

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON NOVEMBER 20, 2024 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN MIKE FRANCIS, VICE CHAIRMAN DAVANTE LEWIS, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER ERIC SKRMETTA, AND COMMISSIONER CRAIG GREENE.**

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1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**  
2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON NOVEMBER 20,**  
3 **2024 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN**  
4 **MIKE FRANCIS, VICE CHAIRMAN DAVANTE LEWIS,**  
5 **COMMISSIONER FOSTER CAMPBELL, COMMISSIONER ERIC**  
6 **SKRMETTA, AND COMMISSIONER CRAIG GREENE.**

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7 **CHAIRMAN MIKE FRANCIS:** Let's all rise. Welcome to another B&E in  
8 downtown Baton Rouge. Let's open with a prayer. I would ask Commissioner Eric  
9 Skrmetta to lead us in the prayer.

10 **[COMMISSIONER ERIC SKRMETTA LEADS IN PRAYER]**

11 **CHAIRMAN FRANCIS:** Ask Commissioner Lewis to lead us in the pledge,  
12 please.

13 **[VICE CHAIRMAN DAVANTE LEWIS LEADS IN THE PLEDGE]**

14 **CHAIRMAN FRANCIS:** All right. Well, welcome everyone back to our B&E  
15 for the month of November. And, Ms. Bowman, let's start out with  
16 announcements.

17 **MS. KATHRYN BOWMAN:** Yes, sir. I know Ms. Evans has a few  
18 announcements on behalf of Staff. And I know Brandon has announcement -- just  
19 a general announcement, for the Commission.

20 **CHAIRMAN FRANCIS:** All right. Ms. Lauren Evans.

21 **MS. LAUREN EVANS:** Good morning, Commissioners. Lauren Evans on behalf  
22 of Staff. I do want to note that we have a new Staff Attorney in the Transportation  
23 Division. His name is Hayden Scheuermann. He's from Texas and graduated from

1 LSU Law, and we are very excited to have him as part of our team. Also, we have  
2 some happy news. Our Staff Attorney Braeden Smith recently welcomed Baby  
3 Boy William Joseph. So, we're happy to have another young member of the legal  
4 family. And then last, the Public Utility Section of the Louisiana State Bar  
5 Association is having their annual CLE on Thursday, December 5<sup>th</sup> at the City Club,  
6 with a total of six hours of CLE credit, including one hour of ethics and one hour  
7 of professionalism. You can register online, but this year, we are not taking  
8 registrations at the door, so please be sure to register in advance. We will be having  
9 a raffle fundraiser to support the Greater Baton Rouge Food Bank. Tickets will be  
10 sold at the event for \$10 dollars, and it's cash only. If you have any questions,  
11 please let me or Carrie Tournillon know.

12 **EXECUTIVE SECRETARY BRANDON FREY:** And there's going to be some  
13 pretty good speakers at that one, too, so.

14 **CHAIRMAIN FRANCIS:** All right.

15 **SECRETARY FREY:** Me, me, yeah. Sorry. I have one announcement. We have  
16 Tom Brice -- where are you? Stand up, Tom. Many of you know Tom with  
17 SWEPCO. This is going to be Tom's last meeting, he's retiring, I think at the end  
18 of this month?

19 **MR. TOM BRICE:** December [INAUDIBLE].

20 **SECRETARY FREY:** There you go, so coming up soon. So, Tom joined  
21 SWEPCO in 1992. So, he's been with the company for 32 years serving in various  
22 positions, primarily in regulatory and finance. He has testified in Arkansas,  
23 Louisiana, and Texas on behalf of SWEPCO AEP. He currently serves as the Vice

1 President of Regulatory and Finance for the three states. I've worked with Tom for  
2 many years. He's a nice guy, he gets a little too fired up from time to time, and  
3 that's a joke if y'all know Tom. But, Tom, we'll miss you. I don't know if you  
4 want to come up here and say a few words, if the Commissioners have anything to  
5 say to you.

6 **MR. BRICE:** So, Brandon, thank you for those kind words, sir. Commissioners,  
7 it's been an honor representing our great company in front of this honorable  
8 Commission. It's been a privilege. I will miss you. I wish you the best. Continued  
9 wisdom as you do the great work on the state of this -- on behalf of this great state  
10 and the citizens of Louisiana. Thank you for the opportunity. I very much  
11 appreciate it.

12 **CHAIRMAN FRANCIS:** Tom, I think you need to get out there and, Malcolm  
13 Smoak and others, and continue to supply us with this information we need to build  
14 a great electricity system in Louisiana.

15 **MR. BRICE:** Yes sir.

16 **CHAIRMAN FRANCIS:** Commissioner Campbell.

17 **COMMISSIONER FOSTER CAMPBELL:** I'd like to say that Tom's always  
18 been a gentleman. We've had some heated conversations, but he's always a nice  
19 guy, was a gentleman, always represented the company well. We didn't always  
20 agree with the company, that's not my job to agree with the company, that's Tom's  
21 job. But he's been very -- we've had some heated discussions, he's always been a  
22 gentleman. And you've been an asset to SWEPCO and an asset to the whole

1 communication between the company and their regulators, and I appreciate it.  
2 You've done a fine job. Thank you.

3 **MR. BRICE:** Commissioner Campbell, thank you so much for those comments.  
4 And I shared that -- those comments relative to you and I'll say this about  
5 Commissioner Campbell. He and I always had a very direct line of communication,  
6 we're always -- we're direct with one another, and I always knew when I might  
7 have a good conversation or a bad conversation with Commissioner Campbell. He  
8 would start the conversation out with, Tom, you know I really like you, but. Then  
9 I knew some -- a lesson, some wisdom, or some training was about to be received.  
10 So, Commissioner, thank you very much.

11 **COMMISSIONER CAMPBELL:** That's a famous word I've tried to teach all  
12 these people out here. But, I like you, but; you know what that means?

13 **MR. BRICE:** Yes sir.

14 **COMMISSIONER CAMPBELL:** Well, thank you. Thank you.

15 **MR. BRICE:** So, another thing I just wanted to say to the Staff. So, Brandon and  
16 Kathryn and Colby, I've had the opportunity to work with them over the years,  
17 decades with Brandon, and I certainly appreciate all of your guidance, wisdom, and  
18 support over the years and helping me navigate some difficult issues in front of the  
19 Commission. And just certainly appreciate you all. And there's a number of other  
20 people out in the audience I'd like to thank. There's one gentleman that I had the  
21 opportunity to work with as a special council for this Commission for a long time.  
22 And, you know, may he rest peace, but I learned so much from Paul Zimmering. I

1 miss him, and he was a great, great man and did a lot of great work for this  
2 Commission. Thank you.

3 **CHAIRMAN FRANCIS:** Thank you, brother. Thank you. All right.  
4 Commissioner Campbell.

5 **COMMISSIONER CAMPBELL:** Yeah. You know, I got Brandon to do this  
6 about -- I don't know, last year. We keep up with everybody's rates, and I put it in  
7 the front of the book. I hope everybody's looking at these rates, because we have  
8 somebody at 14 cents a kilowatt hour. It won't be long, it's 15 cents. I remember  
9 when nobody was at 10. Now, we got people that are \$1.40, 14 cents, 13.5, 13.33.  
10 Electricity's going up, up, up, up, up in the state, and we've had a lot of people that  
11 made a lot of statements about how we have the cheapest electricity in Louisiana.  
12 You ought to quit saying that. We don't have the cheapest in the United States.  
13 So, quit saying that. I see you all the time in the paper, we have the cheapest  
14 electricity in America. That is not true, unless you just like to say it, but you can't  
15 back it up. So, when you get up to 14 cents a kilowatt hour, that's tough, and that's  
16 where we're at with some of these people. And I know there's a reason, but we got  
17 the poorest people living in America, living in Louisiana, and we don't have the  
18 cheapest utility rates. So, do what y'all can do to get these rates down. This report  
19 card is not too good, but I'm glad that we talk about it because we used to never do  
20 this. But it's on the front page now, and every time we have a meeting, I'm going  
21 to call out who's got the highest rates and who's the cheapest rates. And it's just a  
22 fact that you work for the companies, and we're up here trying to work for the  
23 people. It's a big difference. Thank you.

1 **CHAIRMAIN FRANCIS:** Okay. Ms. Bowman.

2 **MS. BOWMAN:** Yes, sir. So, I have just a couple of housekeeping --

3 **COMMISSIONER ERIC SKRMETTA:** Actually, Mr. Chairman, I've asked to

4 make a comment for --

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

6 **COMMISSIONER SKRMETTA:** -- about the last gentleman who was just here.

7 **CHAIRMAIN FRANCIS:** Okay. Commissioner Skrmetta.

8 **COMMISSIONER SKRMETTA:** Well, I just wanted to thank Tom. You know,

9 the Commissioners, you know, when we come here, we get a lot of value from the

10 people we interact with and discuss our cases with. And I wanted to thank you

11 personally for the time you spent with us and the cases we've worked on. And so,

12 you know, I really gained a lot of knowledge from you and I wanted to personally

13 thank you for the time you spent and all the cases we interacted with, with you and

14 with Bobby Gilliam and with Brett. You know, we spent a lot of time across the

15 table with each other, arguing about stuff. And I see you went back, I didn't have

16 a chance to catch up here at the front, but I did want to personally thank you for all

17 the time you spent attempting to educate me on some issues that we kind of went

18 nose to nose on. But I do appreciate gaining a large field of knowledge from you,

19 and I think what you got from Malcolm Smoak and what you got from other folks,

20 you're very, very good at what you did. And I hope that, like Commissioner Francis

21 said, I think that you need to keep out there and keep working the field because we

22 don't want to lose your institutional knowledge just because, you know, you



1 decided to get a check. So, we want you still to be in the game because Bobby  
2 needs you. Thank you so much.

3 **CHAIRMAN FRANCIS:** Okay. Kathryn.

4 **MS. BOWMAN:** So, Staff has just a couple of housekeeping items. One is the  
5 December B&E is going to be held in Natchitoches at The Event Center and that's  
6 still going to be on December the 18<sup>th</sup>, just for everyone's knowledge.

7 **COMMISSIONER CAMPBELL:** Let me ask you something.

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

9 **COMMISSIONER CAMPBELL:** Is there any way you can move that a little  
10 bit? The 18<sup>th</sup>, can you move it?

11 **MS. BOWMAN:** Move the date?

12 **COMMISSIONER CAMPBELL:** Yeah.

13 **MS. BOWMAN:** We would have to check everyone's -- all the Commissioners'  
14 availability.

15 **COMMISSIONER CAMPBELL:** Okay. Yeah.

16 **SECRETARY FREY:** And I think we've got the rooms locked for that date, so  
17 we may not -- we may lose the hotel rooms. We had them booked in for the date  
18 before. So, we'd have to change that quickly. I think this time of year in  
19 Natchitoches it's difficult to move, so.

20 **COMMISSIONER CAMPBELL:** I understand. But if we could, if you could  
21 move it, like, to the -- what day is the 18<sup>th</sup>? That's a Wednesday?

22 **MS. BOWMAN:** Yes sir, that's a Wednesday.

23 **COMMISSIONER CAMPBELL:** Yeah. Could you do --

1     **CHAIRMAIN FRANCIS:** I've got a couple appointments made already, too, that  
2     day.

3     **MS. BOWMAN:** Okay. So, we can discuss offline and see if the Commissioners  
4     have availability on another date.

5     **COMMISSIONER CAMPBELL:** All right. That'd be good. I have something  
6     on that date that I really need to go to, but if we have to, I'll work with you.

7     **MS. BOWMAN:** Okay.

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

9     **MS. BOWMAN:** And also, for today's agenda, we have 16 items today, but we  
10    are moving two of those items to the front of the agenda. Both of the items are  
11    under Exhibit 14. And the first exhibit item we're going to take up today is a  
12    presentation by SERC on the transmission planning, storm hardening, and grid  
13    resilience. And we have a Mr. Brian Thumm here who is going to give you guys a  
14    presentation. If he's in the audience, he can walk on up.

15    **COMMISSIONER SKRMETTA:** Anything coming off the agenda?

16    **MS. BOWMAN:** I believe one is deferred.

17    **COMMISSIONER SKRMETTA:** Anything being deferred?

18    **MS. BOWMAN:** Exhibit 6 is deferred.

19    **COMMISSIONER SKRMETTA:** Okay.

20    **COMMISSIONER CRAIG GREENE:** I just want to say, my time here is short  
21    and one of my greatest accomplishments has been changing the verbiage from  
22    passed to deferred.

23    **CHAIRMAIN FRANCIS:** Ms. Bowman.

1     **SECRETARY FREY:** When we rewrite the rules, we're going to put that as the  
2     Commissioner Greene Rule.

3     **CHAIRMAIN FRANCIS:** Let me -- Ms. Bowman, let me ask you.

4     **MS. BOWMAN:** Yes, sir.

5     **CHAIRMAIN FRANCIS:** Why is six deferred?

6     **MS. BOWMAN:** I'm sorry, I thought you were aware of that. The party, Mr.  
7     Marston, who filed the motion to rehear was unable -- he had a unexpected conflict  
8     for the day, and I thought all five Commissioners were aware that that was going  
9     to be deferred.

10    **COMMISSIONER CAMPBELL:** Which one is that?

11    **CHAIRMAIN FRANCIS:** I'd like for us to have a vote on whether we defer it or  
12    not, if you don't mind. [INAUDIBLE]

13    **COMMISSIONER CAMPBELL:** Which one is that?

14    **MS. BOWMAN:** Southern Spirit. Mr. Marston wasn't able to be here today.

15    **COMMISSIONER CAMPBELL:** Yeah. I want to defer it.

16    **MS. BOWMAN:** But the Chair would like to vote on whether that would be  
17    deferred today or not.

18    **CHAIRMAIN FRANCIS:** Okay. We call a -- call the roll on whether we defer  
19    or not.

20    **COMMISSIONER CAMPBELL:** Well, let me say something. Yeah. I'd like  
21    to say something, if it'd be okay. This is my area completely. I represent all of  
22    north Louisiana, as you know. This doesn't go in anybody else's district up here.  
23    Nobody else's, but mine. Okay. It doesn't affect your district, it affects my district

1 and the people I represent. Eight parishes, 200 miles right out across north  
2 Louisiana. Not central Louisiana, not southeast Louisiana, not southwest  
3 Louisiana, or south, south Louisiana. And I'd like to defer it because we have some  
4 testimony that we think is going to be real important. So, would you please -- I  
5 vote with you when it's your district, I'd ask you to vote with me because this  
6 pertains to my district, not anybody else's district.

7 **CHAIRMAIN FRANCIS:** Well, in my opinion, we all represent all of Louisiana,  
8 all five of us. This does concern all of Louisiana. I was born and raised in north  
9 Louisiana, and that line passes real close to my hometown. And so I would like to  
10 have a vote on whether we defer that item or not.

11 **MS. BOWMAN:** And if you would like, Commissioner, we could wait until we  
12 get to it on the agenda. I apologize, I assumed all were in agreement that it would  
13 be deferred. So, if -- once we get to Exhibit 6, we can have that discussion and that  
14 motion.

15 **CHAIRMAIN FRANCIS:** So, we be back in regular order?

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

17 **CHAIRMAIN FRANCIS:** Okay.

18 **COMMISSIONER CAMPBELL:** Let me say something else, too, I hope y'all  
19 listen to it. We can bring this up in Natchitoches, that's appropriate because it goes  
20 right by Natchitoches. There's a lot of people want to say something about it, I  
21 don't know why we're scared to hear testimony. But there's a lot of people who'd  
22 like to come to Natchitoches and tell you exactly how they feel about this  
23 transmission line. So, I mean, you know to cut them off and don't let them talk,

1 that's pretty tough, pretty tough. They got a lot of things they want to say, and I  
2 want to hear them. And since it's all in my area -- if it was in your area, I would  
3 vote with you. Nobody can tell me that. But it's not in your area, it's in my area.  
4 I have people coming to Natchitoches that would like to testify. I don't know why  
5 we want to rush this, unless we don't want to hear testimony. That goes back to  
6 the deal that -- you know, I was told by a lobbyist, just to remind people, I was told  
7 by a lobbyist that no police jury -- they were all for it. A lobbyist told me in a  
8 meeting -- sit up and said hey, all the police juries are for it. I wrote every police  
9 juror in north Louisiana, plus took out ads. I have had not one call me and say I'm  
10 for this project. So, when you have lobbyists telling you things like that, it's  
11 disturbing. Who's making big money on this project to sit up and tell you in a  
12 meeting that all the police jurors are for it, I don't know why you're against it. I  
13 have not had one call me and I have written every one of them, personally. Over a  
14 hundred letters. Took out a bunch of ads in the paper and told them to call me, I  
15 haven't heard. Now, I'm asking that you -- let's have this in Natchitoches where  
16 some people would have a chance to say what they feel like. Nothing wrong with  
17 that.

18 **CHAIRMAN FRANCIS:** Okay. We'll bring it up on Item 6 when at the time it  
19 comes up again. Okay.

20 **MS. BOWMAN:** Yes, sir. So, Mr. Thumm is here, again, from SERC and the  
21 presentation is on the screen if you'll just double click the laptop. And then, Brian,  
22 if you will take the microphone to speak, please, and just press the button. If it's  
23 green, it means you're hot.

1 **MR. BRIAN THUMM:** I'm sure there's a way to put this into full screen mode.

2 **MS. BOWMAN:** Yeah. That's good.

3 **MR. THUMM:** Very good. And good morning. Thank you for inviting us to

4 speak with you today. My name is Brian Thumm, and it's a privilege to be here

5 today to talk to you about SERC Reliability and some of our regional perspective

6 and address a couple of key topics that we know that you and your peers have asked

7 us to bring today. With me today is Rhiannon Gomes. She's in our state mobile

8 outreach department, and together, we're going to talk to you and maybe answer

9 some questions, if you have some. By way of introduction, the national grid is

10 overseen by the Electric Reliability Organization Enterprise. NERC, the North

11 American Electric Reliability Corporation is comprised of these six regions. They

12 are a broad prospective. We do regulate the electric industry from a perspective of

13 standards and compliance. We don't own or operate assets. We're agonistic in

14 terms of solutions that provide the reliability and resiliency that we all favor and

15 enjoy. Our mission is solely to assure the reliability and security of the bulk power

16 system through our interactions with those entities that we regulate. On the national

17 side, a [INAUDIBLE] wide side, NERC engages in the standards development. We

18 participate, of course, but the needs for new standards, typically driven through

19 conversations between NERC and FERC or NERC and the industry. They do

20 broad-based assessments, whether it be seasonal, winter and summer, long-term

21 reliability assessments. They do some in-depth studies and really take on some of

22 the more esoteric white papers that we'll see come out of our organization, our

23 enterprise as a whole. Juxtapose that with what we do at the regions, the regions

1 are more boots on the ground. We implement those types of policies that NERC  
2 will work with us on. We are the in-the-field regulators. We also run the  
3 enforcement arm, so if you're unfortunate enough to be in noncompliance with  
4 some of these standards, we do have an organization that stands up the enforcement.  
5 Truth be told, we would rather spend our resources on prevention, rather than cure.  
6 We stand up a very large outreach organization. We're heavy into outreach,  
7 training, workshops, assistance, technical committees, anything that we can do to  
8 evangelize the message of reliability, resiliency, and security, and to help entities  
9 identify best practices. Because of our regional perspective, we've got a wealth of  
10 knowledge and subject matter experts on our staff to help us inform entities of ways  
11 that we've seen that maybe it'll help them perform the function that they desire.  
12 This is our 16-state territory. Across the country we are the largest region in NERC,  
13 not by landmass, that would be out West. But in terms of load, we serve almost  
14 one third of the load in North America within these six states -- 16 states. Our  
15 mission, as I mentioned, is to assure the effective reliability reduction of risk.  
16 Again, we don't control the grid, we don't have switches, but through our  
17 conversations and through our compliance efforts, we are engaged in really three  
18 things: Risk identification, risk communication, and risk mitigation. This is an  
19 excerpt from a report recently -- soon to be published, it's going to go to our board  
20 of directors coming up here in December. But the report's essentially done, so I'm  
21 sharing this with you today. This is the upcoming revision of our regional reliability  
22 report. This is a biannual report. Every two years we look through what are the  
23 key risks facing us as a region. There's 29 or 30 in the report, this is our top 10.

