public Service
19 Commission is.

20 **MR. FRENCH:** Thank you, Mr. Chairman. I'll leave you with this then, is that
21 our concern is that any contract dispute, this is fundamentally a two-party dispute,
22 and if -- that's controlled by a contract. And if that can be transformed into a public
23 policy issue by virtue of being connected to a pipeline or a line of pipe that moves

1 oil and gas, then any customer dispute that we ever have, that any terminal has, that
2 falls into the same category because it has pipes that come into it -- and maybe the
3 Commissioner is not -- maybe the Commission is not trying to regulate the pipes
4 within the facility, but there is no such thing as one of these facilities that doesn't
5 at some point have a pipe out of the facility to move the product.

6 **CHAIRMAN SKRMETTA:** Well, when it's a pipe coming out and it comes
7 under our jurisdiction, the tariff associated with what flows out of that pipe is a
8 contractual relationship between parties and they have to -- they agree to it, but they
9 still have to come to the Public Service Commission to confirm the tariff. You
10 can't just make a contract without confirmation from the Commission because the
11 public policy aspect is, is the amount charged on that flow when it eventually hits
12 the consumer a valid charge on that consumable that's in the pipeline, right? So,
13 you know, we're not concerned about anything other than that. We don't care
14 who's what, we don't care about the contract they sign. That's all something for
15 the civil courts to make a determination over. But what we are concerned about is
16 if someone makes an agreement on a tariff, and they bring it to the Commission,
17 and the tariff is set, and then they go out, and then they have a automatic change in
18 the tariff, and they don't come to the Commission for it, then we got to go, ho ho,
19 wait, we determine what the tariff has got to be and that we have to do this. But
20 until we figure this out, you're leaving us with very little we can do -- we're going
21 to escrow it. We're going to make this work quickly. We're going to make sure
22 that we determine what the tariff is supposed to be under our public policy demands
23 to make sure that the people who are the ultimate consumers of this are fairly

1 treated. And then at the end of it, the chips are going to fall where they may on the
2 contract itself. That's little concern to us, right? So we're not playing favorites in
3 this. We are playing the issues that are presented to us under our constitutional
4 authority.

5 **MR. FRENCH:** Thank you, Mr. Chairman. I suppose my final comment would
6 be that the exemption that the Legislature has seen fit to grant to terminals, that
7 doesn't mean very much and it doesn't encompass anybody. If the place of the
8 regulation is just moved from inside the terminal footprint to the intake line or the
9 outtake line. In which case --

10 **CHAIRMAN SKRMETTA:** Well, I mean, when you're pumping from a terminal
11 into a vessel, that has nothing to do with us. When that terminal is pumping in a
12 pipeline into the greater pipeline system of the state and elsewhere, that's when it
13 comes to us. That's the natural progression of the Commission's authority.

14 **MR. FRENCH:** I would just preserve an objection for the record then.

15 **CHAIRMAN SKRMETTA:** Yeah, that's fine.

16 **MR. FRENCH:** That I think the statutory definition I don't think allows for that.
17 I think it specifically carves out those intake and outtake lines.

18 **CHAIRMAN SKRMETTA:** Well, and I think that -- and I would respectfully
19 disagree with you that the Constitution provides a great differential on that issue.
20 So thank you.

21 **MR. FRENCH:** Thank you, Mr. Chairman, Mr. Commissioners. I appreciate --

1 **COMMISSIONER LEWIS:** Mr. French, two questions for you. Just you said
2 you represent a trade association of terminal facilities, is that -- one of them,
3 correct?

4 **MR. FRENCH:** One of them is exclusively terminals.

5 **COMMISSIONER LEWIS:** Exclusively.

6 **MR. FRENCH:** One of them is a little bit broader than terminals, but includes
7 them.

8 **COMMISSIONER LEWIS:** And in our jurisdiction, the way -- and I'm not a
9 pipeline expert here, is typically what we are talking about is a tariff in the rate
10 structure. Can you describe to me how terminal facilities in general make rate
11 structures for their contracts?

12 **MR. FRENCH:** That's a great question, Mr. Commissioner. It depends on the
13 type of the terminal. It depends on the competition in that area. You have some
14 terminals that don't just have oil and gas. They charge based on the product, the
15 quality of the product. Does the tank require cleaning as a result of this or is it some
16 type of commodity that can be used freely without having to be cleaned before and
17 after? Are we talking long-term storage or short-term storage? Three days versus
18 six months or something? Are you also paying for intermodal conversions so that
19 you're taking it out of the tank and loading it onto trucks, loading it onto trains,
20 moving into a pipeline? You end up with a spectrum of possible pricing options,
21 which is precisely why there are so many different contracts in place. I struggle to
22 think how you will determine what is a fair price based on all these different factors
23 that can go into any type of storage, or storage input or output.

1 **COMMISSIONER LEWIS:** And in your knowledge, do terminal facilities
2 typically use a volumetric charge?

3 **MR. FRENCH:** I believe it would generally be based on whether -- if you're using
4 the entire tank. I don't know that it matters how much volume is as long as it's
5 below the capacity of that tank.

6 **COMMISSIONER LEWIS:** Okay. And you mentioned the exemption of the
7 statute and I'm here reading it. And I would -- since you brought it up, I would like
8 you to define how do you believe the section -- Section I, where it talks about
9 pipelines does not include the following: Pipes designed and used solely within a
10 terminal facility. I'm curious on your association, since you're saying this is not
11 good enough, how do you perceive the language about designed and used solely?

12 **MR. FRENCH:** I think the real question is what is the terminal facility? I think
13 that if you define the -- if the terminal facility includes all the parts of that facility
14 that are necessary for the intake and output of the storage function, then you now
15 have the inflow lines and the outflow lines that are specifically carved out in the
16 statute. Everything that's exclusively part of that function, the inflow, the storage,
17 the outflow, the intra-terminal transfer, all of that is part of the facility. And in that
18 way, I think that sort of answers the question. That you're now -- it is being used
19 solely within the facility. As long as the lines that you're using are solely for the
20 purpose of moving into and out of storage, and into -- or into some type of transport
21 function, which starts at the pipeline, the transportation pipeline, or it starts at the
22 railway station, where you load the railcar, or it starts at the truck thing, until you
23 get there, that is the facility.

1 **CHAIRMAN SKRMETTA:** That would seem to really -- that would seem to
2 create the potential for suitable increases in pricing at will because who knows how
3 far it is from the actual terminal to a -- what you would call a transport pipeline
4 from a regulated -- traditionally regulated pipeline from a terminal could be -- it
5 could be 100 miles to a transport line. It could be a tertiary line that goes through
6 that's currently got a pipeline tariff on it that would eliminate it from public
7 regulatory, you know, administration for the protection of the consumer. And it
8 would eliminate it from that and just make it whatever price they wanted to assign
9 to it.

10 **MR. FRENCH:** Mr. Commissioner, I don't think -- I think there are obviously
11 ways that it could be abused, but I don't think --

12 **CHAIRMAN SKRMETTA:** Well, I'm sure there's a whole bunch of ways y'all
13 have figured it out.

14 **MR. FRENCH:** In fact, specific situations, I think the Commission or the courts
15 as appropriate can draw lines between is this 1,000-foot chunk of pipe, is it for
16 transportation, or is it merely to get something to the transportation area? A
17 hundred miles, I would have a very difficult time defending it as not being
18 transportation because that is moving a significant distance that does provide a
19 benefit and gets it much closer to market. Moving it 1,000 feet from your facility
20 to the nearest pipeline that you built the facility as close to as humanly possible,
21 you're not serving any -- you're not serving any value by moving it 1,000 feet in
22 that case, other than getting it to the true transportation line. And I'm not here to
23 propose a test, but I think there is a difference between 1,000 feet and 100 miles.

1 And somewhere between there, that definitely does move into transportation. I
2 don't think 1,000 feet is the answer though.

3 **COMMISSIONER LEWIS:** And please correct me if I'm wrong. My memory
4 of this, your association did participate and testify at the Legislature during
5 proposals of bills about modernizing this definition; is that correct?

6 **MR. FRENCH:** I have no knowledge of that.

7 **COMMISSIONER LEWIS:** Okay.

8 **MR. FRENCH:** I was not involved if so.

9 **COMMISSIONER LEWIS:** Yes. But I just wanted to make sure that I was clear,
10 so my question to you is then why is this question that you're posing not a question
11 you're sending to the Legislature?

12 **MR. FRENCH:** I believe we interpreted -- we actually interpreted the new
13 legislation as disposing of this concern. And to the extent we were worried before
14 or worried about how this precedent might be applied before, we took comfort in
15 the fact that at least it was going to be clearly answered under the new statute that
16 clearly excluded terminals. It clearly excluded terminal facilities including the
17 intra-transfer lines and including all of the lines necessary to get it to and from those
18 tanks. It was a bit of a surprise to find that the legislative amendment has had no
19 change, has made no impact on the interpretation of Cantium or of the Commission
20 Staff on this situation. And now it really is of concern because we thought the
21 legislation totally disposed of this as far as it concerned the types of lines to and
22 from tanks that were -- that I'm now hearing may still be regulated.

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

1 **CHAIRMAN SKRMETTA:** Commissioner Coussan, you had a question?

2 **VICE CHAIRMAN COUSSAN:** I'd like to wait for the actual parties.

3 **CHAIRMAN SKRMETTA:** Okay. Well, are you finished with your process,
4 sir?

5 **MR. FRENCH:** I am, Mr. Chairman. I appreciate your patience.

6 **CHAIRMAN SKRMETTA:** Well, thank you very much for the time you've
7 given us. We'd like to move on to the parties. Since y'all are at the table first, why
8 don't you go first, Jamie?

9 **MS. JAMIE WATTS:** Thank you, Chairman Skrmetta. Jamie Watts on behalf of
10 Rosefield Fourchon Operating, LLC. Rosefield is the respondent in this
11 Commission docket and is the appellant in the -- on the remand proceeding that is
12 before the Commission today. And with me is my co-counsel for Rosefield,
13 Camille Gauthier, as well as Chris Capsimalis, Rosefield Fourchon Operating's
14 CEO, and our consultant Kim Legge. And we are here before you today to -- first,
15 I'd like to set the table of exactly what the posture is. I have passed out the current
16 version of the applicable pipeline statutes. The entire Act 458 is 227 pages. I've
17 only given you four pages, so just the relevant provisions of 45:251 and so on. And
18 we're here today pursuant to a verbal ruling of the 19th JDC, Judge Smith, in
19 Rosefield's appeal of this Commission's Order T-37136. There is no written
20 judgement from the 19th JDC. Competing judgements have twice been submitted
21 now between Rosefield and Cantium. And we are still awaiting a final judgement
22 from the court, and that judgement will be appealable directly to the Louisiana
23 Supreme Court. So that is the posture of the appeal. But nonetheless, this

1 Commission has decided to proceed with the remand proceeding and that was
2 discussed at the December B&E. The Commission came out of Executive Session
3 and directed Executive Secretary Frey to issue a notice that set briefing deadlines
4 for all parties to submit briefs on the revised Louisiana Revised Statute 251's
5 applicability to this case and then for the parties to submit reply briefs a couple of
6 weeks after. And then following up to those briefing deadlines, the agenda item
7 today is discussion and possible vote on the 19th JDC's remand to the Commission
8 for jurisdictional determination of Rosefield. So just setting the table for what we
9 are here to discuss today. The 19th JDC also verbally ruled that Rosefield's rate per
10 barrel is currently stayed at \$2.50. Like the other ruling, that's not yet memorialized
11 in a written judgement. Nonetheless, Rosefield is adhering to that court ruling.
12 Neither -- and the first time we're hearing of this issue of an escrow arrangement is
13 in Commissioner Skrmetta's motion, the second motion I believe, that's clearly
14 outside the scope of Secretary Frey's notice and in the agenda today. And so we'll
15 do our best to address those issues, but that is -- frankly, there hasn't been sufficient
16 public notice that that matter is properly before the Commission for the parties to
17 address today. And while we're on the topic of the bond, Chairman Skrmetta
18 mentioned in the course of his conversation with our colleague, Mr. French on behalf
19 of LEPA and the ILTA, that this Commission hasn't finally determined the rate in this
20 case. And that eventually the Commission will determine what the pipeline tariff rate
21 should be. Those are two very notable comments that Chairman Skrmetta made
22 because it goes to the issue of what we believe Cantium is seeking in terms of this
23 escrow or our security type arrangement. 45:255 has been pled by Cantium in their
24 complaint that's pending before this Commission, and that provision provides Cantium

1 with a remedy to recover any excess amounts that have been charged that the
2 Commission determines are excess and above what a regulated pipeline should be
3 allowed to charge. So Cantium has an existing statutory remedy. Above and beyond
4 that and in their briefing, they now seek to apply an additional remedy in the form of a
5 escrow or other protective bond through 45:1163.1, which is not applicable. In the
6 briefing, Rosefield opposed Cantium's request to seek relief from 1163.1 and then
7 Cantium replied to Rosefield's opposition saying that that opposition was outside the
8 scope of the briefing schedule. So, you know, Cantium asserted relief under 1163.1,
9 Rosefield opposed it, and then Cantium said Rosefield's opposition was outside of the
10 scope. So I don't -- to me, that seems like a bit of gaslighting there. They invited us
11 to respond to their request for relief pursuant to that statutory provision, and then when
12 we respond to us, they -- responded to it, they objected that it was outside the scope.
13 But back to what Chairman Skrmetta said earlier about the Commission eventually
14 determining an appropriate rate. If in fact the jurisdictional issue is resolved and in
15 such a way that Rosefield is considered to be a common carrier pipeline, 1163.1 only
16 applies when: 1) There's jurisdiction; 2) There's an LPSC determined rate; and then
17 3) There's a request to increase that rate. So number one, we're still here arguing
18 jurisdiction. That's what the 19th JDC has remanded back to this Commission to
19 apply the new law that you have before you today that, as Mr. French described,
20 carved out exceptions for terminal storage facilities like Rosefield. If that law is
21 applied, it is determined that that exception does apply to Rosefield's facility, that
22 a terminal is not the same thing as a common carrier pipeline that this Commission
23 regulates, then that's where that analysis stops. If the Commission does decide that
24 Rosefield is a common carrier pipeline, then the next step is for the Commission to

1 determine a rate. That hasn't happened yet. We have to go through the ratemaking
2 process, just like any other regulated utility has to determine what is their cost of
3 service? What are their capital needs? That process has to go through the
4 Commission's traditional ratemaking process. Just as Chairman Skrmetta
5 mentioned, the Commission needs to decide on a rate in that event. And then only
6 if Rosefield thereafter wants to seek an increase to that rate and implement the
7 increase, that's when 1163.1 comes into play. And even at that point, it's not
8 automatic that it's some sort of escrow. The law says protective bond or security.
9 Now, certainly, escrow could be a type of protective security, but it doesn't have to
10 be an escrow. And so for the Commission to move forward today, and to determine
11 that Rosefield should have to escrow some amount immediately, both retroactively
12 and prospectively, is very likely arbitrary and capricious on behalf of this
13 Commission. Now, any reference to the 67 cent per barrel price is inappropriate.
14 That is not an LPSC determined rate. There has been no evidence brought to this
15 Commission to determine whether or not that is a reasonable rate for Rosefield to
16 charge for the services it provides to its customer Cantium. Sixty-seven cents per
17 rate -- per barrel was the rate that Chevron charged for its transportation pipeline
18 services pursuant to a FERC consent order. That way predated Rosefield, and
19 frankly, predated Cantium. It's never been Rosefield's rate and it's not the result
20 of a FERC ratemaking process. It was a consent order by parties that are not even
21 involved in this dispute today. Rosefield bought the Fourchon Terminal from
22 Chevron in August of 2023. The very next month, September, it issued its non-
23 jurisdictional rate schedule for terminalling services at \$2.50 a barrel. That \$2.50

1 rate went into effect of October 2023. So we bought it in August, we issued the
2 tariff, the rate schedule in September, and it was effective in October, as quickly as
3 we possibly could have. Rosefield could not have been charging anything earlier
4 than that timeframe. And Rosefield changed the rate to 2.50, effective October of
5 2023, because there was no longer a FERC consent rate in place. There was public
6 notice of the -- of Chevron's cancellation of that rate and no one, including
7 Cantium, opposed cancellation of the 67 cent per barrel rate. And in addition to
8 that, Rosefield has made significant capital investments. One of which was to
9 return the second of the three tanks to service, to offer additional service
10 enhancements, and it's continuing to work to return the third tank to service. So
11 there's been significant capital investments by Rosefield that support its \$2.50 per
12 barrel rate, but that process has not yet come before the Commission in any type of
13 ratemaking matter. We are still arguing jurisdiction and whether or not Rosefield
14 is a terminal that is accepted -- excluded from the Commission's jurisdiction
15 pursuant to the amended law, or if it does fall under the Commission's jurisdiction.

16 **VICE CHAIRMAN COUSSAN:** We're here on the amended law, right?

17 **MS. WATTS:** Correct.

18 **VICE CHAIRMAN COUSSAN:** But when -- before the law was amended,
19 because we're for some reason, kind of, rehearing the original case. So before the
20 statute was changed, what was -- the definition of pipeline was pretty clear on its
21 face. It included tanks.

22 **MS. WATTS:** I would disagree that it was clear on its face, Commissioner.

1 **VICE CHAIRMAN COUSSAN:** Okay. Well let's -- it says tanks. And there's
2 a whole nother qualifier in there, you're going to go through the whole paragraph.
3 But when they bought this facility, there was a definition that included tanks. Not
4 the amended definition, not this amended definition, that we're here for today by
5 the way, but we keep relating back to the original facts. So they bought a facility
6 that may have included a jurisdictional pipeline. Is that accurate? That may have
7 included a jurisdictional pipeline?

8 **MS. WATTS:** Commissioner, I --

9 **VICE CHAIRMAN COUSSAN:** You're saying that it may not -- there was not
10 a question when they bought this facility -- and I'm not asking if you were the
11 lawyer or you gave them an opinion. I'm asking, they bought a facility that may
12 have included a jurisdictional pipeline; is that accurate?

13 **MS. WATTS:** No. No, Commissioner. It's not accurate. They bought a storage
14 terminal facility that previously was part of a larger transportation pipeline
15 enterprise. And the law at the time said that tank facilities as herein designated and
16 necessary for proper conduct of business as a common carrier. That is what a
17 pipeline was previously defined as. The Rosefield Fourchon Operating tanks have
18 never been necessary for the proper conduct of business as a common carrier as a
19 standalone storage terminal facility.

20 **VICE CHAIRMAN COUSSAN:** Okay. Well, I think that it may have included
21 pipeline with the definition of including the word tanks, as a common carrier, as we
22 determine later on in our own jurisdictional proceedings. I think the actions,
23 basically, invite bad actors to do exactly what's being done here is -- in that playing

1 word games from the outset. Basically, saying we're not jurisdictional, therefore,
2 we can move forward. So now you're saying we can't go back and talk about the
3 60-cent amount because that was never the amount set by this body. Which we all
4 agree wasn't set. We also agree that no request to set a jurisdictional tariff was
5 requested at that time, because your interpretation was that you weren't
6 jurisdictional. But it may have been jurisdictional, and that's my question to you.
7 There was no may. I'm saying -- you're saying, your client didn't think that there
8 was any chance whatsoever that they're a jurisdictional facility?

9 **MS. WATTS:** That is correct.

10 **VICE CHAIRMAN COUSSAN:** That is correct. And I'm saying that, at that
11 time, there was definitely a chance and, in fact, it was ruled jurisdictional. You're
12 still appealing it, but the fact that we're talking about it, it invites I think bad actors,
13 other people, other entities, to do this exact action and avoid jurisdiction for as long
14 as the proceedings can last. And that's where we are today on the other issue of the
15 -- of any financial security being put in place. So that's -- you disagree that at that
16 time when they bought it that it may have been jurisdictional, and that's a fair
17 statement, and I'll just let that stand as it is.

18 **MS. WATTS:** And understood. And if I could briefly comment in response, as
19 we heard from Mr. French on behalf of the two national organizations, that -- those
20 were the type of facilities that Rosefield purchased. And there's significant
21 precedent, both within the state of Louisiana, and within the broader U.S., of
22 standalone storage terminal facilities operating just like Rosefield Fourchon
23 Operating operates today.

1 **VICE CHAIRMAN COUSSAN:** What is the storage charge in this contract?

2 **MS. WATTS:** There -- the terminalling --

3 **VICE CHAIRMAN COUSSAN:** No. The storage charge. You just said storage

4 for terminal facility. What is the storage charge in this contract?

5 **MS. WATTS:** Two dollars and fifty cents a barrel.

6 **VICE CHAIRMAN COUSSAN:** And what is the transportation charge?

7 **MS. WATTS:** There is no transportation charge.

8 **VICE CHAIRMAN COUSSAN:** Okay. All right. Thank you.

9 **MS. WATTS:** So with that, Commissioners, unless there any questions for me --

10 **CHAIRMAN SKRMETTA:** Well, I -- go ahead.

11 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. So I'm reading your

12 brief and your brief argues that the -- this new amendment, the 2025 amendment,

13 excludes intra-terminal transfer lines and terminal facilities. And I'm very curious

14 and straight -- what specific evidence shows that every movement within your

15 system occurs solely within a terminal facility?

16 **MS. WATTS:** Well, Commissioners, we have fact witnesses and expert witnesses

17 here that can address that, specifically, if you wouldn't mind letting us get to that.

18 And we have some exhibits that we think will help with addressing that question.

19 **MS. BOWMAN:** And before we get into the fact witness testimony, I just want to

20 put on the record that I just received these exhibits, and I'm assuming Cantium has

21 not seen them either. Quick review, as this discussion was having, at least several

22 of them, 1, 3, 6, 7, 8, and 10 are brand new to me. I have had not -- had to be able

23 to look at this or determine anything with it. I'm sure you guys haven't either.

1 **CHAIRMAN SKRMETTA:** Right.

2 **COMMISSIONER LEWIS:** I didn't know about them.

3 **MS. BOWMAN:** And possibly the others, 5, 6, and 2. Again, brief review. Five,

4 6, and 2 look like they may already be on the record, but the rest is not in the record.

5 **CHAIRMAN SKRMETTA:** Right. Well, I've got a quick question. Is -- you

6 know, you were talking about public policy. Your other fellow was talking about

7 public policy, but, you know, one of the things that the Commission is -- don't you

8 believe that the Commission has a public policy behind providing a level playing

9 field in moving oil and petrochemicals from state leases throughout the system,

10 wherever they come from?