1 It's not stagnant, some of these move around every two years as we see different  
2 things come and go. I'm going to talk about it later in the presentation, but for  
3 example, Number 6: Nontraditional load growth. This is not only a new risk to the  
4 risk report since our last revision two years ago, but it has made the top 10. It's up  
5 to Number 6 for what we see is happening in load growth and we're going to talk  
6 about that in a couple slides. We're also going to take a deeper dive on extreme  
7 weather impacts. I'm going to give you a very quick overview of some things that  
8 we've been doing on a national scale for transmission planning and what we see in  
9 terms of storm resiliency and whatnot. So, I'm going to get into the back half of  
10 that presentation now. And so we do a deeper dive on extreme weather. This, of  
11 course, really comes at no surprise to those of you living in Louisiana. I used to  
12 live here in Louisiana. I did come up through the utility industry before I found  
13 myself on the regulatory side of the table. With our 16-state footprint, essentially  
14 operating the coastline from Sabine Pass all the way up to the Potomac, it's hard  
15 for a hurricane to not hit SERC. If it's going to make landfall in the United States,  
16 it's probably going to hit our coastline, whether it's coming through the Gulf or  
17 Florida and those that hit the Atlantic side of our system. Extreme weather is a  
18 major risk, but not just summer extreme weather. We've seen the effects of winter  
19 storms as well. And I think back two years ago now to Winter Storm Elliott that  
20 came through and we watched as that wreaked havoc in a number of reliability  
21 coordinator areas, starting here in the western side of our region, moving through  
22 the Tennessee Valley and all the way up into the PJM territories on the north side  
23 of our region up in the Virginia area. So, there are reasons to think about extreme



1 weather not just in terms of the summer weather, but also in the winter and other  
2 types of extreme weather: Heatwaves, droughts, fires. There's a lot of activity.  
3 This slide, when I put together the presentation, the 2024 version wasn't out yet.  
4 This is a infographic showing \$28 billion climate disasters, not in aggregate, but  
5 each of these 28 events caused over a billion dollars in damage. And whether that's  
6 catastrophic failure of infrastructure or residences or commercial businesses,  
7 impacts to consumer prices, impacts to production, lost time. There's a very long  
8 algorithm they use to calculate a billion dollars. But this is what we're seeing, 28  
9 in last year up to November 1<sup>st</sup> of this year, we've already 24 this year. Part of the  
10 message with this slide is we're seeing increased frequency and increased severity  
11 with any of these severe weather events. Again, whether it be the obvious ones like  
12 hurricanes and winter storms, perhaps the not so obvious ones, droughts and floods  
13 and wildfires. Here you can see the aggregate cost of all these events that are  
14 moving through. I told you I was going to talk about transmission planning. So,  
15 coming out of some of these major events, especially out of Winter Storm Elliott,  
16 there was a concerted effort to put together an interregional transfer capability  
17 study. This came down from Congress through FERC and into our hands, as the  
18 ERO Enterprise, to put together a study that says what we saw in Hurricane Elliott  
19 -- this is a condensed version. What we saw is an inability to move power as the  
20 winter weather moved across the country. So, you'd isolate pockets of generation  
21 that could not serve other areas. At times, also, there was unavailability with certain  
22 generation, and we did have new standards to address winter weather preparedness.  
23 But in terms of the transmission planning, we were challenged to put together a

1 number of studies that we don't necessarily, traditionally have studied. So, we  
2 looked at various extreme weather cases, we looked at putting in known  
3 transmission assets that we're going to build, known generation assets. One of the  
4 big paradigm shifts that we're looking at with respect to transmission planning for  
5 these types of studies is now looking at energy as opposed to capacity. In the past,  
6 we, as utility planners, have looked at serving peak demand. We've seen peak  
7 demand shift. A lot of our region is turning into winter peaking as opposed to  
8 summer peaking, which we're seeing rather than the pockets, but almost system  
9 wide, as more electric heat and the electrification is shifting some of those peaks  
10 away from summer time, but towards the winter. But again, here we're looking at  
11 how do serve load every hour of every day in order to ensure the reliability. That  
12 used to be a production cost modeling exercise where you look at pricing for doing  
13 that and running a generation, but now it's a transmission planning exercise. What  
14 do we need to do to be able to serve all these 24/7 loads? And that's going to come  
15 up on the next deep dive about the new loads. What we found is that -- in fact, we  
16 just filed this, our final report, on Monday with the Federal Energy Regulatory  
17 Commission. So, we've identified a number of solutions, there are certain  
18 transmission expansion solutions, there are request for generation capacity  
19 solutions, there's a number of opportunities. It's not a comprehensive plan, it's not  
20 an expansion plan. This is an example of what could be achieved if you're looking  
21 at interregional transfer capability to try and maximize what is on the ground now  
22 and position us for other extreme weather type events going forward. So, prudent  
23 additions identify preliminary, directionally correct. It's going to be up to utilities

1 to pursue any of those opportunities as they need to bolster their systems. It's not  
2 comprehensive, that was not the intent of this. It was really to get an idea of do we  
3 have the ability to think about interregional transfer capability. Transfer capability  
4 alone is not going to solve the problem, there's a lot of opportunities, whether it's  
5 local investments, whether it's regional generation capacity additions of  
6 transmission. There's all kinds of solutions that are on the table. And again, keep  
7 in mind that a lot of these resource shortfalls might only be for a couple of hours.  
8 So, as we look at serving energy every hour of every day, 8,760 hours per year,  
9 some of these issues may only show up, you know, a dozen times. So, is that the  
10 investment to make? How do you shift peaks to be able to accommodate  
11 transmission planning going forward? I'm kind of dancing around this topic, this  
12 is our sixth highest risk right now, this nontraditional load growth. For many years  
13 we've seen essentially low to zero load growth across the bulk electric system.  
14 When I was in transmission planning 20 years ago, we used to routinely see 2 to 3  
15 percent load growth per year. As we went into the late aughts, it had dwindled  
16 down less than one percent. We started to maximize efficiency of a lot of loads.  
17 There wasn't a whole lot of aggregate growth. What we're seeing now though is a  
18 couple of drivers. One of them is electrification. A lot of things are becoming  
19 electric. We're seeing electric vehicles pulling freight across the country that's  
20 bringing electric growth to the grid. We're seeing a shift away from natural gas  
21 towards electric, you know, water heaters and baseboard heating in some pockets  
22 of the country, so that's affecting electric usage. Big one is data centers. As we  
23 move forward with technology, technology doesn't always mean more efficient use

1 of electricity, at least in the aggregate sense of more technology needs more  
2 electricity. And as we're seeing with some of the artificial intelligence servers that  
3 are running, as minuscule as it may seem, running an AI type algorithm consumes  
4 more power, and in the aggregate, it's a lot more, it's about an order of magnitude  
5 more. So, as we start to create new data centers, not just for storing data, but for  
6 analyzing data and creating artificial intelligence, it's driving load up to the point  
7 where we're needing significant amounts of capacity additions and these are 24/7  
8 loads. These are loads that need to operate all day just by their very nature.  
9 Population growth, more people, more electric power being used. This is just kind  
10 of showing what we've been seeing. This is an example from PJM in the northern  
11 side of the SERC territory, but load growth is increasing, which means that we're  
12 using more electricity. But then after you throw in electrification and AI and bitcoin  
13 mining, we're starting to see growth that's more than double of what our previous  
14 projections have been. Not double the load, but double the increase over the next  
15 several decades. I mentioned the data centers, we see them in a number of pockets.  
16 The PJM number, there's a lot of data centers going in in Northern Virginia, Fairfax  
17 County. The MISO number happens to not be shown in Louisiana, but it's  
18 aggregate for MISO, the 2,200 megawatts. We see it in the South. Atlanta's got a  
19 preponderance of data centers. So, this is happening now, this is what's out there,  
20 this is what we are thinking of in terms of the risk, the reliability. How do you  
21 continue to serve these types of 24/7 loads? These are new and emerging risks.  
22 Not only are we looking at how do we address the current risks that we do see, but  
23 also what's coming down the pipe. So, lack of, you know, insider threat governance

1 program. Cloud services, as we put more stuff in the cloud, we've been dependent  
2 on it. How do we show reliability of that type of data that we don't manage directly  
3 ourselves? Adaptive AI, and I mentioned the nontraditional load growth as one of  
4 our key risks. So, the final takeaways that I wanted to leave you with here today,  
5 4 of SERC's top 10 reliability risks we've talked about in the risk report. We'll  
6 have more when this report comes out in December. We encourage you all to visit  
7 our website to take a look at the regional risk report or reach out to Rhiannon or me  
8 and we can certainly send a copy along your way. We do expect to continue to,  
9 again, talk about these risks through our outreach programs; training, outreach  
10 workshops. We're maintaining an awareness, want to make sure that we're  
11 engaging with the entities, with state agency, like yourself, legislative bodies, to  
12 make sure that we're all understanding of these risks and how we could be more  
13 impactful to the reliability of the system. And we'll continue to collaborate with  
14 our industry experts through protective committees through white papers, through  
15 workshops and looking at the best ways to mitigate the regional risk. Those are my  
16 prepared remarks. I'm happy to answering questions if you have any for us today.

17 **CHAIRMAN FRANCIS:** Yeah. Go ahead Commissioner Lewis.

18 **VICE CHAIRMAN DAVANTE LEWIS:** Thank you, Mr. Chairman. Thank  
19 you, Brian. First, I want to thank you for meeting with me yesterday in depth. And  
20 so just two quick questions that I have looking at your presentation. What has  
21 SERC been looking at in regards to FERC Order 1920? I mean, as we talk about  
22 transmission, I think what we have seen FERC say in Order 1920 is about  
23 interregional planning and those cost allocations. And so I'm just curious about,

1 from your policy analytical organization, what are you all assessing or seeing -- the  
2 benefits or even some challenges that you see with FERC Order 1920?

3 **MR. THUMM:** It is on our radar. Thank you for your question, Commissioner.  
4 It is on our radar. We do need to make sure that we're maintaining independence,  
5 you know, from our entities, so in terms of are we looking at specific solutions?  
6 Not particularly. We feel that our value in this space is helping utilities with the  
7 studies that they will perform, allowing them to consider some of our regional  
8 perspective in the studies that they perform and we still -- we'll still do some of that  
9 study work ourselves to not just to double check, but we kind of want to know the  
10 answer as well. From our perspective, is there other transmission solutions, are  
11 there other generation solutions? So, we haven't dug in deeply with it, but we're  
12 engaging with our entities. I know it's a topic at our board meeting coming up in  
13 early December.

14 **VICE CHAIRMAN LEWIS:** No, great. Thank you. And, you know, from our  
15 conversation yesterday, I've been deeply interested that, when we are talking about  
16 resiliency and reliability of the grid, that a grid that's flexible is really key. I mean,  
17 I think we have to do more talking about virtual power plans, looking at GTEs,  
18 DERs, as an example of how we could utilize ensuring that the grid is also resilient,  
19 but also reliable. And so I look forward to some of your workshops because I think  
20 where our conversation went, and especially as you've added base load growth as  
21 a top risk, I think we can't just look at that as a generation only capacity buildup,  
22 right? There are multiple flexible ways to manage this base load growth that we  
23 are seeing, whether we are making investments in SMRs, long duration battery

1 storage, looking at time of use rates, right? I think this a real moment utilizing this  
2 as a risk to the reliability of our grid to really look at some of the innovative  
3 solutions that have come down from the Department of Energy and their Grid  
4 Deployment Office and the transmission planning liftoff reports. So, I just am  
5 curious, are you all assessing some of those resources that have come down from  
6 the Department of Energy as well of those reports in making recommendations or  
7 -- to states around reliability and resiliency?

8 **MR. THUMM:** Thank you again for that question. One thing that we do espouse  
9 for a lot of the challenges before us on reliability is a portfolio approach. Whether  
10 it's a portfolio generation, whether it's a portfolio of options to construct, a portfolio  
11 basket approach is extremely wise. We've enjoyed conversations at our board risk  
12 committee. We've invited people to come in and talk about what are people doing  
13 with respect to specific generation technologies. We've talked about small module  
14 reactors. We've talked about wind and solar and battery storage and a number of  
15 options to see how those are being deployed, but also so that we can understand the  
16 risks that they may bring. As we look at any of these solutions, the risks are not  
17 insurmountable, but it's something that we want to make sure that our utility  
18 partners are aware of as well other regulatory agencies to make sure that you know  
19 how to ask the default questions to them about have you considered certain things  
20 about how new generation technologies will work. You know, whether it's system  
21 inertia, whether it's ride through capability, whether it's, you know, fault current  
22 availability to drive relays, there's a number of opportunities. In terms of other  
23 things, distributed energy resources, as stuff gets pushed further down into the grid,

1 we lose visibility when it gets below certain voltage levels. If it's essentially behind  
2 the meter, we'll work with utilities to help identify what they may be seeing as  
3 challenges, we lose some of the broader perspective as it gets down into local  
4 solutions. So, our focus is really on bulk electric system reliability, so the extent it  
5 bubbles up, we will see that, but certainly we want to work with the entities at the  
6 lower levels to make sure that it's not impacting what they think it'll impact on our  
7 [INAUDIBLE].

8 **VICE CHAIRMAN LEWIS:** No.

9 **MR. THUMM:** I hope that's responsive.

10 **VICE CHAIRMAN LEWIS:** No perfect. Thank you. Thank you and I'll  
11 reiterate what I told you yesterday in my office that I sent a letter to all of our  
12 electric utilities, asking them, utilizing the DOE liftoff report for grid deployment  
13 and transmission, to see what they were either already producing, what they had  
14 applied, what they're looking at in nonapplicable. And I'm still in conversations  
15 with the Loan Programs Office at Department of Energy as well as Department of  
16 Energy to come down in January or February at some point and do a workshop with  
17 our utilities. So, I will extend that invitation to SERC as well to be a portion and  
18 my office will be in contact with you. But I want to thank you for your presentation  
19 and the time that you've made with me yesterday. Thank you, Mr. Chairman.

20 **MR. THUMM:** Thank you, Commissioner. And we'd definitely be happy to help  
21 participate with you in the development and participation in that technical  
22 conference. Thank you.



1     **CHAIRMAIN FRANCIS:** Any other Commissioners? [NONE HEARD] I got  
2     a question for you. We see in the news where there's certain parts of the U.S.,  
3     certain states are eliminating the use of natural gas in homes and businesses. If that  
4     were to continue across America, would that put extra pressure on the electric grid  
5     by not allowing people to use natural gas in their homes and businesses?

6     **MR. THUMM:** Thank you, Chairman, for your question. I can -- that's an  
7     interesting question. I can see where that might be the case. If people no longer  
8     use natural gas for heating, whether it's ambient heating or cooking, they'll need to  
9     replace that with something.

10    **CHAIRMAIN FRANCIS:** Electricity.

11    **MR. THUMM:** And it would have to be replaced probably with electricity. So,  
12    that's part of what we would consider the electrification, so as we move away from,  
13    you know, the big renaissance of gas, you know, around 2000, 2005, everything  
14    was moving to gas. It was cheaper, it was more effective, more efficient for a  
15    number of reasons. We've seen a shift away from that, so yes, as you replace that  
16    with electricity, you will see more demand growth and that will certainly increase  
17    --

18    **CHAIRMAIN FRANCIS:** Put more pressure on the electricity grid --

19    **MR. THUMM:** It will.

20    **CHAIRMAIN FRANCIS:** -- with the elimination of natural gas use. Okay.  
21    Thank you.

22    **MR. THUMM:** I would agree. Yes.

23    **CHAIRMAIN FRANCIS:** Well, thank you for your presentation.

1 **MR. THUMM:** Thank you.

2 **CHAIRMAN FRANCIS:** All right. We on Number 2?

3 **MS. BOWMAN:** Well, we have the report from the correctional institute service  
4 providers, that was also going to be first.

5 **CHAIRMAN FRANCIS:** All right.

6 **MS. BOWMAN:** And the first public comment we're going to receive today is  
7 from a Mr. Walker Estes and I think it's Dr. McKinney, and I'm sorry if I butchered  
8 that. If they want to come up to the table.

9 **MR. WALKER ESTES:** Good morning to all of you. My name is Walker Estes.  
10 And I represent the deaf correctional institute here in Louisiana, and I work as a  
11 volunteer chaplain in Angola. So, I want to discuss about the video relay system  
12 that the deaf use to communicate instead of being on the phone. For you guys, it's  
13 a video relay system. Angola right now has about 6,300 prisons. There's deaf --  
14 there's inmates -- there's three deaf inmates, and there's a very small percentage.  
15 And they use video relay systems to communicate all over. So, we're concerned  
16 about if you're setting up a rate. It's been -- they haven't been charging because  
17 it's provided by the video relay system. And the FCC provides the payments, and  
18 we have some people that know how to setup in prison facilities. So, if we want to  
19 setup the rate, I encourage you not to add additional costs. I heard that there's --  
20 it's 14 cents a minute, compared to the regular phone is 6 cents a minute. Six and  
21 14 is a big difference. So, sign language happens to take a very long time because  
22 it's back and forth, and so the time takes longer to communicate than hearing  
23 people. So, my daughter, she's in prison, she's been there four times. The first two

1 times, there was no video phone, no video relay, and the last two times, there was  
2 a video relay system, so it was nice for us to communicate. Like many prisoners  
3 call their parents through the phone, she calls me through the video relay system.  
4 So, it was nice to see how she was doing, and there was no charge. So, let me see.  
5 Oh, in the deaf community, American Sign Language is very unique, and we use  
6 the video phone. And it's important for us to have that communication access.  
7 There's three deaf prisoners in Angola, and the communication is very limited.  
8 There's no access to communication. How could they speak to the doctors or attend  
9 a meeting? You can see it on the screen and I can communicate. So, I encourage  
10 you to consider not adding additional charges on the rates and just leave it how it  
11 is. Thank you for your time.

12 **CHAIRMAN FRANCIS:** How many prisoners?

13 **MR. ESTES:** Deaf?

14 **CHAIRMAN FRANCIS:** How many deaf prisoners?

15 **MR. ESTES:** There's three.

16 **CHAIRMAN FRANCIS:** Three?

17 **MR. ESTES:** And there's -- Angola has 6,300.

18 **CHAIRMAN FRANCIS:** I'm sorry, say it again.

19 **MR. ESTES:** Okay. So, in Angola, right now, the prisoners are 6,300. There's  
20 three prisoners in Angola right now that are deaf.

21 **CHAIRMAN FRANCIS:** Three deaf prisoners in Angola. Okay. How about  
22 other lockups in the parish, or?

1 **MR. ESTES:** Well, I know in New Orleans Parish, there's two. And I'm sure  
2 there's a few others. There tends to be, you know -- I don't really have the number.  
3 They're usually isolated.

4 **CHAIRMAIN FRANCIS:** Is he asking for just Angola for those three?

5 **MR. ESTES:** Yes.

6 **CHAIRMAIN FRANCIS:** Okay. So, they're asking for three in Angola? Okay.  
7 All right. Okay. Any other Commissioners? Commissioner Lewis.

8 **VICE CHAIRMAIN LEWIS:** Yes, yes. Thank you. Can you remind me what  
9 is the current rate you're paying for the video calls or is there no rate right now?

10 **MR. ESTES:** Currently, there's no rate, but there are companies out there that  
11 want to take the contract and start charging, so --

12 **VICE CHAIRMAIN LEWIS:** Gotcha. So, my understanding, so what you're  
13 asking and what you're advising us is to be very careful of adding, as we move  
14 more digital to video, adding a rate to those video calls.

15 **MR. ESTES:** Yes. Correct. And it's already there. For five years, it's been there,  
16 so why fix something that's not broken?

17 **VICE CHAIRMAIN LEWIS:** Thank you. I agree with you. Thank you.

18 **MR. ESTES:** Yeah.

19 **COMMISSIONER CAMPBELL:** Let me ask something. I need to ask  
20 something.

21 **MR. ESTES:** Okay.

22 **COMMISSIONER CAMPBELL:** Thank God that the federal government has  
23 reduced rates on jailhouse phones. Y'all all aware of that? The rates have been

1 reduced, thank God, because politicians wouldn't reduce it. I've been baptized in  
2 prison rates and how they need to be 30 cents and 40 cents a minute. So, thank God  
3 the federal government came in and I guess were going to talk about that, aren't  
4 we, and how much you're going to be able charge now. But I just want to make  
5 sure that this new video stuff, they don't do an end around. You know what an end  
6 around is? If you're a football player, you know what the end around is. It's when  
7 the end comes around and the quarterback gives him the ball and he goes this way  
8 instead of straight up the middle. I just hope that we don't do end arounds on video  
9 calls. I want to know how much they going to cost, videos, because I haven't heard  
10 many operators really worried about the reduction and it got a hell of a reduction,  
11 too. They went down to six cents. And they have to do that on January 1<sup>st</sup>. They  
12 do not have a choice. Hallelujah. Great Christmas present. The federal  
13 government comes in and helps the thousands of people that are incarcerated that  
14 can't talk to their loved ones, can't talk to their kids. They don't have medicine.  
15 And a lot of people got rich off of prison phones. Oh, boy, they have got rich off  
16 of them. They got their foot on the neck and they charge and charge and charge,  
17 and now the federal government says we're going to cut that out. Well, that's  
18 wonderful and I'm happy about that. But I want to know this, Brandon, and to help  
19 me, Ms. Bowman, if they're going to save money on prison phones, which we're  
20 all for, and these people that were making all this money, are they just going to lay  
21 down and say well, we're just going to charge 6 cents instead of 30 cents? Isn't  
22 that what they're going to be able to charge, six cents a minute?

23 **MS. BOWMAN:** Yes.

1 **COMMISSIONER CAMPBELL:** Yeah. Well, can you imagine the federal  
2 government coming in and say instead of charging 30 cents, you're going to charge  
3 6? Now, what are they going to do? They just going to take that? Take it and just  
4 say we're going to reduce our revenues or we're going to do videos? And how  
5 much does a video cost?

6 **MS. BOWMAN:** The video will -- it ranges depending on the size of the prison,  
7 but it ranges from 11 cents to 25 cents.

8 **COMMISSIONER CAMPBELL:** Twenty-five cents. Well, that's a -- a minute,  
9 right?

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

11 **COMMISSIONER CAMPBELL:** Oh, boy. So, we're going to reduce the rates  
12 on prison phones, but we're going to let you charge 25 minutes -- 25 cents a minute  
13 for video, right? Do we have any -- have we ever talked about that? I've been here  
14 for 25 years and I know more about prison phones than everybody in here, but I've  
15 never heard a discussion about videos. Have we ever talked about that?

16 **MS. BOWMAN:** We have not.

17 **COMMISSIONER CAMPBELL:** Well, we ought to put that on the agenda and  
18 we ought to talk about it from A to Z to see exactly what these people are charging  
19 because if they're doing a end around instead of going right up the middle, you give  
20 the ball and it comes this way and you think you got him tackled, but he's down the  
21 field for a touchdown, we got a problem. That's a end around, video. And you  
22 might not like to want to fool with it, but I want to fool with it because this is great  
23 relief for a lot -- thousands of people in Louisiana, thousands of people. And we've

1 done some crazy things in here about prison phones; hadn't we, Brandon? Had to  
2 get a guy investigated, it was hard to get him investigate. Nobody wanted to do it,  
3 but I want to know before we vote on this or when we bring it up, I want to know,  
4 put this on the agenda, how much this means and call these people in here and get  
5 the bottom line to this. Are we really saving, or we're just putting an end around  
6 and letting them charge more money?

7 **MS. BOWMAN:** We do have one company who responded to your request to be  
8 here today, Securus. But I wanted Mr. Estes to have his opportunity to speak first.  
9 So, we can call Securus up, assuming Mr. Estes is done with his public comment  
10 and there's no more questions from the Commissioners.

11 **MR. ESTES:** Yes, I'm finished. I'm done. Thank you

12 **MS. BOWMAN:** Okay. Thank you, Mr. Estes.

13 **CHAIRMAIN FRANCIS:** Thank you.

14 **MS. BOWMAN:** So, we do have one company, it's Securus, and they have three  
15 representatives here today. I'm not sure if all are wanting to speak. A Mr. Terry  
16 Bessent, a Michael Lozich, I'm sorry if I'm butchering your name, and Ms.  
17 Stephanie Laborde.

18 **CHAIRMAIN FRANCIS:** Let me ask you, Mr. Secretary -- Mr. Secretary Frey,  
19 if the federal government isn't charging the pricing now on prison phones, how  
20 does it affect this visual for the speaking impaired? Would that be a federal rule  
21 also?

22 **SECRETARY FREY:** I know Kathryn has looked at that more than I have on the  
23 Martha Wright-Reed Act, or Martha Reed Wright Act deals more what the phone

1 themselves. I don't know that it specifically addresses the rates for video calls in  
2 there, but --

3 **CHAIRMAIN FRANCIS:** Seem like it could be under the same category.

4 **MS. BOWMAN:** It does. The Martha Wright-Reed Act does address both video  
5 and audio. And short history background, Congress delegated the authority to the  
6 FCC to establish rates for correctional institutions and part of that delegation said  
7 not only do intrastate but also go down into the state level and do the intrastate,  
8 which is what we have historically had jurisdiction over. But given this new  
9 authority from FCC and they issued an order, a rule, like we would, that's effective  
10 in January, the new rates would go into effect in January and all of the correctional  
11 institutional providers would have to adhere to that FCC rule for both audio and  
12 video rates.

13 **CHAIRMAIN FRANCIS:** So, it would be a federal jurisdiction instead of state,  
14 right?

15 **MS. BOWMAN:** Yes sir.

16 **CHAIRMAIN FRANCIS:** Okay. Thank you. And Commissioner Lewis.

17 **VICE CHAIRMAIN LEWIS:** Ms. Bowman, just for clarity, the FCC in the  
18 Martha Wright-Reed Act sets a ceiling --

19 **MS. BOWMAN:** Correct.

20 **VICE CHAIRMAN LEWIS:** -- but the states still have authority to go lower to  
21 charge, perhaps what I believe is the right thing to do, no fee towards phone calls  
22 for incarcerated people. So, we still have some authority to regulate below the  
23 FCC, we just can't go above the FCC?



1 **MS. BOWMAN:** Yes. You're absolutely correct.

2 **COMMISSIONER CAMPBELL:** Let me ask a question. Did you just tell me  
3 or did you just say -- which I think it's different than what I've understood, that's  
4 probably me, not you. But did you just tell me that they -- you know, you can set  
5 the rates for video, too?

6 **MS. BOWMAN:** Yes.

7 **COMMISSIONER CAMPBELL:** You can?

8 **MS. BOWMAN:** The FCC did. Yes.

9 **COMMISSIONER CAMPBELL:** We have no ability to set rates on video; is  
10 that what you're saying?

11 **MS. BOWMAN:** Correct.