11 **MS. WATTS:** Commissioner, my knowledge of state leases is that is handled by

12 what used to be the Department of Natural Resources.

13 **CHAIRMAN SKRMETTA:** No. I'm talking about the movement of the product

14 into the system is why we do the assessment on the tariffs, is to ensure that there is

15 a level playing field and that the public is protected. That's why we do what we do

16 here, right?

17 **MS. WATTS:** Yeah. In the context of common carrier pipelines, yes.

18 **CHAIRMAN SKRMETTA:** Yeah. So --

19 **MS. WATTS:** Otherwise, the market is a competitive market.

20 **CHAIRMAN SKRMETTA:** Well, the market's -- I'm not talking about the

21 market. The market's irrelevant. Because we're talking about pipelines only and I

22 don't want to confuse the issue. But to your, I guess -- I don't want to call him

23 amicus because I want to call him supporting people. That, you know, made the

1 statement that from the terminal to the transportation line. So my question is really
2 going to be how far is the -- is it to the transportation line? Would you like it to be
3 to the state line? Would you like it to be across Texas? I mean, the best thing that
4 could ever happen to somebody with -- in your position would be, that it would be
5 an unregulated line as far as you can get it, right? I mean, isn't that the best option
6 for you?

7 **MS. WATTS:** Chairman Skrmetta, it's within our facility. That's the extent.

8 **CHAIRMAN SKRMETTA:** Yeah, but -- well, you know, that's -- in your
9 facility, you're talking about the pipeline as it leaves the tank, right? Because we're
10 talking about something inside the tank --

11 **MS. WATTS:** The intra-terminal transfer line.

12 **CHAIRMAN SKRMETTA:** -- and once it leaves -- once it leaves the tank itself,
13 it's a pipeline.

14 **MS. WATTS:** No, sir.

15 **CHAIRMAN SKRMETTA:** It's not a tank.

16 **MS. WATTS:** That's not correct.

17 **CHAIRMAN SKRMETTA:** Okay. So what's a tank?

18 **MS. WATTS:** A storage tank that holds.

19 **CHAIRMAN SKRMETTA:** And what's a pipeline?

20 **MS. WATTS:** Well, there's -- are you asking for what's a regulated pipeline or --

21 **CHAIRMAN SKRMETTA:** No. I'm asking you what a pipeline is.

22 **MS. WATTS:** Well, we have --

1 **CHAIRMAN SKRMETTA:** No. I'm asking you. You just -- we're talking --
2 we can understand the technical aspects, but once a pipeline leaves a tank, it's a
3 pipeline. It's no longer a --

4 **MS. WATTS:** It may or may not be regulated at that point.

5 **CHAIRMAN SKRMETTA:** Well --

6 **MS. WATTS:** That's the issue in this case.

7 **CHAIRMAN SKRMETTA:** Well, if it's a pipe that is going into either intrastate
8 or interstate commerce. If it goes into interstate, it's FERC regulated eventually,
9 but if it's in intrastate commerce, it's exclusive to the Public Service Commission.

10 **MS. WATTS:** And there is a third option. Unregulated.

11 **CHAIRMAN SKRMETTA:** Well, it's unregulated only in the sense of if it
12 doesn't go into commerce, right? If it doesn't go into commerce, and if it's a private
13 commerce --

14 **MS. WATTS:** Or if it's subject to private contract.

15 **CHAIRMAN SKRMETTA:** Right. But if it doesn't deal in that, right? If it's
16 something -- and it's also if it's export, right? It doesn't go -- that's private contract
17 export, right? So -- but when it -- you're dealing in this particular situation. This
18 situation is it is not -- it is a common carrier experience, this pipeline that we're
19 talking about. So it really is coming down to what you said before. It's about us
20 assessing the value of the tariff, right? There is argument, and it's my position,
21 there's argument over assessing the definition of a pipeline to cloud the issue.
22 Okay. And it's in your best interest for your client to cloud the issue, and to cloud
23 the nomenclature of what a tank is, what a facility is, what a pipeline is. And my

1 position is that it is in the best interest of the public to simplify what a terminal is,
2 what a pipeline is, and what a tank is, right? Because, I think, the general public -
3 - and if I put this in front of 12 people of reasonable minds, they understand what a
4 pipe is, right? To not confuse the issue, right? So a stack of lawyers can come up
5 with some really grandiose ideas of what it all is. But in the simplest terms, we all
6 know what a pipe is. We have all seen pipes in our life. So we understand that.
7 But this issue goes beyond that. We -- there's a lot of issues associative with a
8 unilateral contract that this exists in this -- in between the parties here, that it's the
9 issue of how this property is divided. And really comes down to that being a
10 problem for them and that's not our issue. Our issue is strictly on the pipeline tariff,
11 and it's on assessing the tariff issues, and on the assessment of the -- a private tariff
12 without coming to the Public Service Commission. So I would prefer that we
13 understand that the quickest way to resolve this is to move forward with what we're
14 talking about and save to you, your civil actions to resolve your issues on your
15 contract and resolve your issues on your -- if you want to go on the journey of
16 definition, that's fine. But realistically, it all comes down to determining tariff
17 mechanization on what a pipeline -- on what the actual pipeline provides in the
18 tariff. Because it seems to me that the argument that you're presenting is what --
19 the pipeline that is there and how it's not a pipeline. And that to me becomes the
20 conundrum that you've placed in this, is that you're trying to convince us that what
21 it is ain't what it is. And that's the problem that I'm seeing because you're really
22 creating a very expansive argument to tell me what something is, it isn't. And I'm
23 having difficulty with that. I'm really good with understanding your concerns

1 about, you know, the tariff, your concerns about escrow. But you have to
2 understand the balancing of the issues in the parties, the quickest way to get to
3 resolution for all these folks, you know, this -- you know, you have to understand
4 that the -- the concerns about the Commission on unilateral acts without going with
5 the Commission on stuff, all these other issues. But blowing smoke is not the way
6 to achieve the goal in this. And I think it's just dragging the anchor to be honest
7 with you. And I think we need to focus on that by just realizing that we're in a
8 position to say we know what a pipeline is, you know what a pipeline is, and you
9 trying to tell us what a pipeline isn't, it's not jelling. And you can -- well, I want
10 you to go through your presentation, and I want you to tell me what a pipeline isn't.
11 And then we'll go ahead and move on from there. Okay. So go ahead.

12 **MS. WATTS:** Yeah. And, Chairman, to that point, if I may very quickly point
13 out before we get to our witnesses, the reason that we're here, as the 19th JDC has
14 verbally remanded this case back to this Commission to apply the clarified law that
15 now very clearly says pipeline includes the following, and then in the next section,
16 a pipeline does not include the following. So that clarification is intended to help
17 everyone involved in this process understand what is a pipeline subject to this
18 Commission's regulation and what is not.

19 **CHAIRMAN SKRMETTA:** So what is the -- and I guess I can ask you, Kathryn.
20 What is the Staff's position or has the Staff made a determination on what the
21 information coming from the 19th Judicial District Court on giving us parameters
22 to make these determinations? Have y'all made a determination on this?

1 **MS. BOWMAN:** So the 19th did remand to the Commission to make that
2 determination to apply the newly amended statutes from the 2025 Legislative
3 Session to the facts of this docket.

4 **CHAIRMAN SKRMETTA:** And have -- has Staff had an opportunity to review
5 the information from the legislative definition?

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

7 **CHAIRMAN SKRMETTA:** And so what is the Staff general position on this?

8 **MS. BOWMAN:** Staff's general position is two-fold. The first is we do not
9 believe the newly amended statute applies because we do not believe based on the
10 evidence in our record that that shows they are operating outside -- Rosefield is
11 operating outside of their facility. That's based on maps and depictions that they
12 put into our record. The second threshold -- or the second position that Staff has is
13 above and beyond whether the amended statute applies or not. Staff takes the
14 position that you go back to, first, what is a common carrier? And under the
15 definition of what is a common carrier, this Commission has the authority to
16 determine an entity as a common carrier based on their actions. And based on all
17 of the facts and circumstances in this docket, Staff takes the position and
18 recommends to this Commission that they find Rosefield is a common carrier.

19 **CHAIRMAN SKRMETTA:** Okay. Thank you. All right. Y'all people go ahead
20 and continue.

21 **MS. WATTS:** Thank you, Chairman. One comment in response to Ms. Bowman's
22 note about the exhibits, and we will be handing out packets to each of you, and to
23 the Court Reporter as well, we've already provided to Staff and Cantium. But in

1 addition to the 19th JDC's verbal ruling on the remand, to apply the new law, the
2 court also said, as part of the remand, consider the situation under the new law. So,
3 clearly, I think new evidence is going to come in. So pursuant to that guidance
4 from the 19th JDC, yes, we have some exhibits that maybe not all the parties have
5 seen before, but the court envisioned that we would be able to present that as well.

6 **MS. BOWMAN:** And to be fair, there was an -- in my opinion, Staff's opinion,
7 there was an opportunity to present this evidence before today. So both Staff,
8 Cantium, and all of you as the Commissioners had the opportunity to review it
9 before digesting and making your determination. Giving it to us on the day of just
10 doesn't give us a lot of opportunity to review and analyze what's been provided.

11 **CHAIRMAN SKRMETTA:** Are we required to review it if it hasn't been
12 presented to us before this time?

13 **MS. BOWMAN:** Typically, we do allow things, evidence to be presented during
14 a B&E, but it's generally testimony and statements. It's typically not -- like
15 hardcopy documents that would take time to review and assess.

16 **CHAIRMAN SKRMETTA:** Well, Foster -- Commissioner Campbell.

17 **COMMISSIONER CAMPBELL:** That's what I was wondering. Do we usually
18 do these --

19 **MS. BOWMAN:** I'm sorry. Can you -- thank you.

20 **CHAIRMAN SKRMETTA:** You have to use your microphone.

21 **COMMISSIONER CAMPBELL:** Well, I'll use it. Okay.

22 **MS. BOWMAN:** It works.

1 **COMMISSIONER CAMPBELL:** We usually do this during our meetings in --
2 does it go back to the ALJ, or?
3 **SECRETARY FREY:** So --
4 **CHAIRMAN SKRMETTA:** Go ahead.
5 **COMMISSIONER CAMPBELL:** What about that?
6 **SECRETARY FREY:** Okay. Yeah. No. I was listening to the back. What I
7 think is different here, and I heard part of what Kathryn was saying is, yes, we have
8 allowed evidence at open session.
9 **COMMISSIONER CAMPBELL:** I don't think I've been here.
10 **SECRETARY FREY:** But that's -- but, Commissioner, that's before a vote has
11 been taken on the merits. Here, we've had a vote taken on the merits. They've
12 appealed it, arguing we were arbitrary and capricious, had no jurisdiction, or
13 whatever the basis of their argument is. I'm unfortunately not in this role anymore.
14 I wish -- I would have loved to have been but -- nothing against Kathryn, obviously,
15 but if y'all saw me last week, I do still have those juices flowing. But, no, that's
16 what's different here. We certified a record to the 19th JDC for the appeal, a
17 certified record of the Commission. It's not in front of an ALJ. It's out of our
18 hands. It's being appealed. So that is different. I can't think of any appeal I worked
19 on where we opened the record up for more information.
20 **CHAIRMAN SKRMETTA:** Yeah. Well, that's my concern is that -- is basically
21 what you just laid out. We've had a complete case set before us and after the
22 decision's been made at the court and coming to us, that laying out an additional
23 block of evidence to try and modify the position at this point, I think that it's, you

1 know -- I'm, you know, glad to have it. But, I mean, you're asking us to look like
2 go through an additional, you know, 50 pages of documents of new evidence which,
3 no offense, could have been presented to us before showing up at the table. And I
4 don't think that's -- I think that's an understatement. You know, you've had every
5 opportunity to present it to us. When was it completed and ready to present?