12 **COMMISSIONER CAMPBELL:** So, we have never talked about video; have  
13 we? Well, that's something we ought to talk about. We talk -- we've talked the  
14 ears off about jailhouse phones and the phone rates, but we've never talked about  
15 video rates, which is something new. See, the local sheriffs and the local people,  
16 when they reduce the rates, they went to video. They've gone to video, but we  
17 haven't talked about that, so we really need to bring that up and talk about video  
18 rates also and how much they charge. That can be just as abusive as phone rates,  
19 and I got a feeling that it is because why are all the providers sort of quiet about it?  
20 And I'm a tell you, thank you, Ms. Laborde, for coming today. You're a nice a  
21 lady. I've been knowing her all my life. And she used to work for Edwin, and she  
22 married a good friend of mine. And she's a fine woman, and y'all are good to get  
23 somebody like her to represent you. She's honest. But anyway, I haven't heard

1 anybody squealing much about this and usually when you take the bread out of  
2 somebody's mouth, they start squealing. So, they didn't squeal too much when the  
3 rates were reduced. And so therefore, I want to know about the video rates, now,  
4 they're charging video, and how much they charge somebody. And what did you  
5 say they -- you have an idea of what they're charging? Twenty-five cents a minute?

6 **MS. BOWMAN:** Well, that's what the FCC -- is the cap that the FCC says they  
7 can charge, and depending on the size of the facility, either up from -- up to 25  
8 cents. There are some lawsuits pending at the federal level challenging the FCC's  
9 rates. Those have just recently been filed, but it's challenging those federal rules.

10 **COMMISSIONER CAMPBELL:** For the telephones?

11 **MS. BOWMAN:** For both.

12 **COMMISSIONER CAMPBELL:** So, they're saying it's not enough, right?

13 **MS. BOWMAN:** The argument is that the FCC is stepping outside of its bounds  
14 and is not adhering to just and reasonable rates across the board.

15 **COMMISSIONER CAMPBELL:** Just and reasonable. That's some nice words,  
16 just and reasonable. But anyway, so can we put this on the agenda or can you --  
17 Ms. Laborde, can you talk about that now?

18 **MS. STEPHANIE LABORDE:** Well, yes. Thank you, Mr. Acting Chairman and  
19 Commissioners. I'm Stephanie Laborde, the Attorney for Securus. We are here  
20 today at the request of Commissioner Campbell. Thank you for your kind words.  
21 I have today Mr. Michael Lozich who's the Associate General Counsel for Securus  
22 Technologies. At Commissioner Campbell's request, he's going to address how  
23 the act -- the federal act is going to affect the rates for Securus for video

1 teleconferencing in inmate facilities. And then per your further request, we also  
2 brought with us Terry Bessent, who's a Sales Representative for Securus. You had  
3 further requested us to show the -- how video teleconferencing works. We had  
4 hoped to provide you with an actual -- the live experience of how it works.  
5 Unfortunately, today is the day that the effect goes live, and so the system is down  
6 as we switch over to the new system. So, he's going to have to show you a static  
7 slide show of how it would work. We can't do it live because the system is down  
8 as we make the switch over, but we will show how the video conferencing system  
9 works as well. But first, Mr. Lozich is going to address how the act is going to  
10 affect Securus' rates for video conferencing.

11 **COMMISSIONER CAMPBELL:** First of all, these people -- I contacted all the  
12 prison operators in the states, all of them, and these are the only people that called.  
13 The rest of them they don't want to talk about it.

14 **MS. BOWMAN:** There is a correction, I'm sorry, they just hadn't filled out yellow  
15 cards. We have two other companies here as well after Securus gets done.

16 **COMMISSIONER CAMPBELL:** Well, three of them. And we wrote everybody  
17 and asked them to come, and they really didn't want talk about it too much. I don't  
18 blame them. But, Ms. Laborde, I appreciate your courtesy, and I want to know all  
19 about it. If I'm in jail and they come to see me with a video, how much does it cost  
20 and who do -- does it go to your momma or who does it go to? Whoever you want  
21 it to? And how much does it cost compared to phones?

22 **MS. LABORDE:** We're here to answer whatever questions you have.

1 **COMMISSIONER CAMPBELL:** Okay. Well, tell me that right off the bat. If  
2 I'm in jail -- if I'm in jail and you come to see me, or I ask for you to come, and you  
3 tape me, okay, and it goes to my wife or my mother or whoever it goes to, how  
4 much does that cost per minute? How much does that cost per minute in --

5 **MR. MICHAEL LOZICH:** Well, under the new rate caps, it can cost anywhere  
6 between 11 cents per minute up to 25 cents per minute, based on the size of the  
7 facility.

8 **COMMISSIONER CAMPBELL:** Yeah. The smaller the jails, the more they  
9 charge.

10 **MR. LOZICH:** Yeah. There's one tweak on this. Prisons actually have a higher  
11 per minute rate cap than --

12 **COMMISSIONER CAMPBELL:** Well, you represent Angola, Securus  
13 represents Angola. What do you charge at Angola? That's the biggest prison in  
14 the state.

15 **MR. LOZICH:** We don't have -- well, we don't have video service.

16 **COMMISSIONER CAMPBELL:** No, but you have the phone service.

17 **MR. LOZICH:** We do have a phone service. And I do not know off top -- well,  
18 one moment. Let's see if I have that.

19 **UNKNOWN SPEAKER:** Twenty-one cents per minute.

20 **MR. LOZICH:** Twenty-one cents? Is that at the -- I don't see Angola on our list.

21 **COMMISSIONER CAMPBELL:** That's your biggest account in the state.

22 **MR. LOZICH:** Louisiana Department of Corrections, 14 cents per minute.

1 **COMMISSIONER CAMPBELL:** So, you charge 14 cents per minute, but you  
2 charge 6 cents if they call on the telephone? That's all you're going to be able to  
3 charge. You're charging more now. What do you charge now for phone?

4 **MR. LOZICH:** Fourteen cents per minute.

5 **COMMISSIONER CAMPBELL:** Phone?

6 **MR. LOZICH:** Yes, and that includes two cents per minute site commission.

7 **COMMISSIONER CAMPBELL:** So, you're going to be cut from 14 to 6?

8 **MR. LOZICH:** Technically the amount that we're going to recover is going to go  
9 from 12 to 6.

10 **COMMISSIONER CAMPBELL:** Okay. So --

11 **MR. LOZICH:** So, how do we get there?

12 **COMMISSIONER CAMPBELL:** No, no, no. I ain't worried about how you get  
13 there. You know, you're a big company. I'm not worried about you. I'm worried  
14 about the people that have to use it to speak to their kids and say how you doing,  
15 don't do what I did or you'll wind up in jail. That's who I have on my heart. It's  
16 not Securus.

17 **MR. LOZICH:** Okay.

18 **COMMISSIONER CAMPBELL:** I appreciate Securus, but that's not who I'm  
19 worried about. I'm worried about someone that can't take medicine because he  
20 can't talk to his folks. Or he's having mental problems in jail, which are full of  
21 mental people with mental illness, and they can't afford to talk. That's who I'm  
22 worried about. Well, let me ask you something. So, if I'm in Angola, okay, and I  
23 want to call my folks, okay, so it costs how much? Fourteen cents a minute?

1 **MR. LOZICH:** Yes.

2 **COMMISSIONER CAMPBELL:** Right. And so how much is it going to cost  
3 for video? Up to 21 --

4 **MR. LOZICH:** If we have video there.

5 **COMMISSIONER CAMPBELL:** No, I know, but you're going to get it now.  
6 Come on with it, you know damn well you're going to get it. You're biting at the  
7 bits to get it. Come on, this is old Foster.

8 **MR. LOZICH:** It depends on what --

9 **COMMISSIONER CAMPBELL:** I know what you're going --

10 **MR. LOZICH:** Well, what size of jail is Angola?

11 **COMMISSIONER CAMPBELL:** What?

12 **MR. LOZICH:** Six thousand, so it's going to be 11 cents per minute. If we get it,  
13 which we don't have it right now.

14 **COMMISSIONER CAMPBELL:** Well, you're going to get it, though, because  
15 I know you're not going to sit back and say we don't want to do it. You want the  
16 money, man. You want the money and you're going to get it. You've got all those  
17 people over there want to say hello, Christmas, Merry Christmas, how you doing,  
18 11 cents a minute. But y'all going to be able to charge six cents a minute as of  
19 January the 1<sup>st</sup>; that's right? That's right.

20 **MR. LOZICH:** One qualification on that. The new rate cap is going to start going  
21 into effect January 1<sup>st</sup>, but they go in on a rolling basis based on the size of the  
22 facility.

23 **COMMISSIONER CAMPBELL:** I got you.

1 **MR. LOZICH:** And can go all the way to April 1, 2026.

2 **COMMISSIONER CAMPBELL:** I know. Well, Angola is a big one, so it's  
3 going to be cheaper. You don't have any prisons bigger than Angola in the state of  
4 Louisiana, know it. It's the biggest. So, what I'm -- is there any way we can -- I  
5 know it wasn't your doing, but I'm not picking on you. I told you I like Ms.  
6 Laborde. I like her, but I disagree with here. But if she brought you, you got to be  
7 okay. All right.

8 **MR. LOZICH:** I'll take that.

9 **COMMISSIONER CAMPBELL:** But anyway, why can't y'all -- if you cut the  
10 phone rate down to six cents a minute, how are y'all going to be able to -- looks  
11 like we cut the video down, too. Why don't we have video the same as the  
12 telephones?

13 **MR. LOZICH:** Because what the underlying technology and the infrastructure is  
14 very different. I mean, one of the things that we want to just, you know, kind of  
15 point out, a basic contract for these services is intended to be a turnkey solution for  
16 the facility. They don't have to do -- they don't have to pay for anything to install  
17 this, and it's no cost to the taxpayers. So, the costs are shifted onto the ratepayers.  
18 And when it comes to telephone technology, that's a pretty well-established  
19 technology. That's pretty much off the shelf. The video service is very different.  
20 You know, I want to just point out, we're not selling Facetime. We're not selling  
21 Teams or Zoom. We have a custom-built platform that was designed for this  
22 environment that provides them the security and the administrative controls the  
23 same ways that we've built over time for telephone. There's a cost to that. There's

1 also more robust infrastructure that's required to support that. There's also, you  
2 know, different equipment and this has to be recovered over the length of the  
3 contract based on the usage. So, it just -- you know, the per minute cost is simply  
4 greater for video over telephone. That's like I said, telephone's a more established  
5 technology. The components of it are more off the shelf. You know, we're not  
6 reinventing the telephone, but we did have to reinvent video service for prisons and  
7 jails.

8 **COMMISSIONER CAMPBELL:** You know what you're sounding like?

9 **MR. LOZICH:** Please, tell me.

10 **COMMISSIONER CAMPBELL:** To your credit, I'll tell you. You're sounding  
11 like the same story you've been using about telephones for year after year after  
12 year. If I could roll back three years and I ask you that, you would tell me how  
13 complex the telephone system is, and this is why we have to charge so much  
14 because the telephone system is so complex. Now, you're saying, you know, we're  
15 not worried about the telephones because the FCC backs you up.

16 **MR. LOZICH:** You asked me to -- excuse me, you asked me to explain what the  
17 difference was between telephones and -- our telephone service and our video  
18 service. If you want to talk about the difference between, you know, the telephone  
19 service in a prison or jail, and an unlimited subscription plan you have for your cell  
20 phone, I can talk about that, too. There are considerable differences.

21 **COMMISSIONER CAMPBELL:** Did you support -- then, I guess, hear you talk,  
22 you supported cutting the rates; didn't you?

23 **MR. LOZICH:** We did.



1 **COMMISSIONER CAMPBELL:** Oh, you did?

2 **MR. LOZICH:** We have supported and we will continue to support a data driven  
3 process.

4 **COMMISSIONER CAMPBELL:** You supported cutting the rates to six cents  
5 per minute? Your company did?

6 **MR. LOZICH:** No, we did not. Well, no --

7 **COMMISSIONER CAMPBELL:** Oh, okay. Wait a minute, now the real truth  
8 comes out. Let's have it. I'm all ears. Did you or did you not support cutting the  
9 rates down to six cents per minute?

10 **MR. LOZICH:** We've appealed the order because of the process by which they  
11 get to that rate, which -- and let's be clear about this. The way they get, you know,  
12 the current rate for a prison is 12 cents per minute. How they got to 6 cents per  
13 minute was they took about half of the underlying costs and they shifted it onto the  
14 taxpayers. That's how you get to six cents per minute. The underlying cost of the  
15 call did not change, but they took categories of costs and they said ratepayers don't  
16 have to pay for this, and if prisons and jails want it, they have to pay for it  
17 themselves. That's how you get the six cents per minute.

18 **COMMISSIONER CAMPBELL:** You're on a New York Stock Exchange,  
19 Securus?

20 **MR. LOZICH:** No, we're not. We're privately owned.

21 **COMMISSIONER CAMPBELL:** You're not on stock exchange?

22 **MR. LOZICH:** No, we are not.

23 **COMMISSIONER CAMPBELL:** You're not. Okay.

1 **VICE CHAIRMAN LEWIS:** If I may on that point, so I can understand you  
2 correctly, so you are not suing the FCC over authority, you're suing over what you  
3 believe the rates are arbitrary? Am I hearing you correctly or are you also in your  
4 pending lawsuit --

5 **MR. LOZICH:** We are not -- excuse me.

6 **VICE CHAIRMAN LEWIS:** No, no. I just want to make sure I'm following.  
7 So, in your pending lawsuit, you are not saying the FCC did not have authority over  
8 intra and interstate rates, you're just saying that the rate that they created is  
9 arbitrary, that's Securus' position?

10 **MR. LOZICH:** We are not challenging in any way the Martha Wright-Reed Act.

11 **VICE CHAIRMAN LEWIS:** Okay. And if you could expound on why do you  
12 think that rate or the way they made that rate is -- would be arbitrary? I mean, I  
13 looked at the record, I read the comments. I believe you all filed comments in the  
14 proceeding and the hearing and I mean it was a -- for the FCC to have a unanimous  
15 vote is very telling. Even Chair-Select Brendan Carr voted for these rate structures.  
16 And I'm no fan of Brendan Carr, I'll be very clear about that. So, I'm trying to  
17 understand where you think the record at the FCC is missing.

18 **MR. LOZICH:** Well, there's a -- first of all, this is the order. There's a lot in  
19 there. And, you know, a key part of it is how they got -- how they made the  
20 decisions that they made. For example, they marched through -- they came up with  
21 a bunch of categories, cost categories dealing with safety and security, and they  
22 went through an analysis and basically said we're going to toss this in this category  
23 and that in that category. And we challenged the reasoning for how they got to that.

1 The way that they ended up calculating the rate, just the math. Part of the math was  
2 they took the total recoverable costs and they divided it, not just by the billed  
3 minutes, which we can recover those costs, but also by unbilled minutes. So,  
4 there's a category of costs that have been aligned with calls that we can't even  
5 recover the costs for. And for us, that's arbitrary and capricious. It doesn't make  
6 a lot of sense how they got to that. It's also inconsistent with the approach that they  
7 took earlier. So, there's a number of underlying decisions that were made  
8 throughout this order that we challenge -- that we're challenging. You know, I  
9 would point out that the FCC put out an order in '21 in which they set the current  
10 rate caps. And they used a data driven process and no one in the industry challenged  
11 any of it. There were some, you know, motions for reconsideration through the  
12 process, but there were no lawsuits, there were no appeals. There is a process here  
13 that provides just and reasonable rates through a reasoned process based on the data  
14 that's been provided. That's what our objective is. All right. And, you know, if  
15 the -- but right now, we are moving towards the implementation of the order. It  
16 started yesterday. One of the changes is our particular video service is -- has been  
17 priced on a per session basis. You reserve a block of time, you pay for that whole  
18 time. FCC said everything has to go to a permanent rate, and so we are turning off  
19 the rating, you know, of those calls. We have to continue providing the video  
20 service under our contracts, but they're going to be provided for free for a certain  
21 amount of time until we modify our product to be able to charge according to these  
22 rate caps. And there are other changes that started yesterday, and we have, of

1 course, the rate changes that are going to be going into effect January 1<sup>st</sup> and we  
2 are engaging with our customers to implement those.

3 **VICE CHAIRMAN LEWIS:** No. Thank you for that information and I guess the  
4 follow-up question based off of the testimony we heard earlier is if, and since -- if  
5 you do take that contract with Angola on video service calling, would you commit  
6 or would you strongly look at keeping those free, especially for the hearing-  
7 impaired community?

8 **MR. LOZICH:** Well, VRS calls we have to put free because it's in the FCC's  
9 regulations. And the way it works -- and keep me honest here, Terry.

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

11 **MR. LOZICH:** The way it works is if someone is using VRS, they'll use our  
12 equipment, they'll dial to the number. But then it goes to our vendor, which is  
13 Purple, and they take over the call from there and there's no charge to the user.

14 **VICE CHAIRMAN LEWIS:** Thank you. I think you can -- Ms. Laborde, if you  
15 had any other -- I know you're starting a presentation. I'm not sure if you had a  
16 presentation that you wanted to present to the body, but if so, this is the appropriate  
17 time.

18 **MS. LABORDE:** I just wanted to repeat --

19 **VICE CHAIRMAN LEWIS:** Please use the microphone.

20 **MS. LABORDE:** I'm sorry. I just wanted to repeat a part of his testimony that  
21 Commissioner Campbell didn't hear that during this transition period, until Securus  
22 is able to rebuild its platform, they will provide video calls to the incarcerated  
23 population for free until they're able to convert their system to the new billing

1 platform. So, they are starting, I think, tomorrow. The service will be provided in  
2 those facilities that have video calls for free.

3 **VICE CHAIRMAN LEWIS:** Thank you. Do you know what the timeline you  
4 are until you revert or a estimate?

5 **MR. LOZICH:** Not at this time.

6 **COMMISSIONER GREENE:** Can I interrupt for a second?

7 **VICE CHAIRMAN LEWIS:** Yes, Commissioner Greene for personal privilege.

8 **COMMISSIONER GREENE:** So, pardon me one second. I just want to take a  
9 moment to introduce the next Commissioner taking my place, he's here, Jean-Paul  
10 Coussan. You want to wave to everybody, you want to come say something?  
11 You're welcome to. So, Commissioner Jean-Paul Coussan, everybody. Give him  
12 a round of applause [INAUDIBLE].

13 **VICE CHAIRMAN LEWIS:** We haven't had this type of interaction yet, Senator  
14 Coussan, but I like being on this side while you have to kind of look up at to me  
15 this time.

16 **COMMISSIONER-ELECT JEAN-PAUL COUSSAN:** I appreciate it,  
17 Commissioners. Thank y'all for welcoming me this morning. I look forward to  
18 working with all of you. I know you have a lot of wisdom and years behind you,  
19 and I look forward to learning a great deal from you. And thank you to all of the  
20 people in the audience, as well, for being here and taking part in this process.

21 **COMMISSIONER GREENE:** Well, I know you've got to get to special session,  
22 so thanks for dropping by and you'll be up here soon enough. Congrats on your  
23 victory.

1 **COMMISSIONER-ELECT COUSSAN:** I appreciate it.

2 **VICE CHAIRMAN LEWIS:** Did you have any further comments that you  
3 wanted to make?

4 **MS. LABORDE:** No. If you have no further questions about the effect of the act,  
5 I know that Commissioner Campbell wanted a demonstration or a walkthrough of  
6 how the video calling system works. Are you still interested in that? Then Terry  
7 Bessent has a demonstration if we can turn down the lights, it's loaded up on the  
8 screen.

9 **VICE CHAIRMAN LEWIS:** I think you should be able to control it on the  
10 computer.

11 **MR. BESSENT:** Yes sir. Okay. The way -- can y'all hear this? The way that the  
12 video visitation works is there's two types. There's remote, which is the paid  
13 service that we're discussing, and there's also on-site video visitation. The on-site  
14 video visitation is a way where the family and friend can come into the facility  
15 through a terminal and they can visit the incarcerated while the incarcerated  
16 remains in their pod. So, there's no inmate movement back and forth. On-site,  
17 which we call that, has always been free. It would be equivalent to you coming in  
18 and visiting through the glass. Okay. So, we came up with that so that would  
19 reduce the inmate movement throughout -- incarcerated movement throughout the  
20 facility. So, the way that the remote video visitation works through Securus  
21 Technologies is that a family and friend would go to our website or to their mobile  
22 app. They would create an account, you know, a secured password, things of this  
23 nature, right? So, what they would do, in that aspect, is they would go in there and

1 they would take a selfie, they would take a picture of a government issued ID, and  
2 they then submit that to the facility. Someone within the facility will view that  
3 profile, and at that point, they can vet them however which they do so. Co-  
4 defendant, no contact, whatever the case may be. [INAUDIBLE] and warrants,  
5 they can run that. Once approved, the family and friend then gets an email back  
6 says congratulations, you've been approved. They in turn then can go back through  
7 the app or to the website and create that appointment at that given time. Once they  
8 create that appointment, the notification is provided to the terminal of the kiosk  
9 within the facility, or if they -- if the incarcerated have their tablets, which video  
10 visit is also available on tablets as well. So, that's how they get that whole process  
11 going. So, what you see here is an example of that where the photo ID, what the  
12 staff would look at. They can approve it or deny it. If they do deny it, then it will  
13 explain to -- why it was denied. It could be an expired driver's license, a expired  
14 passport, whatever the case may be. The family and friend gets that notification,  
15 they correct that, resubmit it, go through that process until they finally get approved.  
16 The reason why we want to have an approval process is because we want to know  
17 it would be the same as if they were coming in showing their driver's license  
18 through the face-to-face visit, right? So, they're identifying themselves. We know  
19 on our end who that registered approved visitor is and who they're visiting with.  
20 We can see this notification as far out as two weeks. We can set that threshold  
21 however far out you want that. But as far as two weeks when they schedule this  
22 appointment.

23 **COMMISSIONER CAMPBELL:** Are you able to listen in to the calls?