6 **COMMISSIONER CAMPBELL:** So are we in the right place?

7 **CHAIRMAN SKRMETTA:** When was it ready?

8 **MS. WATTS:** Yesterday evening. Very late.

9 **CHAIRMAN SKRMETTA:** Well, you know, was it --

10 **MS. WATTS:** We also --

11 **VICE CHAIRMAN COUSSAN:** Mr. Chairman.

12 **CHAIRMAN SKRMETTA:** Go ahead.

13 **VICE CHAIRMAN COUSSAN:** Mr. Chairman, can I offer a suggestion? Based
14 upon our Staff's recommendation, and historical context, and the closure of the
15 record that's been appealed, would it be possible to allow the evidence in? I assume
16 the opposing party is going to make an objection to that, and when this goes back
17 to the district court in whatever procedural posture it's in, the district court can
18 make a determination that whether or not this evidence should have come in at this
19 proceeding, or should she open it up and disallow the evidence until she makes a
20 determination -- I think it's a she. I say she. But whether or not that evidence was
21 appropriately submitted timely and -- you know, with the opposing party able to
22 review it and come up with their own evidence contravening it.

23 **CHAIRMAN SKRMETTA:** This seems like a 19th issue and not us.

1 **SECRETARY FREY:** Yeah. I mean, I'm trying to think back on the appeals I've
2 worked on.

3 **CHAIRMAN SKRMETTA:** I mean, we should be able to act on what's before
4 us.

5 **SECRETARY FREY:** Correct.

6 **CHAIRMAN SKRMETTA:** The addition of new information should go back to
7 an appellate level issue or on -- really on any de novo issue, but I think at this point
8 it's just trying to crack a delay in and provide more information to drag us out. I
9 think we're in a position to act on what's before us, and what's been presented. I
10 mean, I'm glad to hear from any other verbal testimony, but I think the addition of
11 any, you know, written documentation opens up an entirely different matter.

12 **MS. BOWMAN:** So for clarity, the judge at the 19th did say look at -- new
13 evidence could be presented related to the applicability of the amended statute. The
14 problem I have, sitting here right now is I don't know whether what's sitting here
15 in front of me and sitting in front of you guys is new evidence applicable related to
16 the revised -- the amended statutes, or if it's new evidence altogether. I'm just not
17 sure what it is.

18 **VICE CHAIRMAN COUSSAN:** Mr. Chairman.

19 **CHAIRMAN SKRMETTA:** Yeah. Go ahead.

20 **VICE CHAIRMAN COUSSAN:** Can we let the opposing party make their
21 objection so we could hear what they have to say and their opposition?

22 **CHAIRMAN SKRMETTA:** Yeah.

1 **VICE CHAIRMAN COUSSAN:** These are all lawyers here so let them make
2 their objection and we can make a determination.

3 **CHAIRMAN SKRMETTA:** Oh, I'm sorry.

4 **MS. WATTS:** Commissioner, if I may, we don't even know what -- they don't
5 even know what they're objecting to at this point. We haven't handed the fact
6 finder.

7 **CHAIRMAN SKRMETTA:** Well, that docket --

8 **VICE CHAIRMAN COUSSAN:** Well, she's trying to figure out the exhibits.

9 **CHAIRMAN SKRMETTA:** Well, that's not going to stop them. Let them talk.

10 **MR. MATTHEW SIMONE:** Thank you, Commissioner Coussan. Thank you,
11 Commissioner Skrmetta. For the record, my name is Matthew Simone. I'm here
12 as a lawyer on behalf of Cantium, LLC. We did make an objection to new evidence.
13 However, I think that Commissioner Coussan's suggestion of essentially proffering
14 the evidence for the record and now if the 19th JDC would like to have it and admit
15 it, it's there and I think that will save us all a lot of time and effort and we could
16 move on from this right now.

17 **VICE CHAIRMAN COUSSAN:** Thank you.

18 **CHAIRMAN SKRMETTA:** That's fine.

19 **MR. SIMONE:** Anything that is in particular to any exhibit that is presented
20 during Rosefield's presentation, I just reserve the right to be able to comment on
21 that for any additional objection depending on the purpose for which they do raise
22 -- or offer these exhibits.

23 **VICE CHAIRMAN COUSSAN:** There you go, Mr. Chairman.

1 **CHAIRMAN SKRMETTA:** Yeah. Well, I would say that that's a reasonable
2 position. To proffer it, take it out of our hands, but let them continue on with their
3 presentation. And let's go ahead and, you know, you can secure your evidence for
4 the record, and at the same time, we can move this matter forward.

5 **MS. CAMILLE GAUTHIER:** Good afternoon, Commissioners. Camille
6 Gauthier on behalf of Rosefield. And let me just comment and make sure I object
7 and articulate our position on that. So, obviously, the change in the law, right? The
8 amendment to the law added new terms, right? Intra-terminal transfer lines,
9 terminalling services, terminal facility, those were not contained in the legislation
10 when Rosefield previously appeared before this body. So as a matter of due
11 process, right? The way the exhibits that were presented, the analysis that was
12 provided was different than what we have now. So, absolutely, I believe Rosefield
13 has a due process right to present exhibits, to present testimony as it relates to that
14 amended law that did not exist then. We've certainly briefed that at pages 16
15 through 17 in our brief to you all, to the LPSC on remand, and we've cited various
16 authorities discussing when a law is changed or modified and how there is -- there
17 needs to be a new opportunity to address that, right? And so I want to be clear and
18 make sure I articulate that we need to be allowed to offer, file, and introduce into
19 evidence these exhibits. If we are told on the record that the Commission's ruling
20 is no, then we will proffer it, but I need to and I will first just have to, to preserve
21 our record for Rosefield, make the effort each and every time to ask that we be
22 permitted to offer, file, and introduce into evidence each exhibit. And so that is our
23 position, and we ask that we be permitted to take and introduce each exhibit as we

1 move forward. We're very mindful of that, you know, we are going to limit our
2 presentation to making sure we're addressing the new language, terminalling
3 services, terminal facility, intra-terminal transfer lines, because those are new carve
4 outs, new exemptions that appeared in October 1, 2025 that did not appear at the
5 time of the prior proceedings.

6 **CHAIRMAN SKRMETTA:** Why don't you offer into evidence the entire -- then
7 make a list of what you're offering into evidence for the record and then it will just
8 be on the record? Since it's just stacked over there in a stack. If you got a list -- if
9 you copies of it, just offer it in, and then it's done. Okay.

10 **MS. GAUTHIER:** Okay. So you want us to in globo as --

11 **CHAIRMAN SKRMETTA:** Yeah. You could in globo it, but list them, and just
12 offer it in globo for the record here, and then it'll -- for the review by the Staff.

13 **MS. GAUTHIER:** Okay. So if I offer, file, and introduce into evidence Exhibits
14 1 through 10 in front of me, are they going to be admitted into evidence?

15 **CHAIRMAN SKRMETTA:** Ask Kathryn.

16 **MS. BOWMAN:** I feel like we've already addressed this.

17 **CHAIRMAN SKRMETTA:** Yeah. We have addressed the issue.

18 **MS. BOWMAN:** Yes, we're fine. I was lodging Staff's objection in the record
19 being that this is first, Cantium has lodged their objection. We are good to proffer
20 this, let's move on.

21 **CHAIRMAN SKRMETTA:** Offer it in for a proffer to the Court.

22 **MS. GAUTHIER:** And I just want to make sure that we just have a clear record
23 because we all know that this may go to --

1 **CHAIRMAN SKRMETTA:** Well, the record is set that it's a proffer and the
2 Commission is -- you're proffer it to the 19th.

3 **MS. GAUTHIER:** So our effort to offer, file, and introduce into evidence Exhibits
4 1 through 10 is denied such that we need to proffer them all into the record?

5 **VICE CHAIRMAN COUSSAN:** Do we need to go into Executive Session to
6 discuss this? Because these are clearly setting up for, you know --

7 **SECRETARY FREY:** Yeah.

8 **VICE CHAIRMAN COUSSAN:** -- it's for the record, it's for appeal. We got to
9 get this right.

10 **CHAIRMAN SKRMETTA:** You want to go in now? Okay. Chair moves to go
11 into Executive Session.

12 **COMMISSIONER LEWIS:** Second.

13 **CHAIRMAN SKRMETTA:** Seconded --

14 **SECRETARY FREY:** Woah, woah. Stop. Yeah. We just have to move to take
15 it up --

16 **MS. BOWMAN:** It's got to be unanimous.

17 **SECRETARY FREY:** -- unanimously out of order.

18 **CHAIRMAN SKRMETTA:** Sorry about that. Let's do this the other way. Chair
19 moves to take this matter up out of order for Executive Session. Any -- a second?

20 **COMMISSIONER LEWIS:** Second.

21 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any
22 opposition? [NONE HEARD] Hearing none, we're going to go into Executive

1 Session for a few minutes. Please leave the room and we'll call y'all back in after
2 we're done.

3 **[OFF THE RECORD]**

4 **[BACK ON THE RECORD]**

5 **CHAIRMAN SKRMETTA:** Okay. Move to come out of Executive Session. I
6 need a second.

7 **VICE CHAIRMAN COUSSAN:** Second.

8 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Coussan. Any
9 opposition? **[NONE HEARD]** Hearing none, we are back in session. We are going
10 to accept all the offer of evidence into the record. There's no necessary action from
11 you, and we're going to allow the objection to this evidence from Cantium into the
12 record. And so all that evidence that you have offered and delivered to us this
13 morning is now into the record. Correct, Kathryn?

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

15 **CHAIRMAN SKRMETTA:** Okay. So that's all done. So we're going to go
16 ahead and proceed with any discussion y'all want to complete and then we'll move
17 into hearing from Cantium. So go ahead.

18 **MS. GAUTIER:** Thank you, Chairman.

19 **MS. BOWMAN:** And make sure the mic is on. Yeah.

20 **MS. GAUTIER:** Again, Camille Gauthier on behalf of Rosefield. So as I
21 appreciate it, we have Exhibits 1 through 10, which have been admitted into
22 evidence, which I will use in my discussion with Mr. Capsimalis, as we elicit
23 testimony from him. And then I believe we have Exhibit A, which we will use in

1 connection with our testimony that we will elicit from Ms. Kimberly Legge. And
2 so if Ms. Watts will approach everyone and present the exhibits that have been
3 offered, filed, and admitted into evidence.

4 **MS. BOWMAN:** Ms. Gauthier, you referenced Exhibit A, could you be more
5 specific because I don't -- I'm sorry. You're still passing them out. Thank you.