1 **MR BESSENT:** Yes sir. Okay. Quick follow up on that is that family and friends,  
2 when they create their accounts, they're adhering to the terms and conditions which  
3 identifies that their calls are recorded and could be monitored. We do have a feature  
4 as well that allows the attorneys to visit the incarcerated without having to come  
5 down to the facility. A step further from what the family and friends did with their  
6 photo ID and their selfie, is that the attorney would have to represent a bar card that  
7 way the facility typically, locally here, would know who that attorney is. They get  
8 approved as an attorney visitor, so our system recognizes that, and at that point,  
9 attorney visits are never recorded and cannot be monitored. But family and friends  
10 are always that way. So, we can set visitation rules, how many visits per week, per  
11 day, or whatever the case may be that we can set these visitation rules to the family  
12 and friend as well as to the incarcerated individual. So, for example, if they're only  
13 allowed two visits per week, we set that rule, but we can narrow it down to the  
14 specific incarcerated individual. The visitation management, for example, so we  
15 can see -- up here, we can see what type of visit it's going to be, whether it's going  
16 to be a remote visit or an on-site visit, so the staff has enough preparation time to  
17 compensate for that. They can know if the incarcerated individual is going to be  
18 available. They could be out school, they could be at a work detail, whatever the  
19 case may be, but this is giving the staff enough time to notice the incarcerated  
20 individual will be notified of that visit of that day. They could see it on their tablet,  
21 or that day of, they could go to the kiosk and see that they have a visit scheduled  
22 for that day. Here is one of the sessions that are, you know, actually being recorded  
23 and monitored. You can see the thing about the video visitation was quite frankly



1 created so that the incarcerated individual could be a part of the life. You know,  
2 you could have the camera at a baptism or at a birthday party or whatever. As far  
3 as Securus, we never really cared who was in that video visit as long as that  
4 registered -- approved, registered visitor is in the camera. You know, so for  
5 example, seeing the child, seeing the dog, whatever the case may be, but they can  
6 be a part of it. It's encouraged to have that video visitation because they can be a  
7 part of it, see what they're missing, unfortunately. With the recording and  
8 monitoring, too, we can watch up to 12 simultaneous video visits going on,  
9 conducting. And if there was something going on in the background, you could  
10 maximize that particular session, look at it. The red X you see there is just because  
11 the microphones are muted. We have a feature called barge in, so that during this  
12 video visit, if there was anyone, the family and friend or the incarcerated that was  
13 doing a policy violation, that video can be temporarily suspended. Both parties  
14 would have to acknowledge, you know, their policy violation and then that video  
15 visit can continue from that point. And these are all options we have available. It's  
16 not just cookie cutters, but what your facility requests. There's also a background.  
17 So, we have a blurred background available, so, you know, if you see any further  
18 incarcerated individuals walking behind, those images are blurred out. And we also  
19 have what we call face and frame, so if your face gets out of that picture, it all  
20 becomes blurry, much like what you'd see with the, you know, the Teams and  
21 things like that. So, we have that as a precautionary measure as well. But these are  
22 on the kiosks that we have now. We can also do -- because of the current Martha  
23 Wright-Reed Act, we are now doing, as Michael mentioned earlier, we would

1 normally have blocks, you know, a block blocked out for that video visit. But now  
2 through the use of the video tablets, because every incarcerated individual will get  
3 a tablet through our policy, and the way we do it, a one-to-one ratio. So, we are  
4 able to do the price per minute to stay in accordance with the Martha Wright-Reed  
5 Act and we can do it on demand, so you don't have to have that schedule like we  
6 talked about earlier. Here is the tablets that we have. Tablets, you know, with the  
7 video visit on there, you know, like I said, you don't have to worry about, you  
8 know, who's in line to have the video visit with the on demand and the tablet in  
9 hand that they can have that video visit through those provided hours, right? You  
10 don't want to have a video visit at midnight, but we work with the facility to block  
11 out those times. On the tablets, there's also equal access to critical content, you  
12 know, that we have available education, mental health programs, podcasts, things  
13 of that nature that we do. And here is the model with the one to one so that, like I  
14 said, regardless of your financial situation, every single incarcerated individual  
15 receives a tablet. And that's all I have. Any questions?

16 **MS. LABORDE:** Any questions about how it works? And we apologize that we  
17 weren't able to do a live demonstration --

18 **MS. BOWMAN:** Stephanie, can you use the mic? Thank you.

19 **MS. LABORDE:** We apologize that we weren't able to do a live walkthrough of  
20 the process, but it's just down today because we're doing the change over because  
21 of the implementation of the act today. It's just --

22 **MR. BESSENT:** Any future -- any appointments that were currently scheduled,  
23 you know, we cancelled those, credits applied back to those particular families, but

1 we're wanting to stay in accordance with the new law, the Martha Wright-Reed  
2 Act. So, that's why we put a halt on that until we get it all provisioned correctly,  
3 so that any future appointments until this all gets worked out, as we mentioned, are  
4 all going to be free.

5 **COMMISSIONER CAMPBELL:** Is there anybody else at Angola besides your  
6 -- have you got all the business there at Angola?

7 **MR. BESSENT:** We have the phone service there. Yes, sir.

8 **COMMISSIONER CAMPBELL:** Will you have the video service, too?

9 **MR. BESSENT:** Not yet. Not at this time.

10 **COMMISSIONER CAMPBELL:** So, what did you do to get this phone service,  
11 you bid it out? They bid it out?

12 **MR. BESSENT:** We -- RFP, yes sir. Did the RFP process.

13 **COMMISSIONER CAMPBELL:** So, they take the guy that gave them the most  
14 commission?

15 **MR. BESSENT:** Typically, that's not necessarily the case because with all of our  
16 other investigative products and services that we do, that kind of plays a key role  
17 in that decision-making process.

18 **COMMISSIONER CAMPBELL:** How much commission do you give Angola?

19 **MR. BESSENT:** That I'm not sure.

20 **MR. LOZICH:** It would be two cents per minute.

21 **COMMISSIONER CAMPBELL:** Do what?

22 **MR. LOZICH:** Two cents per minute, that's set by the FCC.

23 **COMMISSIONER CAMPBELL:** Two cents per minute, that's what you make?

1 **MR. LOZICH:** No. That's the cap that the FCC has on site commissions for  
2 facilities of Angola's size.

3 **COMMISSIONER CAMPBELL:** That's what you get paid, two cents a minute?  
4 I asked what's your commission.

5 **MR. LOZICH:** Yeah. Our commission?

6 **COMMISSIONER CAMPBELL:** Yeah.

7 **MR. LOZICH:** I have no idea what --

8 **COMMISSIONER CAMPBELL:** Your commission. I mean, a lot of --

9 **MR. LOZICH:** The call -- the structure of the FCC's rate caps is for a facility  
10 that's -- that has, like, a prison facility, it would be 12 cents to the provider and up  
11 to 2 cents per minute to the facility. Out of the 14 cents, 12 cents would go to  
12 recover our costs.

13 **COMMISSIONER CAMPBELL:** Well, when you go to six cents -- when you  
14 go to six cents in January the 1<sup>st</sup> per minute --

15 **MR. LOZICH:** Right.

16 **COMMISSIONER CAMPBELL:** -- how much do you make then?

17 **MR. LOZICH:** We will be -- the six cents is coming to -- we get the six cents.  
18 The FCC has taken an approach on site commissions that is very different. They  
19 are -- they've identified certain categories that facilities could seek a reimbursement  
20 for, but other payments they categorize as site commissions and prohibit.

21 **COMMISSIONER CAMPBELL:** Somehow, I have a number in my head that  
22 you pay the state. I know you pay the state so much for costs, correct?

1 **MR. LOZICH:** We pay the site, you know -- if there's a site commissioner on the  
2 contract, we would pay that. Yeah.

3 **COMMISSIONER CAMPBELL:** Yeah. So, I was under the opinion that y'all  
4 pay the state 35 percent of costs.

5 **MR. LOZICH:** That may have been under an older contract but after -- in 2021,  
6 the FCC set new rate caps that limited the site commissions that can be paid for  
7 prison facilities and for jails with an ADP of 1,000 or more.

8 **COMMISSIONER CAMPBELL:** Yeah. You know, we had a bill one time in  
9 the legislature, made a lot of sense to me, but it didn't pass. That we bid out jail  
10 house phones, you know, and it didn't pass because the sheriffs wasn't for it. We  
11 had them statewide and we bid it all out and say this is what you can charge. And  
12 I thought it made good sense, you know. I look back there and guy was handling  
13 the bill, I said how did we lose? He said look back in the corner. I look back in the  
14 corner, it's all the sheriffs. They didn't want to bid it out, you know, they want to  
15 charge what they want to charge and it was a lot more that we could have bid it out.  
16 So, what you're telling me, you have the contract for Angola. How many thousand  
17 people is there, you know? Six thousand, more?

18 **MR. BESSENT:** The ADP, yes, sir.

19 **COMMISSIONER CAMPBELL:** How many?

20 **MR. BESSENT:** What we call an average daily population, 6,000, sir.

21 **COMMISSIONER CAMPBELL:** Six thousand, yeah. So, what do you pay the  
22 state a year? Do you know what you pay the state for --

1 **MR. LOZICH:** I don't know what the aggregate amount is. I can -- all I know is  
2 that if the -- if it's a prison facility and we're charging 14 cents per minute, we're  
3 capped at paying no more than 2 cents per minute as site commission.

4 **COMMISSIONER CAMPBELL:** Well, you can't charge 14 cents per minute in  
5 January. It'll go to six.

6 **MR. LOZICH:** That's right.

7 **COMMISSIONER CAMPBELL:** So, what happens?

8 **MR. LOZICH:** We charge six.

9 **COMMISSIONER CAMPBELL:** Yeah, I got it. But the state of Louisiana  
10 doesn't get as much money.

11 **MR. LOZICH:** No, no. Matter of fact, if the state of Louisiana wants to maintain  
12 the same level of phone calls and with the same degree of security, they're going  
13 to have to -- we're going to have to make out an arrangement to pick up part of the  
14 cost from them.

15 **COMMISSIONER CAMPBELL:** You know, some states don't charge anything.  
16 You know that, don't you?

17 **MR. LOZICH:** Well, that's --

18 **COMMISSIONER CAMPBELL:** That's true.

19 **MR. LOZICH:** We've got three of those states, Connecticut, Massachusetts, and  
20 Colorado are our customers. It's not so much that they don't charge anything.  
21 They've chosen to shift the costs onto themselves and pay for these services.

22 **COMMISSIONER CAMPBELL:** The state?

1 **MR. LOZICH:** Right. So, for example, Connecticut, there's only the Department  
2 of Corrections. Massachusetts has chosen to do it for both its Department of  
3 Corrections and its county facilities. And in Colorado, they have done it for the  
4 state DOC, but it continues under the traditional structure for the counties. So, it's  
5 different structures. And we've done this -- we also have this in -- we have about  
6 25 contracts throughout the United States where it's what we call agency paid,  
7 that's where the government pays these charges.

8 **COMMISSIONER CAMPBELL:** Okay. Thank you for coming out. First of all,  
9 y'all -- you responded and you came. That's a big deal. Most of them didn't want  
10 to come because they didn't want to be asked these questions.

11 **MR. LOZICH:** Well, I appreciate the opportunity, Commissioner Campbell.

12 **MR. BESSENT:** Absolutely.

13 **COMMISSIONER CAMPBELL:** Thank you for coming.

14 **MR. LOZICH:** Thank you.

15 **MS. LABORDE:** Any other questions, no?

16 **MS. BOWMAN:** So, we do have two other companies here. We have one  
17 representative from ViaPath and two representatives from NCIC Correctional  
18 Services. If all three of you want to come up at the same time that's fine. Ms.  
19 Felicia Hall, William Pope, and Craig Storer. And please just introduce yourself  
20 before speaking.

21 **MS. PELICIA HALL:** Good morning, Commissioners. I am Pelicia Hall with  
22 ViaPath Technologies. I currently serve as Executive Vice President and Corporate  
23 Counsel along as Chief Regulatory Officer. So, really happy to be here to have this

1 discussion with you this morning and we did respond in kind and sent a letter to the  
2 Commission when we thought the meeting was going to be back in October I  
3 believe. Sent a letter to the Commission explaining or -- directly to you,  
4 Commissioner Campbell, about our services in the state of Louisiana.

5 **COMMISSIONER CAMPBELL:** What jails do you have?

6 **MS. HALL:** We have -- let me pull them up really quickly. I don't have them  
7 committed to memory here, but we have Bayou Correctional Center, Lafayette  
8 Parish Correctional Center, Ouachita Parish Correctional Center, the ICE facilities  
9 in Louisiana, and Madison Parish Correctional Center.

10 **COMMISSIONER CAMPBELL:** Okay.

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

12 **COMMISSIONER CAMPBELL:** Ouachita is what you was looking for.

13 **MS. HALL:** Ouachita. Okay. Thank you. I apologize. Look, I'm a Mississippi  
14 girl, so I messed that up. So, --

15 **COMMISSIONER CAMPBELL:** That's a hard word for a lot of people.  
16 Ouachita.

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

18 **COMMISSIONER CAMPBELL:** Okay.

19 **VICE CHAIRMAN LEWIS:** Quick question. Are you -- has the company taken  
20 a position on the FCC's rules?

21 **MS. HALL:** Yes. So, our company is fully prepared to implement the measures  
22 of the Martha Wright-Reed Act. We filed a motion to intervene in the proceedings.  
23 We're not actively appealing the process. We do understand that there are 17 states



1 actually appealing the ruling from the FCC. Louisiana, actually being one, the state  
2 of Louisiana actually appealing. But we are fully preparing, engaging with our  
3 customer base right now to talk about the mandates of the order as it relates to rates,  
4 commissions, and fees and working with our customer base to implement those  
5 measures.

6 **VICE CHAIRMAN LEWIS:** Thank you.

7 **MR. BILL POPE:** Hello. I'm Bill Pope. I'm the President and co-owner of NCIC  
8 Correctional Services based out of Longview, Texas, right outside of Shreveport.  
9 We've been in the correctional services business for almost 30 years now. Well,  
10 I'll continue on before I introduce Craig here. We provide wholesale services here  
11 in the state of Louisiana. We predominantly provide service for Ally Telecom  
12 based out of Metairie. He's got over a third of the parish and city jails on his  
13 service. Also, All World services based out of Lafayette and Forecomm  
14 Commissary based here in Baton Rouge. They do a little resell of our service as  
15 well. So, NCIC doesn't have any direct contracts here in the state, but everybody  
16 utilizes our services, our back office, our billing, and our regulatory compliance.  
17 So, we're kind of here on their behalf and, unfortunately, Ally Telecom had to be  
18 in Mississippi today so they couldn't make it here. Mitch Kalifeh really wanted to  
19 be here for that.

20 **COMMISSIONER CAMPBELL:** Is it true that Mississippi and Louisiana and  
21 Texas filed --

22 **MS. BOWMAN:** Commissioner, I need you to used your mic, please.

1 **COMMISSIONER CAMPBELL:** Is it true that Louisiana, Mississippi, and  
2 Texas -- you're filing a suit against this new rule. Is that correct?  
3 **MR. POPE:** Well --  
4 **VICE CHAIRMAN LEWIS:** The state has. The state attorney general has.  
5 **MS. HALL:** The state attorney generals have, yes, sir.  
6 **MR. POPE:** Yeah, the state attorney generals. I didn't realize it was 17 now. I  
7 knew it was 15 and I knew Louisiana had joined in.  
8 **COMMISSIONER CAMPBELL:** So, the attorney general wants to keep prison  
9 rates higher I guess, they don't want to reduce them; is that the case?  
10 **MR. POPE:** Not at all. Not at all and I'll explain that in a few minutes.  
11 **COMMISSIONER CAMPBELL:** Yeah, you need to help me with that one.  
12 **MR. POPE:** Yes, sir.  
13 **COMMISSIONER CAMPBELL:** Why would you file suit against a rule that  
14 reduces prison rates?  
15 **MR. CRAIG STORER:** Good morning everyone. Craig Storer is my name. I'm  
16 the Director of Marketing with NCIC here with Mr. Pope, based in Longview,  
17 Texas. Been in the industry about 15 years. Commissioner Campbell, I started my  
18 career with a company called Praeses in Shreveport, who you're familiar with.  
19 **COMMISSIONER CAMPBELL:** What was the name of it?  
20 **MR. STORER:** Praeses.  
21 **COMMISSIONER CAMPBELL:** I'm not familiar with it.  
22 **MR. STORER:** Inmate telephone, Mr. Frank Auer in Marshall Street in  
23 Shreveport. We are the -- either the third or fourth largest provider in the industry

1 doing what we do; however, we are the largest provider that's not owned by private  
2 equity. That's a big selling point for us. Our primary customers are the incarcerated  
3 users of our service. Of course, the sheriffs and the correctional facilities, and also  
4 the friends and families of the incarcerated. So, happy to be here and answer any  
5 questions you all might have for us.

6 **COMMISSIONER CAMPBELL:** How many people you represent in  
7 Louisiana?

8 **MR. STORER:** I actually have the list here. I probably won't go through the  
9 whole list of parishes unless you'd like me to.

10 **COMMISSIONER CAMPBELL:** No, that's okay.

11 **MR. STORER:** We have almost half of the parishes in the state on our service  
12 through our customer Ally Telecom.

13 **COMMISSIONER CAMPBELL:** What commission do you charge?

14 **MR. STORER:** Our customer, Mitch Kalifeh, and Ally Telecom, he has a fairly  
15 standard revenue share arrangement in his agreements.

16 **COMMISSIONER CAMPBELL:** So, what does that mean? I'm just -- talk to  
17 me.

18 **MR. STORER:** It's the monthly revenue that comes back from us as the -- and  
19 when I say us, I talk about NCIC.

20 **COMMISSIONER CAMPBELL:** Do you charge 10 percent, 20 percent, 30  
21 percent, 40 percent, 50 percent, 60?

22 **MR. STORER:** We currently, as far as the per minute rate for telephone service,  
23 across 95 percent of the parish jails in Louisiana because we're not in a prison

1 space. We're with the sheriffs, and the cities, and the parish space. It's almost  
2 always 20 cents per minute for domestic phone calls, which as you know, is a penny  
3 lower than, as of today, what we're currently allowed to charge per the FCC, which  
4 is 21 cents per minute. Most of the agreements that Ally Telecom has in this state  
5 for domestic phone calls, and I'm not talking about video, is 20 cents per minute.

6 **COMMISSIONER CAMPBELL:** How much do you give the sheriff? If you're  
7 in Bossier Parish and I'm the sheriff, and you come in my jail, how much do you  
8 give me if I -- for a 10-minute call, how much commission do I get?

9 **MR. STORER:** Of the gross revenue, you, as the sheriff of whatever parish,  
10 Bossier Parish or whatever entity it is, gets somewhere with Ally Telecom gets  
11 somewhere between 55 and 65 percent revenue share on a monthly basis.

12 **COMMISSIONER CAMPBELL:** Jesus.

13 **MR. STORER:** And that goes towards as some of the other vendors have attested  
14 to, recovering costs, using the investigative technologies, passing out tablets,  
15 walking detainees to and from visitation phones, and a large range of other things.

16 **COMMISSIONER CAMPBELL:** So, if I'm a sheriff I want to get all the money  
17 I can get, and they do. And so, if I'm a sheriff, if I get 65 percent of the total cost,  
18 I get commission, right? Is that right?

19 **MR. STORER:** Yes, sir, that's correct.

20 **COMMISSIONER CAMPBELL:** If I do \$100,000 a month, I get 65,000? The  
21 sheriff does.

22 **MR. POPE:** So, that's why we work closely with the FCC to come up with fair  
23 and reasonable rates and fees because if the rates are fair and reasonable, then so

1 are the commissions. They're not going to be hauling in millions and millions per  
2 month or per year. They're basically bringing in enough to cover their costs of  
3 distributing the tablets, providing the service. We transcribe calls, so they're using  
4 key words like suicide, so we alert somebody that they may be suicidal, or key  
5 words like escape or kill. So, that's a safety and security feature of our platforms  
6 that's helps them stay connected with their family, but at the same time, kind of  
7 control to make sure they're not still committing crime while they're incarcerated.

8 **VICE CHAIRMAN LEWIS:** Have you -- I appreciate that, but I -- where I'm  
9 curious and what I want to ensure, has there ever been or are there audits done to  
10 ensure what that operational cost is actually operational cost, right? And it's very  
11 easy to sit there and say okay, well, it's going to cost me all this money to do a  
12 bunch of things, but if I -- I'm trying to understand from you as the one who makes  
13 the cost sharing agreement, have you ever looked at to say wait a minute, sheriffs,  
14 am I -- what are these operational costs? Are there true-ups, right? I'm just --  
15 because I hear that, but I also am very skeptical to assume that just because a sheriff  
16 walked in and said that this is what the cost is, that's what the cost is.

17 **MR. POPE:** We don't question the customers. They have parish auditors, so I  
18 would think that they know what their costs are. They have an annual budget and  
19 sometimes these funds don't even go to the sheriffs. Sometimes they go into a  
20 general fund, so it's not like the sheriff is pocketing these funds. And it varies by  
21 state, so I'm not sure -- and it probably varies by parish as well.

22 **VICE CHAIRMAN LEWIS:** Do you have any contact or have you any -- I agree  
23 with Commissioner Campbell, 55 to 65 percent is a very high percentage for a

1 service. So, I'm curious in your RFP process or your response or the customers  
2 that you choose to contract with, do you ever have conversations? I mean, because  
3 listening to your testimony, you were charging one cent under the limit.

4 **MR. POPE:** Yes. Well, our goal is to go in there and be the lowest cost provider.  
5 Just because that's the nature of what we are. We don't run a, you know, off of  
6 debt. We're very -- we run our organization responsibly, so we can offer our, you  
7 know, product as cheaply as possible.

8 **COMMISSIONER CAMPBELL:** Are you the cheapest provider in the state,  
9 that's what you're telling me?

10 **MR. STORER:** Yes.

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

12 **COMMISSIONER CAMPBELL:** Okay. And how many sheriffs do you have?

13 **MR. STORER:** Almost two-thirds -- excuse me, almost half of the parishes in the  
14 state are on our service.

15 **COMMISSIONER CAMPBELL:** You have almost all the parishes?

16 **MR. POPE:** Half.

17 **MR. STORER:** Almost half of them, sir.

18 **COMMISSIONER CAMPBELL:** Half of them?

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

20 **MR. POPE:** And most of the city jails, there's a lot of small cities like Krotz  
21 Springs that have city jails.

22 **COMMISSIONER CAMPBELL:** So, you get 55 to 65 percent commission; is  
23 that right?

1 **MR. STORER:** Depending on the sheriff, yes, sir. And it's a competitive bid  
2 process. We're going against companies in our industry that are out pitching 95  
3 percent -- just pulling numbers out to try look attractive during RFP process, 95, 85  
4 percent signing bonuses, technology grants, and stuff that we don't engage in too  
5 much. So, we just -- when we're going through that process, that procurement  
6 process, we're trying to show them here is our costs, here is what our competitors  
7 are doing, and how it's not in the favor of the incarcerated and their families, here's  
8 how we do things differently. There is a big focus, as you know, Commissioner  
9 Campbell, on the permanent rates that are getting charged. But there is also funding  
10 fees and some stuff happening on the back end that some of the vendors in our  
11 industry aren't very vocal about when they go and get in front of, you know,  
12 parishes in this state and county sheriffs and DOCs because that's where a big  
13 chunk of their money is made. Not so much the permanent rate when they're  
14 making phone calls or doing video visits, when grandma or mom and dad, friends  
15 and family are actually going to the vendor's website, setting up accounts. And as  
16 you know, sir, there is a whole slew of tricks that the vendors have come up with  
17 over the years to try and divert, divert more of that monthly family spend away  
18 from, not only the family and the shareholder, the correctional agency, but to the  
19 provider as well.

20 **COMMISSIONER CAMPBELL:** You know, that's a -- you're talking pretty  
21 blunt there.

22 **MR. STORER:** Yes, sir.

1 **COMMISSIONER CAMPBELL:** [INAUDIBLE] you think there's a lot to tricks  
2 --  
3 **MR. STORER:** There is.  
4 **COMMISSIONER CAMPBELL:** -- that goes on, right?  
5 **MR. STORER:** Absolutely.  
6 **COMMISSIONER CAMPBELL:** Yeah. Well, why don't you share? Why don't  
7 you write it down and share them with us?  
8 **MR. POPE:** Oh, we'll talk about the tricks. This goes back to --  
9 **COMMISSIONER CAMPBELL:** I've always though these people don't teach  
10 Sunday school. You're not surprising me. I don't think they're Sunday school  
11 teachers. I think they're in it for the money, that's what I think.  
12 **MR. POPE:** Well, every business is in business to make money. It's just what's  
13 reasonable, what's fair and reasonable. We work closely with the FCC for --  
14 **COMMISSIONER CAMPBELL:** Did you support the reduction?  
15 **MR. POPE:** I did not support this most recent reduction.  
16 **COMMISSIONER CAMPBELL:** You work close with them, but you wasn't for  
17 the reduction.  
18 **MR. POPE:** Well, because they didn't want to work with us.  
19 **COMMISSIONER CAMPBELL:** Oh, I got you.  
20 **MR. POPE:** I was the only provider to support the Martha Reed Act. I hired  
21 Martha Reed's attorney who worked the original Martha Wright petition when he  
22 was done doing the pro bono work for her after 11 years. So, the guy that wrote  
23 the petition that I sent to you, our petition for reconsideration, was Martha Wright's



1 original attorney. So, we try to educate the FCC. We don't try to fight them, we  
2 try to educate them. So, the FCC has started these proceedings in the early 2000's.  
3 They finally made a ruling in 2013, so it took 11, 12 years for them actually come  
4 up with a ruling. In that time, they've come out with five, six rulings, all sorts of  
5 press releases. Do you know how many enforcement actions they've taken since  
6 2013 on their rulings? Zero. If you make a rule and you don't enforce it, is it a  
7 rule? We're talking over a decade. Over a decade, not a single enforcement action.

8 **VICE CHAIRMAN LEWIS:** [INAUDIBLE] but there was -- let's be real, there  
9 were challenges to the 2013 rule, which is the reason why we have the Martha  
10 Wright-Reed Act because many of the companies argued. And I'm curious to see  
11 did you make that argument that the FCC did not have authority over intrastate  
12 calls. And that was the point of Congress' passing unanimously -- Congress  
13 unanimously passed the Martha Wright-Reed Act [INAUDIBLE] for that reason,  
14 so I'm not sure how you could use the FCC's enforcement when you told the FCC  
15 they didn't have authority to enforce their own rule.

16 **MR. POPE:** October of 2021, they passed a ruling, if you cannot identify where a  
17 cellphone is located, that 93 percent of my calls terminate the cell phones, and if I  
18 can't determine if that cellphone is in or out of the state, then I had to charge  
19 interstate rates. So, beginning of October 2021, all my rates, in state, out of state,  
20 I was already charging 25 cents per minute here in the state based off of your  
21 original ruling here that mirrored the FCC act, you headed-up, Commissioner  
22 Campbell. I mean, you did great work on that. You followed exactly what the FCC  
23 did. So, in October 2021, the FCC, it was basically a reverse preemption, what they

1 did. If you can't identify where that cellphone is, charge an interstate rate. So, we  
2 lowered our rates to 21 cents. Still, the FCC has not cleaned up the loopholes in  
3 these, what is this, 11 years, almost 12 years of rulemakings.

4 **COMMISSIONER CAMPBELL:** Well, what's going to happen January the 1<sup>st</sup>?  
5 That rule is going into effect then.

6 **MS. HALL:** Correct.

7 **COMMISSIONER CAMPBELL:** Down to six cents. They did that.

8 **MS. HALL:** That's correct.

9 **COMMISSIONER CAMPBELL:** You're telling me there's no -- they gave --

10 **MR. POPE:** That rule is going to get appealed. You got --

11 **COMMISSIONER CAMPBELL:** Oh, hell.

12 **MR. POPE:** You got 17 attorney generals going after it.

13 **COMMISSIONER CAMPBELL:** Everything gets appealed.

14 **MR. POPE:** Even Commissioner Simington on the FCC said there's a lot of errors  
15 in this ruling, and some of -- you know, the courts are probably going to have to  
16 clean it up.

17 **COMMISSIONER CAMPBELL:** I'm sure.

18 **COMMISSIONER LEWIS:** You voted for it.

19 **COMMISSIONER CAMPBELL:** Oh, yeah.

20 **COMMISSIONER LEWIS:** You voted for it, did you not?

21 **MR. POPE:** He did. They all voted.

22 **VICE CHAIRMAN LEWIS:** All right. So.

1 **COMMISSIONER CAMPBELL:** That's it. I'm sure they're going to find every  
2 excuse in the world not to make this work. You got people in jail paying 25 cents  
3 a minute and they're going reduce it to 6 cents, January the 1<sup>st</sup>. And I'm sure y'all  
4 will be 10,000 people lined up to say we can't live with that. I've heard enough.

5 **MS. HALL:** Commissioner Campbell, if I may, I'm sorry. I was being respectful  
6 of the other providers' time, but I definitely just wanted to say that I have some  
7 experience in this area in as much as I ran the Department of Corrections for the  
8 state of Mississippi. I was the Commissioner of Corrections there, and at that time,  
9 I definitely understood the need for having communication services behind the  
10 walls, right? Reintegrating families, making sure they had access to technology in  
11 a meaningful way. I had family members incarcerated at the time that were using  
12 these kinds of systems. So, definitely when I went over to the side of the house  
13 where I now work for a company that does profit behind these services,  
14 understanding, bringing some conversation behind the table, to definitely make sure  
15 we're doing -- trying to do the best, right, by the people that we serve, right? And  
16 --

17 **COMMISSIONER CAMPBELL:** Go ahead. I appreciate it. You're very nice.  
18 I appreciate what you're saying. What do you think about January 1<sup>st</sup> and reducing  
19 the rates?

20 **MS. HALL:** Yes, sir. I mean, we're fully on board with what's happening on  
21 January 1<sup>st</sup>. Our company is fully prepared, like I said, to implement those  
22 measures. We were actually talking with Senator Duckworth's office in  
23 promulgating the Martha Wright-Reed Act and the conversations that were going

1 behind that. You know, we have worked directly with the FCC. We are not  
2 appealing this order. We are working with the FCC, have worked with them over  
3 the many years that this has come into play to make sure we're doing the same.  
4 We're following their mission [INAUDIBLE] --

5 **COMMISSIONER CAMPBELL:** Is Mississippi appealing?

6 **MS. HALL:** The state of Mississippi Attorney General is appealing. Our company  
7 is based in Virginia, Falls Church, Virginia. I just live in Mississippi,  
8 Commissioner.

9 **COMMISSIONER CAMPBELL:** I got you.

10 **MS. HALL:** Yes, sir. But anyway, I just wanted to give you that purview. It's  
11 very expansive technology. If I had had the benefit of the technology that we have  
12 with ViaPath in the state of Mississippi, my system would've benefitted a lot more.  
13 So, recognizing that there are costs for providing these services, and we do provide  
14 all of that data to the FCC in their regulation process, right? They look at our -- to  
15 make sure we're following the rates promulgated by them. If anyone is charging  
16 above the rates, there's a means to catch that, right? We file annual reports with  
17 the FCC every year. They're going through a data collection process. There's a  
18 further notice of proposed rulemaking here where they're going to look at the video  
19 rates, right? They have only proposed interim rates for the video services and  
20 they're going to continue to look at those video rates and to figure out where they're  
21 going to actually fall for permanent rate structure. And we will continue to provide  
22 data in that respect.

1 **COMMISSIONER CAMPBELL:** Okay. I appreciate you coming today. You  
2 know Vernon Presley?

3 **MS. HALL:** Oh, yes, sir.

4 **COMMISSIONER CAMPBELL:** Well, he's our friend.

5 **MS. HALL:** Very good, very good. Yes, sir. Yes, sir.

6 **COMMISSIONER CAMPBELL:** He's my friend, and his friend, and Mr.  
7 Greene's friend, too, I think. He was a good guy, and we heard a lot from him. He  
8 always helped me with jailhouse phones.

9 **MS. HALL:** Oh, yeah, absolutely, absolutely. And we provided our rates for the  
10 facilities that we serve, and we'll continue to do that for the Commission, so that  
11 you -- we have full transparency.

12 **COMMISSIONER CAMPBELL:** You know what I'm talking about. I really  
13 just -- y'all keep up with it. I'd like to be kept abreast about what a video are  
14 charging.

15 **MS. HALL:** Sure.

16 **COMMISSIONER CAMPBELL:** Because it's like the end arounds. You know,  
17 they don't go up the middle, they go around and get the money. And I just want to  
18 make sure it's fair and reasonable, that's all. Thank you for coming, thank you.

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

20 **MS. BOWMAN:** And before we -- I know we have several other commenters and  
21 everyone will get their turn. Mr. Estes would like to have one additional  
22 clarification, and we're going to let him go first because we have the interpreters  
23 only for a limited amount of time. So, if Mr. Estes would come back up, he can get

1 his -- and I'd ask him to keep it as brief as possible, about three minutes if possible,  
2 so everyone else has an opportunity to speak.

3 **COMMISSIONER CAMPBELL:** Hey, I have something here that I think it's  
4 interesting. Here's the sheriffs joining against the FCC ruling. East Baton Rouge,  
5 Ascension, Rapides, Franklin, Louisiana Sheriffs' Association, they're against the  
6 -- they're against reducing jailhouse phone rates.

7 **CHAIRMAN FRANCIS:** Okay.

8 **MR. ESTES:** All right. Well, thank you for having me back. I would like to make  
9 a brief comment. I'm hearing what has been discussed so far related to the video  
10 service in the jails and prison. I want to specify -- I want to explain clearly from a  
11 deaf person's perspective whenever they're speaking to someone via video phone.  
12 Well, I'm talking about the video relay service. Angola already has video  
13 accessible -- they have video calls, and we're fine with you all creating other video  
14 services for other people, but we're asking that you leave the setup that exists for  
15 the deaf already. It's point-to-point communication, but it is in sign language.  
16 Instead of going through the company that provides it for hearing people, the  
17 company, Purple Video Relay Service, specifically designs it for deaf people, for  
18 the use of sign language. So, they know how to work with deaf people. They know  
19 their stuff. And even though you are creating a new -- some people are creating a  
20 new service by video, we ask you that you leave alone the video that's designed  
21 specifically for deaf people.

22 **VICE CHAIRMAN LEWIS:** Thank you.

23 **MR. ESTES:** Thank you very much.

1 **VICE CHAIRMAN LEWIS:** Thank you for that clarification.

2 **CHAIRMAN FRANCIS:** Thank you.

3 **VICE CHAIRMAN LEWIS:** Mr. Chairman, before we call the other witnesses,

4 I just haven't had a chance to put some comments into the record, so I would take

5 this time before we hear from the public. I'm a strong supporter of the Martha

6 Wright-Reed Justice Act which is a critical step to reduce the excessive costs of

7 phone calls. I mean, when we talk about the state of Louisiana, I remind people

8 Louisiana is the second poorest state in the nation. One third of every child born in

9 this state is born into poverty. But somehow, we are the incarceration capital of the

10 nation, and I don't think that's a coincidence that we have one of the most grotesque

11 amounts of poverty in this state and then also one of the highest incarceration rates

12 in this state. This legislation that was passed unanimously by Congress, I must say,

13 I don't know if we could ever do that again. I want to remind everyone that the

14 new law that gives the FCC authority was unanimously passed by the House of

15 Representatives, by the United States Senate, and signed into law by President

16 Biden. That's a feat there, and that shows the importance of this legislation and

17 why it is. I have read the entire FCC rule, I filed comments in the FCC, I stand by

18 support of this, and this is key to reducing recidivism. I strongly believe that it's a

19 human right that people have human interaction, and what a shame that in this

20 country, what we call the greatest nation in the world, we decide we want to charge

21 to interact with a fellow human being. That's what this conversation is about.

22 Should we be charging for you to simply say hello to your mother, your child, your

23 relative, understand what's going on? And so my office has been actively working

1 with the city of New Orleans, the sheriff of New Orleans to ensure that these  
2 changes are aligned with local needs. We have committed to advocating for  
3 policies that reflect the importance of accessibility and equitable communications  
4 for those impacted by our criminal justice system that has been broken in this state  
5 and is still being broken when we talk about what's happening across the street  
6 where we're now trying to say 16 and 15 and 14-year-olds should be tried as adults  
7 and then we're going to charge a 15-year-old to talk to their parent. That's what  
8 we're doing in the state of Louisiana. I'm deeply disappointed in the attorney  
9 general for joining the lawsuit, and I will stand, as I have done, and will file  
10 comments again opposing and objecting to the state of Louisiana's position. The  
11 prohibitions and the kickbacks and the new focus on transparency and pricing for  
12 telecommunication services in correctional facilities represents significant progress  
13 and we should not delay that progress. I again applaud the work of the FCC, which  
14 I will say again, unanimously -- Brendan Carr, President Trump's own now selected  
15 Chairman of the FCC, voted in favor of these regulations. As well as Commissioner  
16 Rosenworcel, who's appointed by President Biden, shows that there's bi-  
17 partisanship. This is not a partisan issue. This is what's human and right. And  
18 while we have seen the FCC do their work, I'm committed and will continue to do  
19 the work here at this Commission because I believe our work is not done until all  
20 of these phone calls are free in the state of Louisiana. Thank you, Mr. Chairman,  
21 for the time.

22 **CHAIRMAN FRANCIS:** All right. Moving on. Where we at? Going on to  
23 Exhibit 2?



1 **MS. BOWMAN:** No, sir. We have --

2 **CHAIRMAN FRANCIS:** Oh, I'm sorry. I got --

3 **MS. BOWMAN:** That's okay. We have additional comments. I'm going to call  
4 your name up. Since we have four chairs, we're going to call up four individuals  
5 at a time. A Ms. Cortez, a Ms. Gozalo, Mr. Caheen, and Ms. Herrera. And just  
6 please introduce yourself before speaking and speak into the microphones.

7 **CHAIRMAN FRANCIS:** How many cards do we have to speak?

8 **MS. BOWMAN:** After these four, we have three more.

9 **CHAIRMAN FRANCIS:** Okay. Can we limit them to three minute speech,  
10 would that be okay with y'all? Okay. Thank you.

11 **MS. IVANA CORTEZ:** My name is Ivana Cortez, and I'm here representing  
12 Worth Rises. Worth Rises is a non-profit organization dedicated to ending the  
13 exploitation by telecom providers of the incarcerated people on their families and  
14 a member of the New Orleans Connecting Families Coalition working to make  
15 phone calls free in New Orleans parish jails. We have led the movement to provide  
16 incarcerated people and their families access to free communication across the  
17 country, making calls free in the federal system, five state prison systems, and  
18 several county jails. I want to begin by thanking the Louisiana Public Service  
19 Commission for commenting in support of the Federal Communication  
20 Commission's recent regulations. The new rule supported unanimously by the FCC  
21 commissioners will have a significant impact. They cut the rates prison telephone  
22 companies can charge for phone calls by more than half in most cases, while setting  
23 video call caps for the first time. The new regulations also ban several predatory

1 practices including charging of deposit fees and other fees, payment kickbacks or  
2 commissions paid to agencies, and pass through of surveilling costs to customers -  
3 - consumers. Currently in Louisiana, families pay 21 cents a minute to speak with  
4 an incarcerated loved one in state prisons and 14 cents in NOLA parish jail. While  
5 these rate is a welcome new reduction in NOLA, that comes with a new contract  
6 with Smart Communications. It is still more than double than the new FCC rate  
7 cap. Other states like Illinois pay less than 1 cent a minute and Texas pays just 6  
8 cents per minute. Austin and Dallas jails pay 1.9 cents a minute, a lot less than  
9 what Louisiana families are paying through the same provider Securus. Why is  
10 Louisiana getting these exacerbating rates? It's a question we should be asking.  
11 These egregious costs has put a very real strain on people, families, and  
12 communities. According to Ella Baker Center for Human Rights, one in three  
13 families with an incarcerated loved one goes into debt trying to stay in touch.  
14 Eighty-seven percent of those carrying the burden of the cost are women, largely  
15 women of color. An alarming county jail across the country, including Louisiana,  
16 are increasingly restricting visits, forcing families to rely on these costly  
17 communications to stay connected with your loved ones. The practice passed the  
18 bottom lines of telecom corporations and county jails at the disproportionate  
19 expense of primarily low-income households. Notably, two counties in Michigan,  
20 that adopted this practice to increase call revenue, are currently facing lawsuits over  
21 policies that deny children their basic need to see, touch, and hug their incarcerated  
22 parents. Importantly, ensuring that incarcerated people have access to  
23 communication with their support system is about more than strengthening

1 families, protecting children relationships, or feeling good, it's about safety of our  
2 prisons and jails and public safety at large. Studies have shown that when  
3 incarcerated people have access to free communication, hope goes up and violence  
4 goes down. When folks are released, those who are connected are more likely to  
5 have the housing, employment, and other community support that are needed for  
6 re-entry success. On behalf of Worth Rises, I urge the LA Public Service  
7 Commission to further regulate the cost and quality of prison and jail  
8 communications services in Louisiana. I also urge you to continue supporting the  
9 FCC, as they're challenged by the industry and courts, and petitioning the FCC to  
10 do more. As other states and counties have done, you can invite FCC staff to hear  
11 from Louisiana families who deserve to be heard. But the bottom line is, that the  
12 new FCC regulation represents the bare minimum of what is needed and you can  
13 do better for the families and communities in Louisiana by setting the rate cap to  
14 zero cents per minute. Thank you for your time and consideration.

15 **CHAIRMAN FRANCIS:** Thank you, ma'am.

16 **VICE CHAIRMAN LEWIS:** Thank you. Really quickly, could you provide me,  
17 once again, those numbers that you cited for Illinois with Securus versus Louisiana?

18 **MS. CORTEZ:** Yeah. Illinois pays less than one minute for -- well, I mean, less  
19 than one cent per minute for phone calls --

20 **VICE CHAIRMAN LEWIS:** One cent per minute.

21 **MS. CORTEZ:** -- using the same provider, Securus.

22 **VICE CHAIRMAN LEWIS:** Using the same provider. Okay. Thank you.

1 **MS. CORTEZ:** Austin and Dallas, Texas are paying 1.9 cents per minute, same  
2 provider, Securus. And Texas is paying six cents per minute with the same  
3 provider, Securus. Austin and Dallas have the same ADP in jails as Louisiana does,  
4 so.

5 **VICE CHAIRMAN LEWIS:** Okay. Great. Thank you. I just didn't catch it in  
6 your presentation.

7 **MS. CORTEZ:** Yeah. For sure.

8 **VICE CHAIRMAN LEWIS:** Thank you.

9 **MS. SARA GOZALO:** Hello. Good morning. My name is Sara Gozalo. I work  
10 for the Promise of Justice Initiative. We represent hundreds of people incarcerated  
11 all over the state of Louisiana. In the past year, we have seen an awesome effort  
12 by the Louisiana Legislature to pass new laws that will lead to more people being  
13 incarcerated in our prisons and jails for longer. This includes the incarceration of  
14 children in adult prisons. These laws were passed supposedly to bring safety to our  
15 communities. Of course, there is no data that shows incarcerating people leads to  
16 safety. If that were true, Louisiana would be the safest state in the country. We are  
17 not. However, this is the landscape that we find ourselves in. We remain one of  
18 the most incarcerated states in the country. That comes with a price tag and what  
19 we can do is insist on having incarcerated people and their loved ones pay that  
20 price. Familiar relationships, being able to stay in touch with loved ones, having a  
21 lifeline with society is vital if we actually care about safety. If we care about lower  
22 rates of recidivism, those familiar relationships are key. If Louisiana truly cares  
23 about safety, then it must do everything it can to make sure that people who are

1 currently incarcerated, who will be incarcerated in the future, especially kids, can  
2 stay in touch with their families. I know someone who suffered greatly when they  
3 couldn't put money on the phone and their loved one was going through a rough  
4 patch. And having days of not being able to communicate with her brother, not  
5 knowing if they're okay or not, that's cruel and unusual. We are grateful by the  
6 FCC regulations, but I ask that Louisiana goes further and set rate caps to zero. We  
7 can do this all over our state and we should. Again, if we are insisting on  
8 incarcerating people as the only measure that we're willing to take, as the only thing  
9 we're willing to invest on, then we must be willing to accept the price that it comes  
10 to do that. Thank you for your time.

11 **CHAIRMAN FRANCIS:** What location are the children locked up with the  
12 adults?

13 **MS. GOZALO:** Well, the law is -- actually, I don't know if they voted on it, but  
14 --

15 **CHAIRMAN FRANCIS:** You said that -- you said children were locked up with  
16 adults. So, where is that located?

17 **MS. GOZALO:** Yes. So, 17-year-olds are now -- 17-year-olds are now being  
18 tried as adults. They will be incarcerated in adult prisons.

19 **CHAIRMAN FRANCIS:** Okay. Thank you. Okay. Go ahead.

20 **MS. GOZALO:** And we're furthering our efforts to incarcerate more children in  
21 adult -- that is being discussed today in our legislature.

22 **MR. MICHAEL CAHOON:** Hello, Commission, and thank you for hearing this  
23 issue. And thank you to my Commissioner, Davante Lewis, for your words earlier.

1 My name is Michael Cahoon. I'm also from the Promise of Justice Initiative. And  
2 I won't be duplicative about what my colleagues here said, but just urge, again, that  
3 -- and restate that the Promise of Justice Initiative's position is that the family cost  
4 burden of these phone calls should be zero. And that might sound like a crazy idea,  
5 but it's really not, and I guess that's what I just wanted to touch on because, you  
6 know, we heard from the providers. You know, we have customers and ratepayers,  
7 and I think Commissioner Campbell was sort of referring to this. Right now, the  
8 incentive by the sheriffs is for the rates to be higher because their commissions are  
9 higher, which means -- because that cost is actually borne exclusively by the  
10 families. And the families in this instance -- and, you know, it's the incarcerated  
11 people, but the people who are putting the money on the books are families who  
12 are living in our communities. They don't have any negotiating power, right? The  
13 sheriff signs an agreement, you can pay your 21 cents or 15 cents with Securus, and  
14 if you don't like that, if you don't like that rate, if you can't afford that rate, it's not  
15 like you can go to Mint Mobile or anywhere else. You have to pay with Securus  
16 or you can -- or they have this bargaining chip, which is they have your loved one  
17 behind bars and that's the only way you can talk to them. So, that's a heck of a  
18 bargaining chip to hold against a family who has no negotiating power. If instead  
19 of the cost being borne by them, it was borne by the sheriffs, who are the customers  
20 in this situation, they have immense negotiating power to renegotiate these  
21 contracts. If the cost is borne and something they actually need to pay for, like they  
22 pay for the electricity of the jail, the clothes in the jail, everything else, they can  
23 actually negotiate with these providers to provide much lower rates. And that

1 would be borne by the sheriffs' budget, sure, but its being borne by Louisiana  
2 citizens at much higher rates now. So, it actually would put the incentives in the  
3 right place with these contract negotiations. And I'll also say, there's a greater  
4 public good here with the public safety improvements that have been shown by  
5 various studies of family connectivity. To say nothing about the burden -- the  
6 emotional burden placed on the families, you see impacts like lower recidivism and  
7 higher educational achievements of those with incarcerated parents if they can talk  
8 to their parents while they're incarcerated. And, you know, the four cents, five  
9 cents, whatever it is a minute, shouldn't be the burden to having safer communities  
10 and higher educational achievement by our children. And I'll just say, you know,  
11 Foster Campbell, Commissioner Campbell, referred to end arounds, and these  
12 contracts, there are end arounds, there are Philly specials, there are jet sweeps, there  
13 are all sorts of things, right, about getting around different rate caps. Charging more  
14 for emails, charging for regular mail, streaming. There are all -- and, again, if we  
15 had the negotiating power lie with the person bearing the cost, which is the agency,  
16 then I think we would really see those go down in these agreements. And so that's  
17 why I think the user pay really should be zero for a fair and just system. So, thank  
18 you very much.

19 **CHAIRMAN FRANCIS:** Thank you, Michael. Yes, ma'am.