6 **CHAIRMAN SKRMETTA:** When you do have witnesses, actual witnesses,
7 we're going to have to have them sworn. So we'll swear them in when it's time.

8 **MS. GAUTIER:** Certainly, Chairman. Thank you.

9 **CHAIRMAN SKRMETTA:** Okay.

10 **MS. BOWMAN:** I'm sorry. I still don't have a copy of the Exhibit A you
11 referenced.

12 **MS. GAUTIER:** Ms. Watts is getting to you right now.

13 **MS. BOWMAN:** Okay. Thank you.

14 **MS. GAUTIER:** Thank you. We won't start until you have a copy. Yeah.

15 **CHAIRMAN SKRMETTA:** Ready to proceed?

16 **MS. GAUTIER:** Does everyone have a copy?

17 **MS. WATTS:** Yes.

18 **MS. GAUTIER:** Okay.

19 **CHAIRMAN SKRMETTA:** Ready? Go ahead.

20 **MS. GAUTIER:** Okay. Thank you, Chairman. I'm going to call Ms. Kimberly
21 Legge for testimony, so if you'd like to swear in the witness.

22 **CHAIRMAN SKRMETTA:** Sure. And you've already signed a card today?

23 **MS. KIMBERLY LEGGE:** I have.

1 **CHAIRMAN SKRMETTA:** Great. Raise your right hand. Kimberly, do you
2 promise to tell the whole truth, nothing but the truth, so help you God?
3 **MS. LEGGE:** Yes, I do.
4 **CHAIRMAN SKRMETTA:** You are now a sworn witness. Go ahead.
5 **MS. GAUTHIER:** Thank you, Chairman. Ms. Legge, can you first introduce
6 yourself to the Commission?
7 **MS. LEGGE:** Yes. My name is Kimberly Legge and I'm here on behalf of Baker
8 & O'Brien.
9 **MS. GAUTHIER:** Can you tell -- can you --
10 **COMMISSIONER CAMPBELL:** I didn't hear what you said.
11 **MS. LEGGE:** My name is Kimberly Legge.
12 **VICE CHAIRMAN COUSSAN:** It's a problem. Bring it as close as possible
13 Your microphone.
14 **CHAIRMAN SKRMETTA:** Yeah. Move the microphone to you. There you go.
15 **VICE CHAIRMAN COUSSAN:** Yeah. Thank you.
16 **MS. LEGGE:** Okay. My name is Kimberly Legge and I am here with Baker &
17 O'Brien.
18 **MS. GAUTHIER:** Ms. Legge, can you tell us briefly about your educational
19 background and professional background?
20 **MS. LEGGE:** Yes. I have a B.S. of electrical engineering from Cornell
21 University, and a master of business administration from St. Joseph's University,
22 and I have been working in the oil and gas industry, in the midstream sector
23 specifically, for 30 years.

1 **MS. GAUTHIER:** And what kind of experience do you have, specifically, with
2 respect to the terminal industry and to the transportation pipeline industry?

3 **MS. LEGGE:** I've worked for approximately six to seven operators of pipelines
4 and terminals over my career. I've also run terminal organizations for Sunoco
5 Logistics that included 49 terminals in the United States, and pipeline intrastate and
6 interstate pipeline organizations for both Sunoco and Delek.

7 **MS. GAUTHIER:** Can you give us just an example or two of the type of different
8 engagements or projects you have worked on previously?

9 **MS. LEGGE:** So I was in operations at the end of my career in the industry. And
10 before, I worked in projects.

11 **MS. GAUTHIER:** And what company do you currently work for?

12 **MS. LEGGE:** I work for Baker & O'Brien.

13 **MS. GAUTHIER:** And what do you do there?

14 **MS. LEGGE:** I am a consultant that provides expert witness and testimony.

15 **MS. GAUTHIER:** Have you worked with terminal facilities across the country
16 before, including some in Louisiana?

17 **MS. LEGGE:** Yes. As I mentioned, I worked for Sunoco Logistics and ran the
18 terminal organization that had had 49 terminals across the United States and one in
19 Louisiana.

20 **MS. GAUTHIER:** Have you ever been accepted as an expert before by a court or
21 a arbitration body?

22 **MS. LEGGE:** Yes, I have.

23 **MS. GAUTHIER:** And do you recall in what field you were accepted as an expert?

1 **MS. LEGGE:** Yes. The matter that I testified for was the London arbitration in a
2 tank construction and warranty and maintenance matter.

3 **MS. GAUTHIER:** And have you provided testimony related to terminal facilities
4 to court or arbitration bodies before?

5 **MS. LEGGE:** Yes, I have. But mostly as fact witnesses.

6 **MS. GAUTHIER:** Okay. And in so, in what capacity were you giving --
7 discussing the terminals when you were giving testimony?

8 **MS. LEGGE:** I was the operational leader of the terminals and the pipelines that
9 were in disputes that I had to basically testify for.

10 **MS. GAUTHIER:** And about how many times have you presented testimony as
11 respects to terminal facilities?

12 **MS. LEGGE:** Somewhere between six to eight times total.

13 **MS. GAUTHIER:** Are you involved in any organization or boards with respect
14 to the terminal industry?

15 **MS. LEGGE:** Not currently, but I did serve on the board of directors for the ILTA,
16 the International Liquids Terminal Association, from 2012 to 2016.

17 **MS. GAUTHIER:** And what does the ILTA do?

18 **MS. LEGGE:** They are an industry advocate for regulatory advocacy and industry
19 education.

20 **MS. GAUTHIER:** Okay. And so, Commissioners, I would tender Ms. Kimberly
21 Legge as an expert in the terminal industry and the transportation pipeline industry.

22 **CHAIRMAN SKRMETTA:** Kathryn, do we have to accept any predisposition of
23 someone as an expert or just -- they just present it as such?

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

2 **CHAIRMAN SKRMETTA:** Because we're not a standing court.

3 **MS. BOWMAN:** You're not and I -- really this -- today was not a hearing, which

4 is how this is currently being conducted.

5 **CHAIRMAN SKRMETTA:** Right.

6 **MS. BOWMAN:** So I do not think that you need to accept Ms. Legge as an expert.

7 **CHAIRMAN SKRMETTA:** Commission makes no determination as to the

8 expert qualifications of the witness, but for the purpose of your own presentation,

9 please proceed.

10 **MS. GAUTHIER:** Okay. And thank you, Chairman. And, again, I just want to

11 be mindful of creating a record. So can I get some form of ruling as to whether she

12 is accepted or not accepted so we have a --

13 **CHAIRMAN SKRMETTA:** I just gave you one. The Commission makes no

14 determination as to her qualifications as an expert witness.

15 **MS. GAUTHIER:** Okay.

16 **CHAIRMAN SKRMETTA:** But proceed as you will.

17 **MS. GAUTHIER:** Thank you.

18 **SECRETARY FREY:** Yeah. I think -- I'm going to be measured in what I say

19 here. So I'm thinking about it. This is unprecedented what we're doing here today

20 and I'll just leave it at that. We have an ALJ system that this Commission has

21 delegated to take witnesses, to provide information. This is a remand. We allowed

22 this evidence in, but this is -- I have never seen this happen before.

23 **COMMISSIONER CAMPBELL:** I haven't either.

1 **SECRETARY FREY:** So I have -- I know what's going on here and I'll just leave
2 it at that. But this is completely unprecedented.

3 **MS. BOWMAN:** Also, to be fair, when the Commission in December provided
4 direction as to what they would -- can do related to the remand, it was to provide
5 briefs and it had a briefing schedule for all evidence to be admitted into the record
6 at that time regarding the applicability of the amended statutes. That is what that
7 Commission is making a determination on today. Not new fact witnesses or new
8 information that was not part of the record initially.

9 **MS. GAUTHIER:** Yeah. And if I may, so Rosefield certainly objected in our
10 brief to that characterization that it would be limited in that way. The 19th JDC has
11 not written -- has not issued a written judgement yet. However, as my colleague
12 said earlier on the record, his comments were that he fully expected new evidence
13 would need to be considered in light of the amended legislation. As I appreciate it,
14 this body had chosen to exercise its original jurisdiction to conduct this hearing
15 today rather than refer this to the ALJ, which we do understand and acknowledge
16 is maybe the more typical way that a hearing would be conducted. And so --

17 **CHAIRMAN SKRMETTA:** Well, I appreciate that. I've been a Commissioner
18 now, I'm in my 18th year. Foster has been here longer and neither of us have ever
19 seen this before. So this is a -- this is undiscovered territory.

20 **MS. GAUTHIER:** Certainly.

21 **MS. BOWMAN:** One more thing for the record. I agree with you, Commissioner,
22 this is all completely uncharted territory. To be fair, once the 19th remanded this
23 matter back to the Commission and asked the Commission to make the

1 determination based upon the amended statutes, the Commission could have made
2 that determination right then and there.

3 **CHAIRMAN SKRMETTA:** Right.

4 **MS. BOWMAN:** It did not need to -- give any opportunity for briefing or any
5 opportunity for additional hearing.

6 **CHAIRMAN SKRMETTA:** Right. Well, that's my question to you, Kathryn, is
7 should we even be hearing new witnesses, new information, anything other than a
8 closing argument by counsel? I mean, an argument by counsel with no other factual
9 information being put in and, thus, presentation on the issue before us and have us
10 make a decision. So I'm going to let them --

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

12 **VICE CHAIRMAN COUSSAN:** Foster.

13 **CHAIRMAN SKRMETTA:** Foster, hang on one second. Hang on one second.

14 **MS. BOWMAN:** Chair, I think you have that right. Yes. I'm sorry.

15 **VICE CHAIRMAN COUSSAN:** Go ahead. I'm sorry.

16 **MS. BOWMAN:** You do have that right to just say that, Rosefield, please provide
17 your closing statement or an argument itself, let Cantium provide theirs, and then
18 we can move on from this.

19 **CHAIRMAN SKRMETTA:** Okay. Well, I'm going to go ahead and whoever
20 primary counsel is, please make your argument on the issue that's on the agenda.
21 And then I'm going to ask Cantium to come up and make their argument. I think
22 we are getting off path with this and this is something that is better suited for a
23 different forum, the way you're presenting it.

1 **MS. GAUTHIER:** Thank you, Chair.

2 **CHAIRMAN SKRMETTA:** So whoever -- whichever, if it's going to be you or
3 Jamie. Whoever's going to do it, please go ahead and make your argument on the
4 -- what's filed into the record, as far as what's on the agenda, and then we'll hear
5 from Cantium.

6 **MS. GAUTHIER:** Thank you, Chairman. Understood. And just to make it clear
7 for the record, we object to proceeding in that manner. We note it, and understand
8 it, we just want to preserve our objection. I also need to, if we're not going to be
9 allowed to offer and present live testimony as it relates to the amended legislation,
10 which is October 1, 2025, which was not in effect at the prior time that we appeared.
11 I have affidavits for these exhibits as to what that testimony would have said.

12 **CHAIRMAN SKRMETTA:** You can put that in with the rest. Is that more of the
13 -- what you want to do on the record?

14 **MS. BOWMAN:** So Staff will object. It could be proffered in.

15 **CHAIRMAN SKRMETTA:** Okay.

16 **MS. BOWMAN:** And my objection is there was a briefing schedule provided.
17 Cantium and Staff adhered to that briefing schedule. There was an opportunity to
18 present those affidavits in that --

19 **CHAIRMAN SKRMETTA:** What would the judge in the 19th do if you didn't
20 conform to the discovery schedule? Would disallow?