20 **MS. AMELIA HERRERA:** Hi. My name is Amelia Herrera, and I'm here  
21 representing voices, families with incarcerated loved ones. So, you've heard some  
22 facts today and you've heard some statistics. I'm going to share with you a story.  
23 Susan was a vibrant, happy, and socially active person. She married her childhood

1 sweetheart, Paul, and their life together was filled with joy. However, everything  
2 changed when Paul was diagnosed with prostate cancer. As the disease progressed  
3 beyond treatment, their world began to crumble. Even after Paul passed away,  
4 Susan managed to wear a smile, often saying that looking at her son, Peter,  
5 reminded her so much of Paul. His laughter, his mannerism, the way he carried  
6 himself. But losing Paul was a heavy burden on Peter, as well as on Susan, who  
7 struggled to cope with the loss of his father at such a young age. As the eldest son,  
8 he felt the weight of responsibility to help his mom, who was working three jobs to  
9 support him and his two younger sisters. One day in a misguided attempt to assist  
10 his family, Peter made a choice that would change everything. Instead of helping,  
11 that decision led him to be incarcerated in one of the nation's most deadliest jails.  
12 As Susan faced the heart-wrenching reality that losing her husband and now her  
13 son, the emotional anguish of Peter's incarceration took a toll on her. Bills began  
14 to pile up as she worked herself to exhaustion all while trying to provide for her  
15 daughters. The only solace she had and longed for was to hear her son's voice, to  
16 connect with him amidst the chaos. But when her tight budget barely sufficed  
17 providing meals, affording their 2.25 jail call, that became a daunting challenge.  
18 Each time Susan managed to scrape together another money for a call, it would  
19 often be met with poor reception, dropped connections. I witnessed her  
20 transformation from a once vibrant woman into some frail and worn-down struggle  
21 -- worn-down woman struggling to maintain that crucial bond with her son that was  
22 incarcerated, that last link to Paul. When I attended Susan's funeral earlier this  
23 year, my heart ached, not just for her loss, but for the two little girls who now was



1 faced in a world without their mother, their father, and their brother. I felt a deep  
2 responsibility to ensure that they remained connected to their brother, Peter, to  
3 maintain that vital support system they do need. Yet, as a single parent myself, I  
4 found it increasingly difficult to balance my own bills while trying to keep the lines  
5 of communication open between Peter and his sisters. But I refuse to let my light  
6 dim and I stand for Susan. It has to shine through many other families like Susan's  
7 and Paul's out there who simply want the chance to connect with their loved ones  
8 behind bars. The human cost of communication should not be measured in dollars  
9 and cents. For families like Susan's and myself, the ability to maintain an open line  
10 of communication, one that strengthens bonds, provides hope, and fosters support,  
11 should be free. I am advocating today for that to ensure that jail calls are no longer  
12 a financial burden, but a basic right that allows families to stay connected to their  
13 loved ones in these most challenging times. In doing so, we can help prevent the  
14 light of so many other families from fading. Thank you very much.

15 **CHAIRMAN FRANCIS:** Thank you, Amelia. Are there some others to talk?

16 **MS. BOWMAN:** Yes, sir. We have three representatives from the organization,  
17 VOTE. A Ms. Wiltz, a Mr. Yawcy, if I'm pronouncing that correctly, and then a  
18 Mr. Reilly. If you would like to come up and, again, same thing, I'd ask for you  
19 guys to try to limit to three minutes. And just introduce yourselves before speaking,  
20 please.

21 **CHAIRMAN FRANCIS:** Okay. We'll go ladies first.

22 **MS. NZIKI WILTZ:** Thank you for that and thank you --

1 **MS. BOWMAN:** And use the microphone, please, ma'am, one of them. And you  
2 just press the button, and if it's green, then you're good.

3 **MS. WILTZ:** Thank you, Louisiana Commissioners. Just wanted to thank you  
4 for allowing me to speak on today.

5 **CHAIRMAN FRANCIS:** What's your name, ma'am?

6 **MS. WILTZ:** My name is Nziki Wiltz.

7 **CHAIRMAN FRANCIS:** Nziki?

8 **MS. WILTZ:** Yes.

9 **CHAIRMAN FRANCIS:** Okay. Nziki, go ahead.

10 **MS. WILTZ:** Just coming before you, understanding that we're asking for  
11 something that will have a huge impact on incarcerated folks, their family, and their  
12 allies, is just a critical step toward promoting fairness, equality, rehabilitation, and  
13 just changing the justice system. I'm going to speak just a little bit about my own  
14 personal story. I did have relatives that was incarcerated. My former students were  
15 incarcerated, and I made connections with them. But the phone calls, it be getting  
16 to be very personal, and my son, my juvenile son, was incarcerated back in '21. I  
17 don't consider myself a low income because I've been a schoolteacher. I have a  
18 principal license, been teaching for 25 years, so I didn't -- I don't have a low  
19 income. I'm middle class. I'm able to afford and pay bills and, you know, provide  
20 for my family, but that all changed when my son was incarcerated. The burdens of  
21 having that bill constantly. It comes really, really quick. You know, it's  
22 [INAUDIBLE] time that money, it goes -- I used to be in the school whereby I no  
23 longer was able to eat with my friends because having those phone calls come day

1 to day, it could be up to like \$30, \$40 a day. That's the same price of a meal. I had  
2 to go without. I started making changing in my financial situation, started  
3 carpooling, like I made a lot of financial changes just because I wanted to budget  
4 and be able to communicate with my son. It was a huge burden. I speak as just a  
5 mother, first and foremost, and as a human, I needed that social connection for my  
6 mental health, my well-being. When I didn't talk to my child because I couldn't  
7 afford to pay, I was having anxiety, just a lot of pressure. My son will also share  
8 with me that they fought a lot to speak on the phones and, you know, when you  
9 couldn't speak to your loved one, it just caused all kind of chaos on the inside.  
10 There was a lot of violence. I also will share personal stories with him and we had  
11 to limit that. I wasn't able to talk about his case, all of that had to be very limited  
12 because I couldn't afford the phone calls. So, I suffered a lot, my son suffered. He  
13 was incarcerated, but at that point, I was incarcerated and felt a lot of those burdens  
14 as well and it should not have been put on me. That is the reason why I do this  
15 work now, today, am no longer a schoolteacher, I'm a advocate. I continue to fight  
16 for those that's on the inside that do not have a voice, but should at least still be  
17 able to talk and communicate with they loved ones. I also interviewed, just  
18 recently, a guy, Steven, who was part of the campaign, the free phone call  
19 campaign. And he shared with me that when he was incarcerated and they were  
20 allowed to have free phone calls, that the violence immediately stopped. He had  
21 30 fights prior to that, 29 out those 30 was from the whole phone situation, using  
22 three-ways, it went on and on. I also just recently spoke to a guard from the prison  
23 in New Orleans, and that guard was just sharing how if those phone calls became

1 free, how it would just change the whole temperature on the inside, less incidents,  
2 less violence, and allow them to be able to do their job more effectively. It's a  
3 struggle for all. I want to close by just saying that the debt, it was huge. When you  
4 commit a crime, of course, we know you go to jail, your mind go to jail, you go to  
5 jail. But the impact of your mental health, that just so long lasting. So, I'm here to  
6 also share, and I know you probably know this, but five states already have passed  
7 this and they have saw a great impact from passing -- from allowing this regulation  
8 to be passed. They just saw a huge change on the inside. I speak on behalf of all  
9 mothers, I'm speaking as a advocate, I'm speaking as a woman of color, and  
10 grandmothers, we carry 87 percent of that load. That is a huge, huge load on a  
11 mother and a parent, so I'm just asking that you allow these phone calls to be free,  
12 use that power to reduce rates. And when crime go down, we know that we all win,  
13 on the inside and on the outside. So, I'm just sincerely just asking, from the  
14 mothers' point of view and the advocate, that you make a decision that will allow  
15 all of us to win.

16 **CHAIRMAN FRANCIS:** Do you know what states those were? You said five.

17 **MS. WILTZ:** Yes. I researched it here and I'm actually going back because I want  
18 to be accurate. I'm sorry. It was -- I know Massachusetts. Here it goes.  
19 Massachusetts, Minnesota, Colorado, California in 2022, and Connecticut in 2021.  
20 And I also researched like the crime and how it went down a great deal. And they  
21 even allowed earbuds because they saw the good and, you know the impact and  
22 how it changed the culture for those on the inside as well as their administration  
23 and the guards, you know. The whole system changed.

1 **CHAIRMAN FRANCIS:** All right. Okay. Yes, sir.

2 **VICE CHAIRMAN LEWIS:** Mr. Chairman, I just -- before Mr. Yancy, please, I  
3 just want to thank you for your testimony.

4 **MS. WILTZ:** Thank you.

5 **VICE CHAIRMAN LEWIS:** And why I say that is because I got emotional  
6 listening to you. My mom's been a teacher, as everybody knows, for 20-plus years.  
7 I was a teacher for 5 years. And I think we look at these as spreadsheets, we look  
8 at these as numbers. We forget that there are people.

9 **MS. WILTZ:** Yes.

10 **VICE CHAIRMAN LEWIS:** There are people behind everything that we do.  
11 And it just pains me that we treat this like a joke and that we treat this like this is  
12 not serious. And so I'm -- I'm going to stop because I can feel myself getting  
13 emotional right now and I don't want to go there right now, but it is -- I'm hoping  
14 that we hear your plea, but not just your plea because you made a brave choice to  
15 not only come here, but to leave your profession. But I hope we hear the plea of  
16 those who can't speak, those who can't afford to speak.

17 **MS. WILTZ:** Who will never have a voice.

18 **VICE CHAIRMAN LEWIS:** Those who have no one to vouch for them. And so  
19 I could not let you leave this dais without saying that. Thank you.

20 **CHAIRMAN FRANCIS:** Yeah. Thank all of you for coming. Go ahead, sir.

21 **MS. WILTZ:** Thank you.

22 **MR. CHECO YANCY:** Good morning, Commissioner. My name is Checo  
23 Yancy. I'm a former incarcerated person, and I remember fighting this same fight

1 being in Angola 30-something years ago. Had the opportunity to be a part of trying  
2 to lower the cost of Global Tel Link and here we are, 30 years later, we're still  
3 fighting the phone companies for families. I've been released now 21 years. I pay  
4 taxes. I'm a veteran, served in the United States Air Force, went in in 1962.  
5 Probably you guys wasn't even born then. But, you know, now that I'm out and  
6 advocating, work for VOTE, Voice of the Experienced, that's why it's called Voice  
7 of the Experienced. When I look at the phone calls and talk to family members, I  
8 have felt that because my family felt that. That the phone companies come in and  
9 charge these enormous rates. And then when I saw that there was a couple of states  
10 that were changing and looked at California and heard about free phone calls, it  
11 gave me the strength to really come and face you guys and say you can take a stand  
12 and change this. You know, the maintenance of the calls should not be on the  
13 budget of the families and all this because they are already making money. These  
14 phone companies make an enormous amount of money. Providing free phone calls  
15 would reduce crime as -- and we're talking about crime, we talking about crime on  
16 the inside. I've seen guys fight over the phone and stuff like that or didn't get a  
17 phone call. There are some guys that have not been able to talk because mom or  
18 step-mom, step-dad, could not accept the phone calls. We should change this. We  
19 have an opportunity to do something. You know, I heard someone say earlier and  
20 I saw the Commissioner asked about kids being in prison. Yes, this state is about  
21 to put 14, 15, 16-year-old kids in an adult institution. I was in Angola, a kid has no  
22 business being there, but that's where Louisiana is going. But today, we can take  
23 a step. This Commission can take a step today to provide free phone calls to the

1 families and the guys. And guess what, it could change the complexion of how  
2 people do, rehabilitation takes place. And just think about this, the mission  
3 statement of the Department of Correction is to punish, correct, and rehabilitate.  
4 When I sit here before you now, I'm a tax-paying citizen, have my voting rights,  
5 and I want to see things change. And this Commission has an opportunity to take  
6 a step forward and do something that would help families that are struggling to talk  
7 to their loved ones that made a bad step.

8 **CHAIRMAN FRANCIS:** Thank you, sir.

9 **MR. YANCY:** People make a bad step. Thank you, sir, for listening.

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

11 **MR. BRUCE REILLY:** Mr. Chairman, members of the Commission, my name  
12 is Bruce Reilly. I'm the Deputy Director of Voice of the Experienced. And  
13 appreciate this hearing today, I appreciate the hard work you've been putting in on  
14 this issue for some over the many years. Some very passionately more recently and  
15 we appreciate all of that. I spent the first three years of my sentence awaiting trial  
16 in a jail where I saw people around me having to use the phone on a very constant  
17 basis because, as Nziki was mentioning, there's family issues, there is jobs, there is  
18 housing, there's your case, there is maybe your car payment that maybe someone  
19 can pick up for two months so you don't lose the whole thing. So, people are really  
20 desperately trying to get and share the phone. The most violence I ever saw in my  
21 entire life was over those phone lines. I saw a guy get killed over the phone. I've  
22 seen people get hospitalized. I've seen the worst things I've ever seen, and I've seen  
23 a lot of things, was over that phone during awaiting trial. The second most violence

1 I've ever seen was the nine years I spent in prison afterwards over the phone.  
2 There's only so many phones, there's only so many minutes you can spend on it. I  
3 used to send \$20 a month to my mom on the outside. For money, I would scrape  
4 together drawing portraits of people. So, that she could call me because she was  
5 disabled on a fixed income, and she just didn't have \$20 a month. She was like  
6 running a negative every month. So, she was doing the sort of magic just to try and  
7 eat and live that some people do in this country. And, you know, that's a lot of  
8 people's experience. And I saw a lot of people trying to raise their kids from the  
9 outside, trying to keep up with what they're doing, trying to stay connected. And  
10 the sad reality is, as people have mentioned about public safety and reduction and  
11 rehabilitation, if there was a program that did all the things that the phones do for  
12 families and individuals, we would pay good money for that program, as a  
13 community, as a state, trying to help people get back to being a good, productive  
14 member of the community. Instead, we're extorting people their money to pay for  
15 this program for themselves, and I just want you to think about free market  
16 capitalism. I know you spend a lot of time dealing with ratepayers, and who's  
17 making what money, and who you speak for, and who other people speak for, and  
18 incentives. As was mentioned previously, this is one of the most perverse forms of  
19 capitalism ever. This is not capitalism because you have hostages that are paying  
20 the funds so that others can profit. So, the people who are holding them can profit.  
21 And so then they're going to come to this table and say we can't survive without  
22 those profits, which add up to less than one percent of their jail and prison budgets  
23 usually and you're trying to tell me that this is the big lynchpin. As I mentioned,



1 this is the most powerful program in every jail and prison for peace and  
2 rehabilitation and family unity and reentry. When I was going to get out, I had to  
3 make all kinds of calls just trying to find a place to live, trying to find a job. And  
4 here I am, paying out the nose to try to make these calls and trying to do all the  
5 gambits. You have people that have smuggled cellphones on the inside and then  
6 they're getting in trouble for it. And then we hear all the stuff on the news about  
7 how there's all this, you know, violence or drug dealing or whatever, most people  
8 just talking to their loved ones. Ninety-nine percent of those phone calls are just  
9 like desperate calls to your loved ones because you're in the worst place we can  
10 imagine. And so for people to try to extort that and to call people customers when  
11 they're not customers, when they're not negotiating the price, there's no free  
12 market, it's really a sick, twisted thing. And so I think that we really need to do  
13 what everyone is saying and make this all free and consider that they're monetizing  
14 all the tablets, perverse incentives to stop visitation, and it's time for that to go.  
15 Thank you.

16 **CHAIRMAN FRANCIS:** Thank you, Bruce. Thank you all for your testimony.

17 **MS. WILTZ:** Thank you.

18 **MR. YANCY:** Thank you.

19 **CHAIRMAN FRANCIS:** We have any others?

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

21 **VICE CHAIRMAN LEWIS:** Quick question for Staff: Mr. Frey, under our  
22 authority, are we eligible to, by data request, request the contracts that exist for the  
23 companies and looking at the regulatory rates?

1     **SECRETARY FREY:** So, when we redid the rules, and I'd have to look back at  
2     this to make sure, there used to be a series of tariffed rates, mileage bands, etcetera.  
3     We did away with that, just stick with the flat rate that essentially acted as the  
4     contractual rate. Now, if you're talking about the rates of commissions that are  
5     being payed to facilities, I guess that's the question.

6     **VICE CHAIRMAN LEWIS:** Yeah, I know. I'm just curious if, by our authority,  
7     can we request the existing contracts for the facilities and review those?

8     **SECRETARY FREY:** It seems like we've asked for those before. I mean, we  
9     can ask for it. It's another agency, so it'd be whether they want to give it to us or  
10    not [INAUDIBLE] --

11    **VICE CHAIRMAN LEWIS:** Gotcha. [INAUDIBLE] that's what I just --

12    **SECRETARY FREY:** Yeah.

13    **VICE CHAIRMAN LEWIS:** Okay. Thank you. I just wanted to be clear on that.

14    **COMMISSIONER CAMPBELL:** What's the next one?

15    **CHAIRMAN FRANCIS:** Okay. Ms. Bowman?

16    **MS. BOWMAN:** Exhibit Number 2, if everyone's ready, would be Docket  
17    Number T-37176. This is the Commission versus Sylvester Fleming doing  
18    business as Sk8tXpress. It's for an alleged violation of the Revised Statutes and  
19    General Order dated April 21, 2012, by engaging in activities related to transporting  
20    passengers intrastate without Commission authority. It's a discussion and possible  
21    vote pursuant to Rule 57 on an affidavit and stipulation executed by the carrier, so  
22    this will need two votes. As a result of a complaint submitted to Transportation  
23    Staff, the citation was issued to Sk8tXpress on April 25<sup>th</sup> of this year based on the

1    aforementioned allegation. In response to the citation, the owner of the company  
2    executed an affidavit and stipulation on behalf of the company admitting to the  
3    violations in the citation and agreed to the imposition of a \$1,000 fine and a \$25  
4    citation fee with 500 being suspended conditioned that he not be found guilty, enter  
5    a plea of guilty or no contest for a year, and submit that affidavit and fees to the  
6    Transportation Division as well as cease conducting business as a -- PSC business  
7    until he became a common carrier holder. Staff recommends that the Commission:  
8    1) Exercise its original and primary jurisdiction under Rule 57 to consider the  
9    affidavit and stipulation; and 2) Accept that affidavit and stipulation executed on  
10   October 3, 2024, for fines and fees totaling \$525.

11   **COMMISSIONER SKRMETTA:** Move to bring the matter up under Rule 57.

12   **VICE CHAIRMAN LEWIS:** Second.

13   **CHAIRMAN FRANCIS:** Commissioner Skrmetta, Rule 57, seconded by  
14   Commissioner Lewis. Any objections here? [NONE HEARD] Hearing none.

15   **COMMISSIONER SKRMETTA:** Move to accept the Staff recommendation and  
16   affidavit and stipulation.

17   **VICE CHAIRMAN LEWIS:** I'll second.

18   **CHAIRMAN FRANCIS:** Move by Commissioner Skrmetta, seconded by  
19   Commissioner Lewis. Any objection? [NONE HEARD] Hearing none, it's in the  
20   records.

21   **MS. BOWMAN:** Exhibit Number 3 is Docket Number I-36242. This is  
22   SWEPCO's 2021 request to initiate integrated resource planning process pursuant  
23   to our General Order in Docket Number R-30021 dated April 20, 2012. It's a

1 discussion and possible vote on Staff's report and recommendation. On December  
2 28, 2022, SWEPCO submitted a request to the Commission to initiate its IRP  
3 process with several parties intervening. At the first stakeholder meeting on March  
4 29, 2022, SWEPCO presented its IRP data assumption materials and stakeholders  
5 filed written comments on those assumptions. SWEPCO published its draft IRP  
6 report which was also discussed with a stakeholder meeting and three intervenors,  
7 AEMA, Sierra Club, and SREA, filed written comments. On November 29, '23,  
8 Staff filed its written comments to identify issues, and on February 14<sup>th</sup> of this year,  
9 SWEPCO filed its final IRP report and associated appendices. The Sierra Club and  
10 SREA filed comments in response to that final IRP report indicating disputed  
11 issues, and on August 27<sup>th</sup> of this year, Staff filed its report and recommendation  
12 on SWEPCO's final report. Despite Staff having a couple of concerns related to  
13 SWEPCO not examining the potential economic pressures to retire Flint Creek and  
14 Turk power plants, as well as SWEPCO's preferred plan scoring poorly on several  
15 metrics, as assessed by SWEPCO itself, and was one of the most expensive  
16 portfolio options, Staff concluded that SWEPCO did meet its obligations under the  
17 Commission's IRP order and, therefore, Staff recommends the Commission accept  
18 -- excuse me, acknowledge SWEPCO's final IRP report as having complied with  
19 that order. Therefore, Staff recommends that the Commission acknowledge  
20 SWEPCO's final IRP report, complying with the Commission's IRP order.

21 **COMMISSIONER CAMPBELL:** I make a motion we accept Staff  
22 recommendation.

23 **COMMISSIONER SKRMETTA:** Second.

1 **CHAIRMAN FRANCIS:** Make a motion by Commissioner Campbell, seconded  
2 by Commissioner Skrmetta. We need to -- let's call up SWEPCO. We got  
3 questions from Commission Lewis. Someone here from SWEPCO would like to  
4 answer some questions.

5 **VICE CHAIRMAN LEWIS:** Thank you. And I'll have questions for our Staff  
6 consultant as well.

7 **CHAIRMAN FRANCIS:** Staff consultant also.

8 **VICE CHAIRMAN LEWIS:** While SWEPCO is coming up, I'll start with the  
9 Staff consultant in time. When we were looking at particularly the Flint Creek  
10 facility, my understanding and my reading, Marie, and correct me if I'm wrong, that  
11 there was no evaluation of the economic factors that could accelerate the retirement  
12 of Flint Creek or Turk plants in the Aurora; am I correct about that?

13 **MS. MARIE FAGAN:** Yes, sir. Marie Fagan, London Economics for Staff. But  
14 that's correct. So, they did not look at the going forward cost against their price  
15 outlook in Aurora to see whether the plants would be economic on a going forward  
16 basis.

17 **VICE CHAIRMAN LEWIS:** Right. And I think when we were looking at their  
18 CCR and their LUG analysis, they did include analysis, but I mean, we do not agree  
19 that they would have to probably continuously modeling those fuel prices and peak  
20 forecasting and changing to really kind of evaluate whether or not that decision was  
21 -- I don't want to say prudent, but that decision is valuable?

22 **MS. FAGAN:** So, specifically, with respect to the need for capital expenditures to  
23 comply with the Effluent Limitation Guidelines, which apply to both of the plants,

1 they mentioned that there would need to be capital expenditures going forward, but  
2 they didn't quantify those. They had going forward capital expenditures for both  
3 of the plants, but not including the need to comply with Effluent Limitations  
4 Guidelines. So, that piece was missing.

5 **VICE CHAIRMAN LEWIS:** Thank you. And when we were looking at the  
6 environmental controls or the associated costs with Flint Creek and Turk plants, it's  
7 my reading and my understanding that they did not truly consider any regulatory  
8 impacts from the Good Neighbor Plan or the Regional Haze Rule. Would that be  
9 your analysis as well?

10 **MS. FAGAN:** I don't think we went into those in that level of specificity because  
11 I think the state of those rules was still in play, so it was hard to -- it was just hard  
12 to make a definitive statement. So, our analysis of the need to see what capex might  
13 be going forward was really just focused on the ELG.

14 **VICE CHAIRMAN LEWIS:** Thank you. And I want to -- just a few other for  
15 you, Marie, before I move to SWEPCO. Transmission planning is required by  
16 FERC through the OATT, and in my reading of this plan, there were no  
17 transmission options listed. Would you agree with that or would you think I'm  
18 being a little hard on that?

19 **MS. FAGAN:** Well, I think I would answer in two parts.

20 **VICE CHAIRMAN LEWIS:** Okay.

21 **MS. FAGAN:** But our comment on the lack of transmission options really didn't  
22 have to do with the FERC OATT, it had to do with our reading. And I'm an  
23 economist, not a lawyer. But my reading of the IRP Order from the Commission,

1 which talks about looking at economic -- so there's really two categories of  
2 transmission. You can do it for reliability purposes or you could do it based on  
3 economics. Economics being, you know, this system's reliable, but if you expand  
4 transmission, you might be able to bring in a cheaper source of generation, what  
5 they call reducing congestion, so it could be cheaper for everybody. So, the order  
6 talks about the consideration of looking at transmission options -- economic  
7 transmission options, and that's what we didn't see in the IRP.

8 **VICE CHAIRMAN LEWIS:** No. Thank you. And to Mr. Brice and Mr. Gilliam,  
9 first, I must say, once again, this is another agenda item that you didn't come speak  
10 to me on. I've made it very clear, IRPs are something I take extremely serious.  
11 IRPs are about forecasting, about our transmission, generation, distribution. And I  
12 checked in with my Staff, I've had zero contact from any one of you or anyone from  
13 SWEPCO on this issue. And that's extremely disappointing to be a member of this  
14 body, when I've made it very clear in the Entergy IRP, the SWEPCO IRP, the 1803  
15 IRP, where my positions were, what I was looking for. And to have zero  
16 engagement or even acknowledgement of this agenda item is, quite frankly, is  
17 disrespectful, if I'm going to be honest. And so I would hope that the regulatory  
18 process changes that when you have agenda items, especially one that a  
19 Commissioner has made very clear is of importance to them, that you would at least  
20 engage in some form or fashion. But I will give you a chance to respond to that,  
21 but I'm going to go to my first question that I do have. And I'm just curious about  
22 your higher transmission and interconnection adders that, when I read the  
23 [INAUDIBLE] basis, I'm looking at, I mean, just on renewable generation, we'll

1 stick with that, on onshore wind and solar, I mean, you are coming radically higher  
2 than what Entergy had in their IRP. And there was no basis when I read the IRP  
3 that gave any data or analysis of why these IRPs are having offset figures. So, I  
4 know I said a lot, but I'll give you a chance to respond and then I'll come back to  
5 some of my more technical questions.

6 **MR. BRICE:** Commissioner Lewis, Tom Brice on behalf of SWEPCO. I, first,  
7 apologize for that circumstance, for our failure to communicate. We will never  
8 allow that to happen again. It certainly was not intentional. We always strive to  
9 make sure we communicate with each and every one of our Commissioners on all  
10 of our issues. So, I do apologize on behalf of the company and that's on me. I  
11 apologize.

12 **VICE CHAIRMAN LEWIS:** Thank you.

13 **MR. BRICE:** So, on your question specifically to the -- it was onshore, the pricing  
14 of offshore?

15 **VICE CHAIRMAN LEWIS:** Onshore and then solar.

16 **MR. BRICE:** I'm sorry. Say that again, please.

17 **VICE CHAIRMAN LEWIS:** Onshore and solar, your pricing in that -- in your  
18 interconnection adders.

19 **MR. BRICE:** So, in my -- at least my view in my years of experience in working  
20 with an integrated resource plan, the objective of that plan is to satisfy how you can  
21 best meet customers' incremental generation needs. It's not a site-specific plan. It  
22 does not in any way try to say, okay, you need a hundred megawatts of wind,  
23 hundred megawatts of solar and it's best to put those two resources in Shreveport



1 and, therefore, determine the interconnection cost. To me, at least to my 30 years  
2 of experience, that takes place in a request for proposal process where we act on  
3 the IRP. IRP says you need those two resources, we go to the market and look for  
4 them. If we find them, we would accordingly look at the interconnection cost of  
5 that facility at that time.

6 **VICE CHAIRMAN LEWIS:** No, thank you. And when I read your IRP model  
7 reports, you didn't add available tax credits to your renewable IRP, especially  
8 evaluating this available federal funding that could save ratepayers. So, since they  
9 weren't in the IRP -- or would, as you look at potentially the extension of the  
10 lifespan of those two facilities, will you look at some of the available tax credits  
11 and the production tax credits or others that could significantly save ratepayers  
12 cost?

13 **MR. BRICE:** Yes, sir. And to be very clear, it is true that we look at the PTCs,  
14 the base amount that's offered a facility. We certainly evaluate that base amount.  
15 What's also true though is we do not include the incremental community bonus of  
16 10 percent because that is a site-specific benefit and we don't know that a given  
17 project -- and particularly, since we haven't been in the market, we don't know how  
18 we're going to fill that need. We just don't think it's appropriate to assume  
19 wherever that location might be that the project would qualify for that 10 percent  
20 additional benefit.

21 **VICE CHAIRMAN LEWIS:** Thank you. And I have just two remaining  
22 questions. Looking at your -- let's talk about you increase your winter reserve  
23 margin from 26 percent to 33 percent, and typically, a higher reserve margin

1 increases the need to build new capacity. So, I'm curious if that is your intent or  
2 SWEPCO's intent that you need new capacity and will you add at least some  
3 transparency on what that capacity will look like?

4 **MR. BRICE:** Yes, sir. It is our intent. In fact, Commissioner, at that time when  
5 we developed the IRP, we expected and anticipated the SPP, the Southwest Power  
6 Pool, to move forward with that winter reserve margin requirement at that level that  
7 you cited, but it was actually approved at an additional 3 percent or 36 percent  
8 starting in 2026 during the winter. This is the first time the SPP's ever approved a  
9 separately identifiable winter requirement. It's always been the same as summer,  
10 but it not only was it approved at that level, but another three percent. So, we  
11 certainly will plan to meet those requirements and that particular provision impacts  
12 our utility much more so than others in the SPP. Many of our customers use  
13 electricity to heat their homes, that's something that we actively pushed years ago,  
14 but it's had a great impact on SWEPCO and that's driving the need in the plant.

15 **VICE CHAIRMAN LEWIS:** Thank you. And the last question I do have from  
16 you, going back to the point that I was asking our consultant around transmission.  
17 In the process, not only did the Staff and stakeholders ask about transmission  
18 details, and in my review of this IRP, the issue I had with the other two IRPs that  
19 came before this Commission, they weren't there. So, my question to you is: Do  
20 you currently have a plan to increase transmission and solve the congestion and  
21 stress issues? And if so, why were they not included in the IRP, as I believe rules  
22 instruct you to do so?

1 **MR. BRICE:** Yes, sir. We always have a plan to improve congestion, but that  
2 plan is developed at the Southwest Power Pool. They are responsible for operating  
3 and maintaining and managing our transmission system. And we work with them  
4 daily, but the SPP's the one responsible for developing that plan. Now, as it relates  
5 to the integrated resource plan for generation, you know, the thing for me, it's not  
6 a site-specific plan. It says, Commissioner, you need to add solar, you need to add  
7 wind, and our plan shows that. And what we would do next is issue a request for  
8 proposals to add that generation. And once you find the right project, that's when  
9 you would add the transmission. I find it extremely difficult for a utility to go into  
10 the Commission and say what we'd like to do is build a transmission line from  
11 northwest Louisiana to northeast Texas in hopes that someone puts a generator  
12 there. And the way the market works today and the SPP, Commissioner, it's a day-  
13 ahead market only, it's a market -- energy market only. So, I can buy that energy  
14 a day ahead, but there's no capacity market. I can't go to the SPP and say, you  
15 know, tomorrow I'd like to buy 500 megawatts. I need to issue a request for  
16 proposal and hope that I can find a developer that's willing to build it for me or that  
17 it's available in the RTO.

18 **VICE CHAIRMAN LEWIS:** No, thank you. And I appreciate your answers to  
19 my questions and I will have to oppose this IRP for the various reasons that I've  
20 stated on the record about the other IRPs. I will be working with Staff to ensure  
21 that maybe we can have some midpoint discussions on these IRPs because there  
22 are a lot of things that do change. I do appreciate that in this IRP that you did start  
23 to see increase in your distributive generation, whether it be rooftop solar,

1 community solar, microgrids. But I think modeling that with those tax credits and  
2 the incentive programs that are existing is extremely important. And that  
3 transparency and the data of up to date is key in these IRPs. I mean, so I just suggest  
4 during the next round that we provide as much information as possible in order to  
5 give the Commission a more informed decision for future votes about your energy  
6 plan. I mean, these IRPs are -- I believe, are not just random exercises. They are  
7 about what we see in the market as we talk about base load growth, as we talk about  
8 the growth of data centers, as we talk about capacity congestion. And so I'm  
9 looking at these plans when you bring in an RFP or you bring in an application to  
10 say, okay, where are you looking at this? What does that mean? So, my hope is  
11 during the next phase, we take these a little bit more seriously and provide as much  
12 analysis as possible, so that when we are now faced, as you mentioned, right, when  
13 you make that RFP for a transmission or generation, we can look and balance at a  
14 bond what you are looking at as time goes on. But I thank you for your time in  
15 answering my questions.

16 **CHAIRMAN FRANCIS:** Tom, you're retiring.

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

18 **CHAIRMAN FRANCIS:** One of the responsibilities of an executive at your level  
19 is to have someone ready to take your place. Who is that going to be?

20 **MR. BRICE:** So, that individual is Melissa Gage.

21 **CHAIRMAN FRANCIS:** A lady. Okay. All right.

22 **MR. BRICE:** She works out of our Austin office. She's been with the company  
23 about nine years. She's been our Associate General Counsel and been active in all

1 of the SWEPCO regulatory cases behind the scenes. So, looking forward to Melissa  
2 stepping in and she'll do a great job. She's got a lot of experience with SWEPCO  
3 and she'll be ready to go.

4 **CHAIRMAN FRANCIS:** Would love to have her to come Crowley and visit.

5 **MR. BRICE:** Absolutely.

6 **CHAIRMAN FRANCIS:** I had another question for Commissioner Lewis. What  
7 is Good Neighbor Plan? What is that? I'm sorry, I don't know.

8 **VICE CHAIRMAN LEWIS:** Yes, sir. The Good Neighbor --

9 **CHAIRMAN FRANCIS:** Briefly.

10 **VICE CHAIRMAN LEWIS:** Yeah. Yes, sir. Yes, Commissioner. Mr.  
11 Chairman, the Good Neighbor Plan is a portion of the EPA's rules around carbon  
12 emissions and so it is looking at the state's interaction with their generation mix  
13 and basically being a good neighbor to each state with the sources of resources that  
14 you're using in your jurisdiction.

15 **CHAIRMAN FRANCIS:** All right. Yes. I had the privilege of serving Louisiana  
16 on the SPP and I voted to increase the reserve margins, so the lights won't go out in  
17 the next winter crisis, hopefully, if we plan. And I'm -- you know, in the real  
18 business world, the IRP, we call that a SWAG, you know. But good luck with that.  
19 I appreciate your plan and I'll support what y'all have before us. So, do we have a  
20 motion for that?

21 **MS. BOWMAN:** We do.

22 **COMMISSIONER SKRMETTA:** It's already motioned and seconded.

23 **CHAIRMAN FRANCIS:** We have a motion and a second already? Okay.

1 **MS. BOWMAN:** We do. Yes, sir. A motion from Commissioner Campbell, a  
2 second from Commissioner Skrmetta, with an objection from Commissioner  
3 Lewis.

4 **CHAIRMAN FRANCIS:** I think we need -- do we need to vote on that  
5 [INAUDIBLE] we have an objection?

6 **MS. BOWMAN:** We need a roll call vote. Yes, sir.

7 **CHAIRMAN FRANCIS:** Okay. Yeah. Commissioner Campbell, how do you  
8 vote on this?

9 **COMMISSIONER CAMPBELL:** Yes.

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

11 **COMMISSIONER SKRMETTA:** Yes.

12 **CHAIRMAN FRANCIS:** Commissioner Lewis?

13 **VICE CHAIRMAN LEWIS:** No.

14 **CHAIRMAN FRANCIS:** The Chair votes yes. So, that's three to one. We've  
15 got one gone missing here. So, it's approved and best wishes and tell your  
16 replacement come see us.

17 **MR. BRICE:** Yes, sir. Thank you, Mr. Chairman.

18 **COMMISSIONER SKRMETTA:** He's going to come see when he gets paid  
19 more.

20 **VICE CHAIRMAN LEWIS:** Thank you, Tom.

21 **CHAIRMAN FRANCIS:** All right. Where are we? Number 4?

22 **MS. BOWMAN:** Yes, sir. Exhibit Number 4 is Docket Number R-35595. This  
23 is the Commission's review of the schedule of prescribed rates and requirements

1 for towing and recovery services in General Order dated August 5, 2016. It's a  
2 discussion and possible vote on Staff's final report and recommendation, and it was  
3 Exhibit 3 last month. On July 7, 2020, the Commission opened a rulemaking docket  
4 to review the schedule of prescribed rates and requirements for towing and recovery  
5 services in its general order. And throughout the pendency of this docket, the  
6 Commission has adopted several interim rate orders including Interim Order dated  
7 October 18, 2021, which adopted gate and administrative fees; Interim Order,  
8 February 17, 2022, which increased rates by 15 percent; and an Interim Order dated  
9 September 6, 2024, which authorized an additional 15 percent increase in rates.

10 **COMMISSIONER SKRMETTA:** I have a motion if we want to put it on the  
11 floor, so we can discuss against it.

12 **MS. BOWMAN:** Sure. Can I, just for the record, put Staff's recommendation  
13 out?

14 **COMMISSIONER SKRMETTA:** Oh, because I thought we -- is that what we're  
15 going to do? Yeah, that's fine.

16 **MS. BOWMAN:** Okay.

17 **COMMISSIONER SKRMETTA:** Yeah, go ahead.

18 **MS. BOWMAN:** So, Staff's recommendation is that the Commission adopt the  
19 final report and recommendation, corrected, filed into the record on October 7,  
20 2024. And I do have a motion for Commissioner Skrmetta.

21 **COMMISSIONER SKRMETTA:** If we're going to just do the Staff  
22 recommendation, is where we are now, I think, I think we have a lot of discussion  
23 regarding it. For right now, let's just go with the Staff.

1 **SECRETARY FREY:** Well, so your motion is the Staff recommendation with  
2 modifications?

3 **COMMISSIONER SKRMETTA:** It's the Staff recommendation with  
4 modifications.

5 **SECRETARY FREY:** So, you want Kathryn to read that, your motion?

6 **COMMISSIONER SKRMETTA:** Yeah. We can do that and then we'll discuss  
7 the whole thing.

8 **SECRETARY FREY:** Yeah.

9 **CHAIRMAN FRANCIS:** Are we aware of the modifications or you fixing --

10 **COMMISSIONER SKRMETTA:** Yeah, that's been squared away already.

11 **CHAIRMAN FRANCIS:** -- to let us know what they are?

12 **MS. BOWMAN:** I was about to read them to you. Yes, sir.

13 **CHAIRMAN FRANCIS:** All right.

14 **COMMISSIONER SKRMETTA:** Yeah. Yeah, Staff's aware.

15 **MS. BOWMAN:** Commissioner Skrmetta's motion is that he moves to adopt  
16 Staff's recommendation with the following modifications. As it relates to storage,  
17 I move that the storage rates remain at the current rates for the first five days, then  
18 thereafter triple the current rate for Storage Days 6 through 30, and afterwards  
19 revert back to the current rates for storage on Day 31 and beyond. The following  
20 are the storage rates based upon my motion calculated per calendar day. Storage  
21 rates for the first 5 days remain at the current rates of \$31.50 per day for outside  
22 storage, \$38 per day for covered storage, and \$57 per day for oversized storage.  
23 Storage rates for Day 6 through 30 would increase to \$94.50 per day for outside



1 storage, \$114 per day for covered storage, and \$171 per day for oversized storage.  
2 Storage rates for Day 31 and beyond would be reduced back to the current rates.  
3 As it relates to recovery, I further move that we amend the definition of standard  
4 recovery as follows: Standard recovery is the recovery of a vehicle that does not  
5 come under the definition of complicated recovery. I further move that we delete  
6 the definition category and rates of simple water recovery from the general order.  
7 I further move that we adopt the definition and rate category of complicated  
8 recovery as follows: Complicated recovery is a roll-over recovery when a vehicle  
9 is overturned or positioned in such an irregular way that requires repositioning and  
10 an additional operator to complete the recovery; removal of cargo that has become  
11 unsecured from the vehicle when unloading and reloading cargo and box trailers,  
12 box trucks, flatbed trailers, and tank trailers as necessary to complete the recovery;  
13 water recovery when an additional operator is required to complete the recovery of  
14 a vehicle in water greater than 12 inches in depth. The following rates would apply  
15 for a complicated recovery under each weight class as follows: Light duty would  
16 be \$350 per hour; medium duty would be \$500 per hour; heavy duty would be \$980  
17 per hour. In all other respects, Staff's recommendation shall remain unchanged.

18 **CHAIRMAN FRANCIS:** Okay. There you have a motion. There a second?  
19 [NONE HEARD] Hearing no second, the motion fails. So, we got to -- any other  
20 motions out there?

21 **VICE CHAIRMAN LEWIS:** Mr. Chairman, I have a motion that I'll offer. I  
22 offer that the Commission accept Staff's recommendation as filed into the record  
23 on October 7, 2024, which will close the Docket Number R-35595 and set

1 permanent rates for the non-consensual towing industry. The Commission would  
2 also direct Staff to continue working with the regulated towing industry and  
3 reviewing the current rate structure and regulations with the goal of identifying  
4 potential modifications to ensure the industry's rates are not only reasonable, but  
5 common -- where am I? Lost my spot. Are reasonable within the industry services.  
6 This collaboration should include analyzing the potential of different tariffs being  
7 established for different tiers of towing companies and tow services, collaboration  
8 with the towing industry on potential legislation regarding abandoned vehicles and  
9 the statutory limit of storage prior to the acquiring of a vehicle title, and the methods  
10 to ensure proper data is provided to the Commission regarding the industry. The  
11 first step in this collaboration is for Staff to issue discovery to all regulated tow  
12 companies seeking information on non-consensual tows, including the number  
13 performed by each company, the length of time at the storage yard, the number of  
14 towed vehicles that are ultimately sold, and the number of towed vehicles that are  
15 sold for scrap or salvage.

16 **CHAIRMAN FRANCIS:** All right. That's a mouthful. Can I ask -- Tammy Burl  
17 is the -- kind of the head of the towing operations. Do you have that information  
18 that he just read?

19 **MS. TAMMY BURL:** Good afternoon, Commissioners, by one minute.

20 **CHAIRMAN FRANCIS:** All right.

21 **MS. BURL:** Yes, sir. I was provided that information before the meeting had  
22 started. Staff right now is still supporting their Staff recommendation, but of  
23 course, it is the Commissioners what they would like to do.

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

2 **CHAIRMAN FRANCIS:** So, do we have a second on this motion?

3 **COMMISSIONER GREENE:** I'll second.

4 **COMMISSIONER SKRMETTA:** Mr. Chairman, I have some questions.

5 **CHAIRMAN FRANCIS:** Okay. Commissioner Skrmetta.

6 **COMMISSIONER SKRMETTA:** Yeah. To go back to my original motion,

7 which did not get a second, would like to point out that discussions were had for

8 several hours on Monday between Counsel Bowman and Secretary Frey, Rudy

9 Smith, Jay Blossman, myself, about the issues that the industry faces, the

10 inadequacies that are facing the industry. These are not unknown to Staff, these are

11 not unknown to the Commissioners. We are in a position to where the industry

12 faces problems that are associated predominantly with the storage fees associated

13 with -- normally with automobiles and we know that most people will pick up their

14 cars within five days, which is why the rate wouldn't change. It's the ones that are

15 left there longer than that, it uses up these fellas' storage yards, it cost them money

16 to keep these on site. Which is why we looked at, with an agreement with Counsel

17 Bowman and Secretary Frey, to understand why we were going to have a movement

18 up after five days, which would come back down. Now, this is because the

19 Department of Motor Vehicles has established what the length of time there is for

20 the maintaining of the vehicles in storage. Now, the problem is we've got that

21 element. Now, the second element of the problem where we are in this storage

22 issue is not so much the storage. It's the other recovery costs for issues associated

23 for water recovery and heavy equipment recovery, which do not affect the average

1 person with an automobile. Those are for much bigger problems that require heavy  
2 equipment that cost these guys way more money to own, way more money to  
3 insure, and it's well outside the purview of what we have been talking about about  
4 looking into these studies. So, the problem that we're facing is a legislative action  
5 that's going to have to go through with -- dealing with the Department of Motor  
6 Vehicles, number one, on how they're going to accelerate dealing with these  
7 problems. And we're going to basically put these guys, again, into a burden by not  
8 letting them move forward until such time that the legislature clears this up. So,  
9 the problem with doing this is that we're not taking an action that's going to help  
10 this industry balance itself out. So, we're either going to -- you're going to either  
11 harm the industry and drive people out of it or we're going to not do what is our  
12 constitutional job, which is to make sure that this industry is available to the public  
13 to respond to when it's necessary to go out and do the job of responding to wrecks,  
14 etcetera, to clean up the mess that's out there and make sure they have the  
15 equipment. So, not taking action with the modified motion is going to be a problem  
16 for this and to go ahead on anything with the Staff's recommendation is -- it's  
17 inadequate. So, I'm just going to make that argument. I'd like to hear from the  
18 people at the desk, but, you know, I can't support it if it's not going to take a  
19 legitimate action to provide the necessary increases on the heavy equipment and  
20 the necessary changes to the definitions to provide adequacy for the industry, but  
21 at the same time, protecting the average person with a car to make sure they can go  
22 get their car within five days. But after that, if they're abandoning it, effectively  
23 what they're doing, that it deals with the issues that these guys face with the storage

1 problem. So, I think to not deal with it, and to just look at it as a rate increase, is  
2 not looking at it with what it is, which is managing the problem of the industry with  
3 the overall, you know, problems that they face on this and overall equipment  
4 problems, storage problems, insurance problems, that they are impacted with. So,  
5 I don't think we're hurting the average consumer with what we're -- what I talked  
6 about in this substitute motion or a modified motion of the Staff, you know, because  
7 it wasn't that a big a difference. I also noticed that, Mr. Chairman, you didn't ask  
8 the Staff if they knew about the changes that I did in that substitute motion because  
9 both of the Staff members were there and we discussed every aspect of those  
10 modifications to the Staff's motion. And we engaged with them and negotiated  
11 with them on talking about what would be the ultimate fairness for not just the  
12 consumer, but what would be the fairness for the industry. And that is what the  
13 duty of the Commissioner is, is to find a balance in that mark by what we do. So,  
14 I really think you should come back and look at this and one of you should make it  
15 your motion since it failed. And you should look at this about what it accomplishes  
16 for the industry and what it accomplishes for society because we're not really  
17 changing it for the consumer. What we're doing is changing it for the industry and  
18 society and we're making sure that there's a service to respond. I hate to think that  
19 somebody needs to get a tow today because these guys are in here doing this. But  
20 I can tell you right now, we need to change it and not look and wait for the  
21 legislature to step up. What this does, and if we do it the way I've suggested, we  
22 put the pressure on the legislature to have the Department of Motor Vehicles step  
23 up to do their job in a way that's meaningful for the industry. Thank you.

1     **CHAIRMAN FRANCIS:** Well, I asked Tammy Burl, now I'll ask the Secretary:  
2     What's your opinion of data requests?

3     **SECRETARY FREY:** Data requests?

4     **CHAIRMAN FRANCIS:** Yeah.

5     **SECRETARY FREY:** I think any information we get is helpful. I mean, we use  
6     it in all of our dockets. So, generically, yes, I'm in favor of them.

7     **CHAIRMAN FRANCIS:** Okay.