21 **MS. BOWMAN:** At that point, I think one of the other parties would do a motion
22 to strike.

1 **CHAIRMAN SKRMETTA:** Well, then we'll allow that -- then allow it to be
2 proffered and let the judge over there make a determination of whether it should be
3 allowed or not. Okay. So you could proffer the affidavits. Okay.

4 **MS. GAUTHIER:** Okay. Thank you. So we have the affidavit of Ms. Legge --

5 **CHAIRMAN SKRMETTA:** With the understanding that they are all well beyond
6 the cut off dates for --

7 **MS. GAUTHIER:** Well -- and I objection to that, Chairman, because there was
8 a briefing scheduled to submit --

9 **CHAIRMAN SKRMETTA:** Well, I understand. I understand. Okay. But they
10 are being allowed to be proffered. Okay.

11 **MS. GAUTHIER:** Yeah. So then Ms. Watts will pass out -- so we will --

12 **CHAIRMAN SKRMETTA:** Hang on a second. Hang on. Hang on. You okay?
13 Okay. He was hooked in on something, so.

14 **MS. GAUTHIER:** We will proffer the affidavit of Ms. Legge, as to the testimony
15 that we wished to elicit at this hearing but were not permitted to do so, and we will
16 proffer the affidavit of Mr. Capsimalis, as to the testimony that we intended to elicit
17 at this hearing that we were not permitted to do so. And so that will be
18 memorialized in the affidavits that we will proffer into the record.

19 **CHAIRMAN SKRMETTA:** Well, thank you for having the affidavits.

20 **MS. GAUTHIER:** Yes. And we object to any suggestion or characterization that
21 a live testimony or an affidavit submission would be governed by briefing
22 schedules.

23 **CHAIRMAN SKRMETTA:** Did somebody say something?

1 **MS. GAUTHIER:** I understood that you may have suggested that. And so if that's
2 not the --

3 **CHAIRMAN SKRMETTA:** I think you are --

4 **MS. GAUTHIER:** I'm mistaken.

5 **CHAIRMAN SKRMETTA:** -- grossly overstating yourself, ma'am.

6 **MS. GAUTHIER:** Thank you, sir. Then if I'm mistaken about that, I apologize.

7 **CHAIRMAN SKRMETTA:** That's okay. There're places to make objections
8 like that and this isn't it. All right. Anyway, any other -- you want to go ahead and
9 make your closing?

10 **MS. GAUTHIER:** Yes, Chairman. Yes.

11 **CHAIRMAN SKRMETTA:** Okay. Go ahead.

12 **MS. GAUTHIER:** I'm happy to do that. Commissioners, we are here obviously
13 today because the 19th JDC remanded this matter to apply the amended law.
14 Admittedly, Revised Statute 45:251 was not a model of clarity before. It was
15 outdated. It lacked some explicit carve out language and it didn't address the reality
16 of how terminals in Louisiana operate. So prior language in 251 caused the ALJ
17 before, and then this body before, to conclude that any piece of steel pipe through
18 which petroleum moves any distance at all, met the then definition of pipeline. That
19 can no longer be the same analysis, and that can no longer be the same conclusion.
20 The Legislature, which is the body that has always defined the statutory term
21 pipeline, is now clear that terminal facilities, and specifically the term intra-terminal
22 transfer lines, are not meant to be swept up into the regime of regulated pipelines,
23 even though a terminal does and -- does have and will have lines that are literally

1 pieces of steel pipe and that facilitate some short movement and transferring of
2 petroleum. Such lines are now expressly not a pipeline under Revised Statute
3 45:251 as amended. So to turn into a little bit greater detail into that newly amended
4 language in 45:251, the law is adding new clarifications that were not in place
5 before, when this matter previously came to this body. The Legislature is now
6 acknowledging the obvious. Terminals have lines that transfer petroleum and those
7 lines should not be subject to the stringent regulatory framework that gets applied
8 to common carrier pipelines. The amended language now expressly recognizes: 1)
9 Pipes delivering petroleum into or out of tanks used for terminalling services are
10 not a pipeline; and 2) It also refers to intra-terminal transfer lines. Those are
11 separate and distinct in this statute, and so that must be something even broader
12 than just the pipes delivering petroleum into or out of tanks. Those intra-terminal
13 transfer lines are expressly not a pipeline. The statutory terms terminal facility,
14 terminalling services, and intra-terminal transfer lines were not present before the
15 amendment, so could not have been addressed before, or considered before. And
16 notably, neither Cantium's briefing on remand, nor LPSC Staff briefing on remand
17 ever addresses, ever tells us what terminalling services and what terminal facility
18 actually mean. Neither cited any jurisprudence or industry text as to the meaning
19 to be given to those terms. Rosefield, in our brief, canvassed and cited more than
20 a dozen in a bulleted list, different state, federal industry text, industry's
21 understanding of terminalling and terminalling services. Both Cantium and LPSC
22 Staff's briefs seem to assume in conclusory fashion that because the LPSC
23 previously determined that Rosefield has some movement, some transferring of

1 petroleum within its terminal assets, well, that alone should end the analysis, and
2 that same analysis and results can be relied on and reached again. That's obviously
3 not appropriate or the fair analysis now because that would not be giving any effect
4 to the new terms that the Legislature has chosen to add and explicitly carve out
5 from the definition of pipeline. Revised Statute 45:251 now recognizes that a
6 terminal facility is expected to transfer petroleum because it uses the phrase intra-
7 terminal transfer lines. That's the very purpose that such lines are going to serve.
8 The acknowledgement is now in the statute. If that weren't the case, and there were
9 no intra-terminal transfer lines to facilitate getting the petroleum into a terminal
10 facility, and out of a terminal facility, and up to the access point of the mode of
11 transportation here, a third-party transportation line, if there was no ability to do
12 that, if there was no ability to make a hand off to a later mode of transportation,
13 then, there would be no terminals and terminals would not be able to accomplish
14 what they need to do. The petroleum would just sit in a terminal with the terminal
15 being an end user. That's obviously not the case. That's obviously not the practical
16 reality for Rosefield or any terminal in this state. So Rosefield acknowledged back
17 then and acknowledges now the obvious point, that there is always some use of
18 lines and always some movement of petroleum over short distances to get into a
19 terminal facility, into and out of storage tanks, and out of the terminal facility to
20 hand off points for third-party transportation pipelines. That's precisely what the
21 Legislature contemplated when adding the carve outs in the clarified law. So the
22 same analysis that we saw the ALJ in this body previously rely on does not work
23 in light of this amended language. Before, in particular, we saw a major focus

1 before the amended legislation on Revised Statute 45:252. And that statute says,
2 quote, all pipelines through which petroleum is conveyed from one point in the state
3 are declared to be common carriers. So a lot of the focus previously was
4 questioning Mr. Capsimalis and trying to analyze whether there was any conveying,
5 any movement of petroleum. And under 252, and the Commission and the ALJ's
6 previous understanding of those statutes, they viewed it as any movement at all
7 would trigger pipeline common carrier status. Well, now it's more clear than ever
8 before, right? 252 says you must first be a pipeline. All pipelines. And so where
9 we don't meet the definition of a pipeline under 251 because we're expressly carved
10 out, terminal facilities, intra-terminal transfer lines are not a pipeline. So that never
11 triggers 252 because that requires it to be a pipeline conveying petroleum from one
12 point in the state of Louisiana to another. Let me just also respond briefly, and
13 since we did not present live testimony, this is discussed at length in Mr.
14 Capsimalis' affidavit that we have proffered into the record. There's been a
15 suggestion that Rosefield is somehow not operating within its own terminal facility.
16 Well, that assertion does not make sense here because Rosefield made one
17 purchase. It bought the Fourcon terminal in one purchase from Chevron, and
18 contemporaneous with that one purchase came one sublease from Chevron for the
19 ability to use all of the underlying land for all of the equipment that Rosefield
20 purchased. And so that was a package deal. And in fact, the Fourchon Terminal
21 package included with it and listed out the very transfer line that we have heard
22 discussion about today and previously. It's sometimes called LAL 1490. That is
23 explicitly listed in the surface sublease document, which we've -- is one of the

1 exhibits that we admitted into evidence. It's listed as part of the facilities that
2 Chevron transferred to Rosefield, and for which Chevron granted a sublease to
3 Rosefield for the land upon which that resides. Rosefield never expropriated any
4 property, never negotiated any rights of way or easements. It made one Fourchon
5 Terminal purchase and it got one set of permission from Chevron to use the land,
6 underlying the assets that it brought when it bought this terminal. So the notion
7 that any of Rosefield's terminal transfer lines are somehow not part of its own
8 terminal facility that it purchased, is simply not accurate. And finally, as I will
9 wrap up, let me just touch on one last and important point. Cantium signed a
10 contract with Chevron agreeing that when Cantium bought its assets and got a
11 sublease from Chevron for those assets, Cantium agreed that it would send its
12 production exclusively to this terminal. Chevron then assigned that right to
13 Rosefield. Cantium is displeased with that contractual arrangement now. And the
14 remedy, when a party is displeased with a contractual grievance that it has over a
15 contract, is a lawsuit or arbitration. And that is exactly what Cantium has done
16 here. It has sued Rosefield in a lawsuit that is now pending right now in the 17th
17 JDC State Court. So this body exists to regulate public services, to regulate matters
18 that impact the public interest as a whole, not purely private interests of one party
19 and one party alone. Cantium being displeased with the price that Rosefield is
20 charging it, and how this contract has played out in practice, involves and impacts
21 only two parties, Cantium and Rosefield. So litigation or arbitration is the right
22 forum for private disputes like this one. Dissatisfaction with a contract or a price
23 being charged under a contract does not magically convert what is a terminal into

1 a pipeline or into transportation. Dissatisfaction with a private contract does not
2 trigger this body's regulatory jurisdiction. So rather than creating a major shift in
3 the industry and beginning to regulate terminals in a way that the LPSC has never
4 done before, which I think was bolstered by what we heard from a representative
5 of ILTA, and the concerns that that organization has, and seeing the arguments and
6 the analysis that's being put forth here with respect to Rosefield, this would cause
7 grave concern to that industry because all terminals have to operate in the same
8 manner in reliance on intra-terminal transfer lines in order to get petroleum to a
9 hand off point to access later a third-party transportation pipeline. And so with that,
10 I will conclude my remarks. I thank you for your time and consideration and, again,
11 would submit that whatever analysis came before, the Legislature has spoken and
12 wanted to make it explicitly clear and recognized that if it wasn't clear before, it
13 needed to be. And it wanted to carve out, and we need to ensure that when this
14 body considers it, that we give due effect and consideration to those new terms
15 explicitly excluding terminalling services, intra-terminal transfer lines from that
16 definition. And so for those arguments that I've articulated and for everything that
17 we do have articulated in the exhibits that we've admitted and the affidavits that we
18 proffered that relate specifically to the value-add services that terminals provide,
19 the value-add services the storage that Rosefield provides, all those -- that
20 information proffered in those affidavits relates directly to that and bears on that.
21 And so with that, I will conclude and appreciate your time and consideration.

1 **CHAIRMAN SKRMETTA:** Thank you very much and y'all are excused. And
2 we'll now hear from the Cantium folk. We'll work it out. You can hold it up at
3 the right time; how's that?

4 **MR. SIMONE:** [INAUDIBLE]. Thank you, all.

5 **CHAIRMAN SKRMETTA:** Hand on a second. Let them get sorted out. All
6 right. Please introduce yourself for the record.

7 **MR. SIMONE:** Commissioner Skrmetta, again, Matthew Simone on behalf of
8 Cantium, LLC and my side counsel.

9 **CHAIRMAN SKRMETTA:** Okay. And are you going to be doing all the
10 presentation?

11 **MR. SIMONE:** Yes, I am.

12 **CHAIRMAN SKRMETTA:** Okay. Go ahead.

13 **VICE CHAIRMAN COUSSAN:** Hang on, Mr. Chairman.

14 **CHAIRMAN SKRMETTA:** Yeah. Go ahead.

15 **VICE CHAIRMAN COUSSAN:** So you have outside counsel and you also have
16 in-house counsel? Could y'all introduce yourself just because we got an
17 introduction from everyone that was here before? I believe we had -- so just go
18 ahead and introduce everyone.

19 **MR. SIMONE:** Thank you, Commissioner. Kelly Perrier, she is general counsel
20 for Cantium, LLC. Neil Abramson is also outside counsel with my office on behalf
21 of Cantium, LLC.

22 **CHAIRMAN SKRMETTA:** Great. Thank you very much.

1 **MR. SIMONE:** Thank you, Commissioner. And I will be as brief as I can for you
2 all.

3 **CHAIRMAN SKRMETTA:** Look, there is no rush. At this point, in for penny,
4 in for a pound. Okay. Just take all the time necessary. Okay.

5 **MR. SIMONE:** Thank you, Commissioner.

6 **CHAIRMAN SKRMETTA:** All right.

7 **MR. SIMONE:** I think the first step on this is what did Revised Statute 45:251 as
8 amended do? First, as we know from our last meeting in 2025, you all were able
9 find that Rosefield is a pipeline. It provides pipeline transportation services.
10 Something changed from then until now. And that is that the Legislature amended
11 45:251 and 255. I do want to point out that that amendment was made on behalf of
12 Rosefield's urging stakeholders to do that. They testified at every hearing.
13 Commissioner Lewis, you were there to see it. To say now that the statute's unclear
14 for a statute they pushed is quite ironic. Especially, given that a lot of the committee
15 hearings on this issue, it was stated by representatives and state senators that this
16 bill -- that bill was pushed for the specific reason to overrule the Commission's
17 June 2025 order. Now, let's look back at what the amendment did. At first, what
18 it didn't do. It didn't change anything except to exclude terminal services and
19 terminal facilities from your jurisdiction. Which, Commissioner Skrmetta, you said
20 over and over again, that this Commission is not in the business of trying to regulate
21 terminals. You still aren't, you weren't then. However, this law was passed for
22 whatever reason we can assign to it. What the bill did or now the amended statute
23 did two things, it says that you are not a pipeline if two tests are met. The first one

1 is are you involved in terminalling services? And the second revolves around
2 geography. I want to focus on the first one which is use, because that's probably
3 the simplest one we have here. Nothing has changed in the services that Rosefield
4 provided from September 2023 until as we sit here today. It is all the same. It is
5 transportation upon transportation. We've submitted record citations to those facts
6 in our brief, we have cited to the ALJ's findings of fact, we have cited your own
7 statements in the record that have said that this pipeline and the one tank it goes
8 through is a pass through. If you want to follow the money, we do not pay for a
9 storage fee. The tariff that was submitted in October of '23 and still today says that
10 if I'm going to pay for storage, I need to call Rosefield Fourchon Operating, LLC's
11 business development group to come with a storage payment. And you know why
12 that is? Because, right now, all we're paying for is a transportation flow rate. There
13 is no component of time which you would find for storage or rent for any type of
14 storage activity. A day, a month, a week, whatever may be. It is strictly
15 transportation.

16 **VICE CHAIRMAN COUSSAN:** There was testimony to the contrary.

17 **MR. SIMONE:** I believe there was testimony to the contrary. There was said that
18 there was a storage fee but no transportation fee. However, a storage fee has a time
19 component to it. A transportation fee is just per barrel. If I move a barrel of crude
20 from point A to point B, you'd pay me X dollars for the unit price for the unit to
21 move that oil. If I was going to pay you to store it, I'm never going to pay anybody
22 for a rental space for -- in a \$2 or whatever the X dollar may be. I'm going to pay
23 it by the week, the month, the year, whatever the time component is. Storage is

1 based off of area, volume, but importantly, on time. I respectfully disagree with
2 saying that you want to call it a storage fee when all you're doing is transportation.
3 Again, it goes to the heart of how do you pay for storage? There's a time component
4 for storage. That's not here. And, especially, if you look at the non-jurisdictional
5 tariff from Rosefield, it clearly says if you want to pay for storage, call this other
6 group. That's not part of this tariff rate. So in the end also, I want to talk about
7 Mr. French's testimony where he said that, for terminals, there is intermodal
8 transportation. I agree with that. You're a terminal, I think of St. James, Louisiana.
9 A lot of tanks there that store a lot of oil. And they store it to do what with it?
10 Intermodal transportation. Incredibly important. If you're going to move crude oil
11 from pipelines or, you know, from where they're traveling through pipeline,
12 they've been sent in the tank. Before they get there, they're transportation through
13 the pipelines. Then they're a tank for storage. Then the terminal service there is
14 that I'm moving that crude onto a barge, a ship, I move it onto a rail, I move it onto
15 a truck, that's terminalling. Comingling services. Any other service, anything you
16 do to the oil that adds value, that's a terminalling service. However, none of that is
17 occurring here by Rosefield. Because, as the evidence shows in the record before
18 us, all those activities or the ones that count here, which is the processing, or the
19 crude oil that Cantium produces in state waters goes to its facility where it terminals
20 and processes its own oil. None of that is done by Rosefield. All they're doing is
21 moving oil from point A to point B. Again, that's the first part of the test. Are you
22 solely engaged in terminalling services? If you were even to find any terminalling
23 services, which we disagree with, that's not the only service they're providing

1 because they're providing transportation services, as we've already found. The
2 second piece of the test I find to be the most clear, and quite frankly, the easiest.
3 That is the statute that says now that you must be solely within a terminal facility
4 to be excluded from the definition of pipeline. What I have on the board in front
5 of you is page 35 of the sublease agreement between Rosefield and Chevron. This
6 is a document that Rosefield submitted in its brief, and it's also a document that's
7 admitted today, and it's also in public record. The important piece of this is that
8 that red outline according to that sublease document, outlines the only premises that
9 are leased by Rosefield today. This document has not changed. Nowhere inside of
10 that document do you see Rosefield having any rights to any property outside of
11 the red. And that means that they have no rights to the canal to the north of their
12 facility. They have no rights to the wetlands, the marsh area, that's to the north of
13 that canal. They're trying to tell you that they have a terminal facility on property
14 they have absolutely no lease rights to, no servitude to, no property right,
15 whatsoever. I find it to be impossible to have a terminal facility on property you
16 don't own, lease, or have any property rights to in any way, shape, form, or fashion.
17 That even goes beyond the fact that they're trying to tell you that a canal is a
18 terminal facility or that marshland is terminal facility. Those facts alone also show
19 that they are not having a terminal facility where that pipeline goes through. There
20 was some statement a second ago that the pipeline of issue is referenced inside of
21 Exhibit D to that sublease agreement. They refer to it as LAL 1490. I haven't seen
22 any reference to LAL 1490 in a very quick cursory review of those -- of that
23 document. But besides the point, I think the important piece here is that their

1 sublease does not extend in the canal and that's where that pipeline goes. For these
2 two reasons, which are, if you find one, doesn't apply, then their pipeline remains
3 a pipeline and it is not excluded from the revised statute as amended. I do also want
4 to comment on something that Ms. Gauthier said over and over again, claiming that
5 this -- the pipeline between Rosefield's terminal facility and then as it goes through
6 the canal to the BOA pipeline, that somehow that is a intra-terminal line because
7 the Legislature may have thought that the pipelines that are moving oil from one
8 spot to another as oil is extracted to terminal facilities, that perhaps that should be
9 excluded from the definition of pipeline. That is a exaggeration of the statute as
10 amended. The statute refers to pipes -- or excludes pipes that are delivering
11 petroleum into or extracting petroleum from tanks used for terminalling services.
12 This does not mean that pipelines that are going outside of the terminal facility are
13 included in that definition. There is a difference between pipelines that are inside
14 the facility that go from tank to tank versus a pipeline that is exiting the facility.
15 The first step again is the location of that pipeline. Is it solely within a terminal
16 facility or is it not? Clearly, in this case, Rosefield's pipeline is not. I'm next going
17 to address the security issue and some of the procedural requirements there, but I'd
18 love to take any questions on this topic before I move on if the Commissioners have
19 any.

20 **COMMISSIONER LEWIS:** I have just one question as I look at the map, can
21 you identify the specific --

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

23 **CHAIRMAN SKRMETTA:** Try it again.

1 **COMMISSIONER LEWIS:** Am I on now?

2 **MS. BOWMAN:** Yeah.

3 **COMMISSIONER LEWIS:** Thank you. Can you identify the specific origin
4 and destination points that demonstrate Cantium's crude oil as being transported
5 between points in the state?

6 **MR. SIMONE:** Yes. Thank you, Commissioner Lewis. I can. If you could look
7 on the bottom of Exhibit C, and this is also in the record in other documents.
8 However, and in our briefing as well, if you look on the bottom left of Exhibit C,
9 outside of Rosefield's red area, that tank is owned by Cantium. That's where the
10 transportation process that Rosefield begins starts for their pipeline. Rosefield then
11 takes -- uses a pipeline, to then go to the east. It goes west up one tank inside of
12 Rosefield's facility. It then goes into a northern direction as it gets to the property
13 boundary outlined in red of Rosefield's facility. It then jogs north to northwest
14 across the canal that you see and then outside of this map, but it's otherwise in our
15 briefing. It then goes up into a wetland area, and then west again into a -- into the
16 BOA pipeline, what is owned by Harvest. And before that, Commissioner Lewis,
17 so you know, this production comes from federal and state waters, and Cantium
18 provides its own transportation service until it gets to its facility, at which time, it
19 is going to process its own oil there.

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

21 **MR. SIMONE:** Commissioner Skrmetta or Commissioner Coussan? Thank you.

22 **VICE CHAIRMAN COUSSAN:** Please proceed.

1 **MR. SIMONE:** The next issue that came before you and that was touched upon
2 in the beginning was the security issue and why it's required here. I do think that
3 the -- a quick procedural history upon that issue is very important as well as citation
4 to some of the statutes. In June 2025, this Commission found that it had jurisdiction
5 over Rosefield. That dates back to when Rosefield was purchased and moving
6 crude oil for hire for third parties. On July 18, 2025, Rosefield noticed the
7 Commission and said it was going to raise its rate from 2.50 to 4.87 a barrel. On
8 July 28, Executive Secretary Frey said do not do that, in so many words in his letter
9 back to Rosefield. We have jurisdiction over you and you should not increase your
10 rate from 2.50 to 4.87. Despite that, Rosefield ignored that directive from Mr. Frey
11 and rose its rate to \$4.50. What that did at that time was create a situation in which
12 the Commission in September required the Staff to investigate what Rosefield was
13 doing illegally acting outside of its bounds and in direct contravention of LPSC
14 directives. Now, on October 23, what was on the agenda, what we always knew
15 of, was that the Commission was going to hear arguments about potentially
16 requiring security from Rosefield for its increase, not just to 47, but also from 67
17 cents to \$2.50. That was something that we all knew of was going to happen in
18 October -- October 23. Rosefield acknowledges this inside of its motion to stay to
19 the 19th JDC. In September, it told the 19th JDC that it knows the Public Service
20 Commission was going to address security for the inquiries. And number two,
21 Rosefield at that time even said it's willing to post a bond. So as of September, and
22 October, this issue was before this Commission. However, on -- well, it was signed
23 December 3, but effective October 21, the 19th JDC put a stay on the enforcement

1 action of anything the Commission wanted to do with this matter. Therefore, it lied
2 in dormant until December 9, at which time, the 19th JDC lifted its stay order.
3 Which at that time, meant that you all were capable and free to then go back and
4 revisit whether security was going to be allowed. I also cite to 45 -- Revised Statute
5 45:257 which talks about appeals and says that all of your orders will remain
6 effective until set aside or other action by a court or competent jurisdiction. In this
7 case, there was a stay and I would not have asked you all or even motioned to have
8 anything regarding security when the 19th JDC said that it's stayed. However, as
9 of December 9, it was gone. Look back to 45:257, you have the right, you keep all
10 jurisdiction to say that your June 2025 order finding jurisdiction is applicable. Also,
11 importantly, Rosefield argued in detail to 19th JDC to vacate your June 2025 order.
12 The 19th JDC specifically refused to vacate it. Therefore, you maintain jurisdiction
13 over Rosefield at this time. Nothing has changed. The statutes, as well as 19th JDC,
14 did not change that fact whatsoever. In terms of the briefing, we briefed this to you
15 all on February 9. Rosefield had an opportunity since February 9, and they did, on
16 February 24, respond to those arguments. They also then made a comment that I
17 said it was outside of the briefing schedule. That is missing context. I said I was
18 filing a reply to their opposition on the security issue alone because the remand for
19 the application of jurisdiction, you set a briefing schedule for. You said it will be
20 filed and then a reply. I was making sure that the Commission knew that when I
21 addressed security, that I was doing so not to act outside of the briefing schedule
22 because that's only addressing the security point. That is all I meant by that. They
23 presented arguments. They cited case law. None of it's applicable, but they cited

1 case law. And so they have had more than their due process because they knew
2 about this since September, October, and now we're in March. They had a chance
3 to brief it. Importantly, on why we need it, and you've heard counsel over and over
4 again state that when this is all over, we'll be able to get a refund to whatever is
5 owed to us plus interest. That sounds great under the law. However, this is a
6 situation in which this now has dragged on for over two years. I think you've about
7 heard that they have indicated their intentions to potentially file to the Louisiana
8 Supreme Court on the jurisdictional issue. That will require time. By the time we
9 get jurisdiction done from the Louisiana Supreme Court, potentially back down to
10 the 19th JDC, potentially back down here, we'll then get to rate setting. Rate setting
11 won't occur at this point. If we started today, probably wouldn't be done until early
12 2027, and then they're going to appeal that, and then Louisiana Supreme Court
13 might hear that. If I'm putting on my crystal ball and trying to tell you how long
14 this may go, it is a chance that this could potentially go on for another three years.
15 And what does that do to Cantium? That tells Cantium that for five years, you've
16 overpaid by so much money that we might be looking at 30 to \$35 million. That is
17 a big, big price tag to hold up money for five years, \$35 million, to what is not
18 ExxonMobil or Chevron sitting here. We are the last remaining Louisiana based
19 oil and gas company operating in state waters, and this amount is very detrimental
20 and significant to us. We think, at this point, fairness dictates that we have security
21 for the past payments and for the future. And importantly, the escrow at the very
22 least must refer back, forward looking. If not, we're essentially paying for our own
23 bond. We might as well just insure ourselves and lose that money as well.

1 Commissioners, that is all I have, but I'm very happy to take any questions that you
2 may have.

3 **CHAIRMAN SKRMETTA:** Go ahead.

4 **VICE CHAIRMAN COUSSAN:** There was a witness sworn in earlier. Did you
5 have a chance to depose that witness?

6 **MR. SIMONE:** I did not.

7 **VICE CHAIRMAN COUSSAN:** Were you able to cross-examine the witness
8 today?

9 **MR. SIMONE:** I did not.

10 **VICE CHAIRMAN COUSSAN:** Did you have an opportunity to see any of the
11 affidavits that were presented in evidence?

12 **MR. SIMONE:** I was presented to the -- excuse me. They were presented to me
13 the same time they were presented to you, and I didn't even have knowledge of an
14 expert witness being brought today, the identity of her, or that she was being
15 brought today.

16 **VICE CHAIRMAN COUSSAN:** Did you have a chance to depose any of the
17 affiants?

18 **MR. SIMONE:** I did not.

19 **VICE CHAIRMAN COUSSAN:** And obviously, you didn't have a chance to
20 cross-examine any of the affiants either, correct?

21 **MR. SIMONE:** I did have a chance to cross-examine Mr. Capsimalis at the ALJ
22 hearing back in July of '24.

1 **VICE CHAIRMAN COUSSAN:** As to the new hearing where I believe what the
2 counsel said was that they were introducing new evidence relative to the amended
3 statute, did you have a chance to cross-examine on that?

4 **MR. SIMONE:** I did not.

5 **VICE CHAIRMAN COUSSAN:** Okay. That's all I have, Your Honor.

6 **CHAIRMAN SKRMETTA:** Okay. If you want to address the issue of the
7 notification of October 24 on the bond.

8 **MS. BOWMAN:** I think it's been -- I mean, if you want to confirm or reiterate --

9 **CHAIRMAN SKRMETTA:** Well, I --

10 **MR. SIMONE:** I have copies if you'd like.

11 **CHAIRMAN SKRMETTA:** Well, I think we're okay. Any more? [NONE
12 HEARD] Okay. All right. You're excused. I want to go ahead and move forward
13 with --

14 **MS. GAUTHIER:** [INAUDIBLE] rebuttal?

15 **CHAIRMAN SKRMETTA:** We're going to do the -- we've already got a motion
16 on the floor?

17 **SECRETARY FREY:** Yeah.

18 **MS. BOWMAN:** You do. We need minor housekeeping on this second motion.

19 **CHAIRMAN SKRMETTA:** Okay. Right. Well, second thing is there's no
20 rebuttal. This is a singular presentation.

21 **MS. GAUTHIER:** Okay. Thank you. We request the opportunity. We
22 understand it's denied.

1 **CHAIRMAN SKRMETTA:** But it's just not a procedure. It's not a denial.
2 There's just no procedure for it.

3 **MS. GAUTHIER:** Okay. No rebuttal is permitted. Thank you.

4 **CHAIRMAN SKRMETTA:** We are in a procedure with the first motion, and on
5 the second motion, there was an indication of a question mark of notification. That
6 notification actually took place, my understanding, Staff, you can qualify it, but it
7 was in October, when we first --

8 **SECRETARY FREY:** I think Mr. Simone mentioned that. But back in
9 September, you had asked us to look into it and we had it on the agenda for October
10 of last year. So it's --

11 **CHAIRMAN SKRMETTA:** It's a continuing matter?

12 **SECRETARY FREY:** Yeah.

13 **CHAIRMAN SKRMETTA:** Okay.

14 **MS. WATTS:** And if I may very -- Chairman and Commissioners, I appreciate a
15 little bit of latitude, but it's very common when a matter is carried over from prior
16 meetings, such as we had with Commissioner Lewis' directive today, that it cross
17 references the prior agenda item in prior meetings. That was not --

18 **CHAIRMAN SKRMETTA:** Staff's indicated.

19 **MS. WATTS:** That was not the case with respect to the security issue.

20 **CHAIRMAN SKRMETTA:** Staff has indicated that its satisfactory, and we'll
21 rely on Staff's representation.

22 **MS. WATTS:** Thank you.

23 **CHAIRMAN SKRMETTA:** All right. We have the first motion?

1 **MS. BOWMAN:** So there is the first motion by the Chair, seconded by
2 Commissioner Coussan to make the determination that the amended revised
3 statutes do not change the Commission's original jurisdiction. That's already been
4 into the record.

5 **CHAIRMAN SKRMETTA:** Matter's been moved and seconded. Any
6 opposition? [NONE HEARD] Hearing none, the matter is approved. Second
7 motion.

8 **MS. BOWMAN:** The second motion was by the Chair, seconded by
9 Commissioner Francis who had to leave.

10 **CHAIRMAN SKRMETTA:** We have to take a new motion then?

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

12 **CHAIRMAN SKRMETTA:** Restate the motion please.

13 **VICE CHAIRMAN COUSSAN:** Second.

14 **CHAIRMAN SKRMETTA:** It's seconded by Commissioner Coussan. Does it
15 need to be restated for the purposes of a second?

16 **MS. BOWMAN:** Very quickly --

17 **CHAIRMAN SKRMETTA:** Go ahead.

18 **MS. BOWMAN:** -- given the Commission's finding that Rosefield is a common
19 carrier pipeline subject to the Commission's jurisdiction. I also move that the
20 Commission require Rosefield to place all payments made by Harvest or Cantium
21 since October of '23 until March of '26 for any amounts in excess of 67 cents per
22 barrel into an escrow account until resolution of this docket. I further move that
23 any that any future payments made by Harvest or Cantium in excess of the 67 cents

1 per barrel will be held in an escrow account until such time that the Commission
2 has an opportunity to establish a reasonable rate. Rosefield shall work with
3 Commission Staff on establishing that escrow account.

4 **CHAIRMAN SKRMETTA:** Need a second.

5 **VICE CHAIRMAN COUSSAN:** Second.

6 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Coussan. Proposed
7 motion by Chairman. Any opposition? [NONE HEARD] Hearing none, the matter
8 is approved. Is there anything else on the agenda?

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

10 **CHAIRMAN SKRMETTA:** Chair moves to adjourn. I need a second.

11 **COMMISSIONER LEWIS:** Second.

12 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any
13 opposition? [NONE HEARD] Then the meeting is adjourned.

14

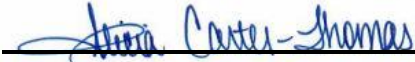
15 **(WHEREUPON THE MEETING WAS ADJOURNED)**

16


1 I certify that the foregoing pages 1 through 150 are true and correct to the best
2 of my knowledge of the Open Session of the Business and Executive Meeting
3 held on March 18, 2026 in Baton Rouge, Louisiana.

4 *****

5 **Rough Draft prepared by:**

6  March 26, 2026
7 **Alicia Carter-Thomas,** **Date**
8 **Court Reporter**

9  March 26, 2026
10 **Clarisa Findley,** **Date**
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12  March 26, 2026
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14 **Court Reporter**

15 *****

16 **Proofed by:**

17  March 30, 2026
18 **Clarisa Findley,** **Date**
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20 **Finalized by:**

21  April 1, 2026
22 **Alicia Carter-Thomas,** **Date**
23 **Court Reporter**