8     **COMMISSIONER SKRMETTA:** Well, I've got a question. Brandon and  
9     Kathryn, did we discuss this at length on Monday? Did we understand what the  
10    issues were? And did you agree that there is an issue through these new definitions  
11    and these amounts to understand the difference between regular towing issues and  
12    also heavy equipment issues? And lastly, isn't the scale of storage on regular, like,  
13    automobiles, isn't it a sliding scale that, Kathryn, you suggested that we do so much  
14    for regular, go up, and then come back down? That was actually your suggestion.

15    **MS. BOWMAN:** So, on the storage rates, yes, that was my suggestion last month  
16    as a compromise to have Staff's recommendation in any -- in the rest of its form  
17    approved, minus the storage rates, thinking that that would appease the tow  
18    companies that we were recognizing that this was an issue related to Office of  
19    Motor Vehicles and that we could do that while they went to the legislature and  
20    attempted to get the [INAUDIBLE] fixed.

21    **COMMISSIONER SKRMETTA:** Well, and stop right there for a minute  
22    because I want to make this point, there seems to be a dead silence when we're  
23    talking about this issue about, you know -- and Chairman indicates, well, what

1 about Staff, and Staff doesn't say anything. So, I have to go into a secondary  
2 questioning of the Staff to illicit the response that what I've suggested is actually a  
3 compilation of what Staff suggested with some modifications of what I've  
4 suggested on some definitions to make it look like I'm trying to push something  
5 forward that was not worked out between Staff, parties, and Commission to try and  
6 come up with a compromise. And it's making it look like there's something here  
7 that's not being thought out as sort of a overall composition resolution when there  
8 ought to be some real reveal that this was something that we worked out as a true  
9 compromise to accomplish a task. And so it's very disappointing that there's some  
10 dead air in this room when there was a real discussion and offer of true suggestion  
11 from Staff. And so we're batting it back and forth between Tammy and we're  
12 batting it back and forth with Counsel and with the Executive Secretary to not be  
13 truthful or, let's put it this way, fully, you know, revealing about the full content of  
14 the conversation we had in trying to get this done because immediately agreed to  
15 what was offered in here about this sliding scale of storage for, I would call it,  
16 automobiles, which is fine. That's never been really the issue. The issue is about  
17 heavy equipment and it's about redefinition of things. So, I got a severe problem  
18 with the fact that -- you know, of the dead air component of when questions are  
19 asked about, well, does the Staff know anything about this, and this dead air  
20 component that if Staff knew about this in Buras, and then the Staff really knows  
21 about it now. So, to have these questions be you need specific questions, well, ask  
22 specific questions. But I'm more than -- I'm not disappointed for this about me. I'm  
23 disappointed about this industry and I'm disappointed about these guys and these

1 folks that are here today about this because work went on about this, not just  
2 Monday. We've worked on this since last Friday about trying to find a compromise  
3 that could work out for this industry and the public. And this other talk about, well,  
4 we want to get, you know, data, we want to get a study. Well, yeah, we do, but  
5 we've talked about trying to have somebody hired at the Staff dedicated to put in  
6 someone to do specific work about doing analysis. What would it cost? We're not  
7 getting that done, you know. The industry itself needs help and the industry itself  
8 needs to find data. We've tried to hire people to do data research on these guys to  
9 say we need to get data. Well, if you show up and tell us who you're going to hire  
10 to get data, that's fine. But what we've got to do is move it forward in a meaningful  
11 way to keep the industry alive, keep it functioning, and to make it work. But, you  
12 know, this sort of, you know, not taking things on in direct force, it's not that, you  
13 know. So, that's a real problem.

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

15 **COMMISSIONER CAMPBELL:** Have we voted on this motion? Have we  
16 voted?

17 **COMMISSIONER SKRMETTA:** No.

18 **SECRETARY FREY:** No. No. We have a lot of people that have filed in cards  
19 to speak, so.

20 **CHAIRMAN FRANCIS:** We're still in discussion. We got some testimony.

21 **COMMISSIONER CAMPBELL:** Who has a motion up? Mr. Skrmetta?

22 **COMMISSIONER SKRMETTA:** No.

23 **CHAIRMAN FRANCIS:** No, it's --



1 **COMMISSIONER SKRMETTA:** I don't have a motion.

2 **COMMISSIONER CAMPBELL:** You have a motion?

3 **VICE CHAIRMAN LEWIS:** Yes, and it was seconded by Commissioner Greene.

4 **CHAIRMAN FRANCIS:** Seconded by Commissioner Greene.

5 **COMMISSIONER CAMPBELL:** Okay. Let's go, let's have it.

6 **MS. BOWMAN:** Well, no. We can't -- we cannot --

7 **SECRETARY FREY:** [INAUDIBLE] public comments.

8 **CHAIRMAN FRANCIS:** We got to discuss it first.

9 **COMMISSIONER SKRMETTA:** You got cards to hear. You got yellow cards.

10 **CHAIRMAN FRANCIS:** Yeah.

11 **MS. BOWMAN:** We cannot vote until the public has an opportunity to speak and

12 we're going to start with Mr. Smith and Mr. Varnado, who are sitting at the table.

13 **SECRETARY FREY:** And I just wanted to clarify a few things, too, though. We

14 actually met yesterday, not to make it trivial, but I think everything's -- we've had

15 a lot happen between now and then. But what we sent out -- and yes, we went

16 through your motion from last month. It did include what Kathryn had proposed

17 as the alternative about the storage rates. We cleaned up some of the stuff on the

18 recovery working off the template that we had. But I think, and I want Mr. Smith

19 to speak to this as well, we said Staff has no position on this. I mean, we weren't

20 saying we were supporting it as the compromise, we just memorialized what we

21 talked about yesterday into that motion. So, I'm sorry if there was confusion on

22 that, but it wasn't Staff supporting this.

23 **COMMISSIONER SKRMETTA:** It's not a question of support.

1 **SECRETARY FREY:** Sure. Sure.

2 **COMMISSIONER SKRMETTA:** It's the fact of dead air and not acknowledging

3 --

4 **SECRETARY FREY:** And I apologize to your [INAUDIBLE]. Sure.

5 **COMMISSIONER SKRMETTA:** -- the fact that we've talked about that.

6 **VICE CHAIRMAN LEWIS:** Commissioner, you're the only one

7 [INAUDIBLE].

8 **COMMISSIONER SKRMETTA:** That dead air component is unrealistic.

9 **VICE CHAIRMAN LEWIS:** Mr. Chairman, I'm getting frustrated because,

10 Commissioner, you had that meeting, not the other four of us, and I think that's the

11 problem.

12 **COMMISSIONER SKRMETTA:** You had every opportunity to ask for a

13 meeting, so don't point out things that you didn't [INAUDIBLE] --

14 **VICE CHAIRMAN LEWIS:** Mr. Skrmetta, I am talking. I am talking.

15 **COMMISSIONER SKRMETTA:** You can talk all you want.

16 **VICE CHAIRMAN LEWIS:** I let you -- I respected you while you talked and

17 you're going to give me the respect as a colleague duly elected that I deserve.

18 **COMMISSIONER SKRMETTA:** Not a chance.

19 **VICE CHAIRMAN LEWIS:** Well, that's -- you show who you are and I'm glad

20 the world gets to see who you are. But I'm going to make the point, I have asked

21 Mr. Smith multiple times to engage with me. When we went to Buras, I sat there

22 and I talked with Mr. Smith; did I not? When we got before the meeting, I said is

23 there any motion or change from the discussion that we had? You said I think

1 we've worked it out. I walk to Staff. I asked Ms. Bowman, I asked Ms. Burl, do  
2 we have an agreement? They said they don't know anything. You walked up, Mr.  
3 Smith, you handed Commissioner Skrmetta a piece of paper, and then he read a  
4 motion in. So, that's not working with everybody. So, we're going to kid ourselves  
5 here with this shenanigans that you get to walk in a room and you get to negotiate  
6 and summon Staff to your office and then the other four of us have to sit down and  
7 take anything that you give. I'm just not going to let you disrespect Staff the way  
8 that you're continuing to do in this meeting. You are not the Chair, you're not the  
9 only Commissioner, and I think you should show the rest of us some respect.  
10 You've presented a motion, it did not have a second, and now we're having a  
11 discussion on the motion on the table and I think that's how it should be.

12 **COMMISSIONER SKRMETTA:** You want to turn my mic back on?

13 **CHAIRMAN FRANCIS:** It's on.

14 **COMMISSIONER SKRMETTA:** It's on? I thought he turned it off. Well, first  
15 off, you're talking about a motion that was in Buras. The second thing is --

16 **VICE CHAIRMAN LEWIS:** You sent this yesterday.

17 **COMMISSIONER SKRMETTA:** Well, I don't know about yesterday. All I  
18 know is that anybody on this Commission can request anybody to come in and have  
19 discussions with any about anything. Okay. You have people come to your office  
20 and have them talk to you. So, if you'd have asked them to come to your office  
21 and work with you, they'd come to work with you.

22 **VICE CHAIRMAN LEWIS:** They haven't.

1 **COMMISSIONER SKRMETTA:** I asked the Staff to come talk to me, I asked  
2 the industry to come talk to me because they're finding a pathway of a problem  
3 between Staff looking at policy versus looking at information and Commissioners  
4 should be looking at policy. So, I said let's go sit down and talk about this because  
5 the industry needs to find a pathway to finding a method to get this done. So, I sat  
6 down with it. Now, this isn't the first time that I've had people come to my office  
7 and work out issues that seemingly have problems. I've done it in electricity, I've  
8 done in gas, I've done it water, done it in wastewater, and I've done it in all kinds  
9 of other issues because sometimes you got to bring people to the table and work on  
10 it. So, we sat down and we went through the other issue that Kathryn talked about  
11 was the fact that -- about this spread of time and how we're going to work out the  
12 storage. That's not something from yesterday, that's something she worked out  
13 from the Buras issue and we went back to it. So, we've been working on this, but  
14 if you want to take the attention to the issue, that's fine. It's not my job once we  
15 finish with this, and I tell them go and give this to the other Commissioners. I have  
16 an email that I sent to them yesterday saying send this to the other Commissioners  
17 and talk to them. And I'd be glad to send you a copy of the timestamp on it where  
18 I says send this to the other Commissioners and talk to them. And Brandon can tell  
19 you because I sent it back to him because I did this because I felt like I worked it  
20 out and felt like we all had a reasonable agreement that the Staff said they have  
21 their recommendation, but they would look at my suggestions that we had talked  
22 about and worked on to modify the Staff's recommendations. And none of this is  
23 unrecognizable. The problem about this is the response of how we work on this

1 and how we have a discussion about this makes it look like we're not sharing the  
2 information with the Commissioners when the Commissioners should be receiving  
3 this information about discussions and analysis that's taking place for the benefit  
4 of all members of the Commission. So, I got other things to do besides sit and have  
5 discussions in my office to try and resolve problems and give that to the other  
6 Commissioners if they don't get it and not have something happen from it. So, I'm  
7 not really concerned about the overall issue unless we can work on something that's  
8 in a positive way to get a solution. But to have it come up and have people just go  
9 dead air silent after we worked on this, quite literally, for more than a month,  
10 periodically. But having real action to take on this, telling the Staff to please share  
11 this with the other Commissioners and have the other Commissioners look at this  
12 like I'm trying to shenanigan something and slip something in on something. I don't  
13 own a tow truck company. I don't sell insurance to tow companies. I have a AAA  
14 card that I call a tow truck once in a while. This is about resolving a problem for  
15 society. I don't care. What I want to do is be a problem solver on this, but I ain't  
16 got no shenanigan stuff going on here. This is something that's a problem-solving  
17 moment. So, I can tell you right now, Brandon, did I text you and tell you to share  
18 this with the Commissioners?

19 **SECRETARY FREY:** Yes.

20 **COMMISSIONER SKRMETTA:** Okay. So, that resolves the problem of me  
21 trying to slide something in here. Okay. So, the answer is, Commissioner Lewis,  
22 Staff was notified, I think, yesterday or the day before, please share this with the  
23 Commissioners. If you didn't get it, not my fault. So, that's the answer for this. I

1 would like to go ahead and hear what the industry has to say, move on. If you want  
2 to vote on this, we can vote on it after we hear the yellow cards in the industry.

3 **CHAIRMAN FRANCIS:** Okay. I want to make one thing clear. Ms. Tammy  
4 Burl, what's your job description at the Public Service Commission? What's your  
5 title?

6 **MS. BURL:** Transportation Administrator.

7 **CHAIRMAN FRANCIS:** That would cover this situation here; wouldn't it?

8 **MS. BURL:** The regulation of non-consensual tows, yes, sir.

9 **CHAIRMAN FRANCIS:** Okay. Far as I'm concerned, the buck stops on your  
10 desk, you know, and I know you have the support of all the rest of the Staff. And  
11 I resent the fact that situations like this go around the leaders of the Staff and the  
12 hard work you do. And that's why I will support your suggestion on what we do  
13 in this issue; you understand that?

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

15 **CHAIRMAN FRANCIS:** Okay. All right. So, we have a motion here before us  
16 and a second. So, now that that's been done, let's hear the testimony from the tow  
17 truck people. Okay.

18 **MR. RUDY SMITH:** I'm Rudy Smith, representing TRPL, the association for  
19 towing in Louisiana. So, one of our points is, and I thought we clarified this,  
20 multiple meetings, there's not enough revenue in the industry for them to continue  
21 to do non-consensual towing. Their bookkeeping does not support the fact finding  
22 that this Commission needs, but that was just very recently made apparent when we  
23 started asking for data requests. What we're asking an industry to do is convert

1 their bookkeeping systems from tax accounting to GAAP accounting, which will  
2 take some time. Then after that happens, we need some time to get information  
3 into these systems. So, the data we're trying to get is many months if not a year  
4 off. They're not going to survive that long. This was a way to put a Band-Aid on  
5 a problem and we think it could do such. So, if the public knows it's 5 days,  
6 anybody should be able to react within 5 days in 90 percent of the cases. It will  
7 spur insurance companies to react quicker, it'll spur some reaction. And even with  
8 that, because the abandonments happen after the fifth, sixth, seventh day, the  
9 problems still would exist. So, the storage position in this was a Band-Aid. We  
10 are going to go to the legislature, we are going to go to motor vehicles. I have little  
11 confidence that we'll get enough relief because in the legislature's mind, who has  
12 control of this, they are protecting some portion of the public who loses track of a  
13 car and they want adequate notice and time. Then after they say there's adequate  
14 notice and time, it turns over to motor vehicles, and motor vehicles claims that they  
15 don't have the staff to push out the work. So, therefore, we sit with these vehicles.  
16 This action, if taken by the Commission, is a wake-up call to the legislature and  
17 motor vehicles that, okay, this is a Band-Aid, it's a problem, let's see if we can get  
18 the problem fixed. On the situation of heavy commercial trucks, so in -- the federal  
19 government keeps track of commercial truck accidents. In the state of Louisiana,  
20 we have to have heavy vehicles that are able to respond to each section in a timely  
21 manner. The stats from the Fed from like '20 to '22 suggest that there are three  
22 crashes per heavy towing company in the state in a year. Those will be the non-  
23 consensual side, right? A heavy tow truck that's really necessary to do the work

1 quickly and to clear the highways quickly, a piece of equipment is \$600,000-plus.  
2 Many times, you need two of them, we're over a million dollars and little use. So,  
3 I'm going to relate something that happened three days before Buras. A garbage  
4 refuse truck, weighing 40 tons-plus, turned over and trapped a lady inside of her  
5 vehicle. This closed the Mississippi River bridge going from east to west. The first  
6 truck responded, it was too light, and the operator, not through his fault, was not  
7 significantly knowledgeable to attack this. The fire department could not attack  
8 this. The next individual that got to the site, similarly a light-duty truck -- lighter-  
9 duty truck, but he [INAUDIBLE] the training. And they were able to extract this  
10 lady with a lighter truck, putting not only the lady and the operators and the fireman  
11 in danger because you're picking up something with something that's much lighter.  
12 Four hours that lady was trapped in the vehicle. The bridge was closed for six  
13 hours. The repercussions to commerce and the secondary accidents pale for what  
14 we're asking this Commission to do, and these gets us the Band-Aid to get to the  
15 data. And in a year's time, we won't be having these complicational problems  
16 because I think we'll have the data that we say we need. Now, to the Staff, the Staff  
17 tries very hard. My personal opinion is we don't have the resources, they don't  
18 have the bandwidth, and the industry doesn't have the bandwidth, which slows  
19 some of these processes down. And it always seems to be the engagement is at the  
20 last minute before a hearing such as this and so all of these problems had multiplied.  
21 The Staff's work that they did to this point and the changes they made were very  
22 much incorporated from industry comments and we thank them for it. That  
23 should've been happening long ago. And this fix by Commissioner Skrmetta's



1 motion is an adjustment to this to: 1) Spur people to move these cars quicker; pound  
2 the legislature with some information; and put a Band-Aid on this until we get data  
3 that is really analyzable and perhaps the resources to analyze that data and say this  
4 is the number. Now, after that happens, after this data comes in, Band-Aid, then  
5 the data, we still going to have to go back to the legislature because they're not  
6 going to eliminate this problem. They'll put another -- the Band-Aids keep  
7 happening, but time keeps going on and we -- due to inflation, and raising costs and  
8 all this, these people are suffering.

9 **COMMISSIONER CAMPBELL:** How much are you --

10 **CHAIRMAN FRANCIS:** All right.

11 **COMMISSIONER CAMPBELL:** How much are you -- just give me the bottom  
12 line. How much are you raising? What are you doing here?

13 **MR. SMITH:** So, the --

14 **COMMISSIONER CAMPBELL:** In simple words --

15 **MR. SMITH:** I'm going to try.

16 **COMMISSIONER CAMPBELL:** -- where are you now and how much money  
17 more do you want?

18 **MR. SMITH:** So, the current rate of 31.50 does not compensate them for even  
19 their cost, much less make money on storage because of the nonpayment issue  
20 we've discussed, right?

21 **COMMISSIONER CAMPBELL:** Okay. You're going from 31.50 to how  
22 much?

23 **MR. SMITH:** 31.50 stays 31.50 for 5 days.

1 **COMMISSIONER CAMPBELL:** Gotcha. Now, then what?

2 **MR. SMITH:** Then it triples, right? And so that tripling, even with this formula,  
3 and after 30 days it goes back to 31.50.

4 **COMMISSIONER CAMPBELL:** After how many days?

5 **MR. SMITH:** After 30 days. So, it's 5 days, 30 days, and then back to the low  
6 amount.

7 **COMMISSIONER CAMPBELL:** What is that?

8 **MR. SMITH:** 31.50.

9 **COMMISSIONER CAMPBELL:** Five days. Thirty days it goes to 90 bucks.

10 **MR. SMITH:** Five days it's 31.50. Thirty days is 3 times 31.50. And then after  
11 the thirtieth day, it's back. That puts the pressure on and it's still, in my  
12 calculations, and I'm pretty good at this, even plugging this formula into current  
13 history, it's not going to get them their costs. This is just a Band-Aid that makes  
14 the problem more public and apparent, but it's not going to be compensatory. It's  
15 a patch. On the commercial side, to me it's a no-brainer. You look at what has to  
16 be covered, the entire square footage of the state of Louisiana, and how quickly do  
17 you want that big tow truck there and do you want the right tow truck. I do have to  
18 relay that the gentleman that came to save the day on that lady, he appeared with a  
19 35-ton tow truck and he's trying to pick up 40 tons. He had a 50-ton tow truck  
20 parked in his yard. The reason why that 50-ton tow truck was parked in his yard is  
21 he can't afford the insurance premiums on it.

22 **COMMISSIONER CAMPBELL:** You know, insurance is going up for  
23 everybody though. Y'all say that and you act like that is a cardinal rule.

1 Everybody's insurance is going up, not just yours. Everybody's insurance is going  
2 up, so y'all need to stop saying our insurance, our insurance, our insurance.  
3 Insurance gone up across the board. [INAUDIBLE] you're not the only one that  
4 has insurance problems.

5 **MR. SMITH:** Commissioner, I was just pointing out that the reason why that truck  
6 was parked is he couldn't write the check.

7 **CHAIRMAN FRANCIS:** Well, doesn't law enforcement order these wrecker  
8 trucks?

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

10 **CHAIRMAN FRANCIS:** My executive was with the state police. He said yes.  
11 He's answering yes, he did. I'm going to let this gentleman speak for a minute.  
12 We're wearing out [INAUDIBLE].

13 **MR. JARED VARNADO:** Jared Varnado, President of Towing and Recovery  
14 Professionals Louisiana.

15 **CHAIRMAN FRANCIS:** Okay.

16 **MR. VARNADO:** So, I am agreeance with Mr. Smith as well. One of the things  
17 I'd like to point out, Commissioner Lewis, you pointed out that nobody's having  
18 conversations with you. I've met with you several times in your office, had great  
19 conversations with you, I feel like we come to an agreement. The problem is I feel  
20 like when we get in this room, that agreement doesn't even exist. I reached out to  
21 you, you called me, and we had a discussion about the storage rate because the  
22 original thing was triple the rate across the board. You and I discussed it. We both  
23 came to an agreement, you know, that we were willing to, you know, have a

1 difference and say, hey, this is negotiable. Absolutely. And then I get called by  
2 the news and it was an interview about storage and things that we're discussing. I  
3 text you on November 7<sup>th</sup> at 8:50 for you to please call me. You never responded.

4 **VICE CHAIRMAN LEWIS:** Mr. Varnado, is it not true that I told I would not  
5 support the three times storage rate when I first called you?

6 **MR. VARNADO:** You did.

7 **VICE CHAIRMAN LEWIS:** And is it also true that I said I would work with you  
8 and I made very clear that I had significant issues that deals were being made with  
9 other Commissioners and then I'm handed it. My issue is not that we haven't been  
10 communicating. I have always communicated with you. My door has been open.  
11 We sat in my office for three hours. I individually called you. I do apologize that  
12 I missed a text, I get a lot of texts. But what my issue has been, and still is, I was  
13 not invited to this meeting on Monday. I received -- I just checked my email. I  
14 received this motion, this adjustment, at 4:41 yesterday afternoon. When we were  
15 in Buras, when I asked Mr. Smith, were there any changes? I talked to Mr. Smith  
16 and I said -- and my Staff, Cedric Anderson, my Staff has met multiple times. I  
17 said I don't care if you think I'm going to agree with him or not. What I do not  
18 want to be is surprised when I walk into a meeting and hear a motion I have not  
19 seen.

20 **MR. VARNADO:** I understand.

21 **VICE CHAIRMAN LEWIS:** And the reason I feel that way, I had Ms. Burl pull  
22 up the complaints that exist in our complaint tracking system, 60 percent of  
23 everyone that has gone in that system comes from my district. So, I am trying to

1 balance, as I've said from the Day 1, everybody's needs. I've asked for the data.  
2 We responded, we had a data request. Three companies out of 364 of you  
3 responded. So, I am trying my hardest to help, but what I'm not going to do is  
4 constantly be thrown stuff at the last second. I've talked to Mr. Smith. Mr. Smith  
5 didn't tell me about that motion in Buras. He didn't give it to any of us, we asked  
6 that question. Now, yes. Did we get it this time before the meeting? Yes, but that's  
7 less than 24 hours before the meeting and I'm seeing a new definition. I said I was  
8 willing to work, but I'm not going to work in situations where there are pressure  
9 points. It has nothing to do with my conversations with you have ever changed. I  
10 still have said I'll come to the table. You remember we talked about looking at  
11 different ways and engaging. I told you I want to work with the Illinois Commerce  
12 Commission who regulates non-consensual tows, which I spent all day talking to  
13 them. But what I have an issue with is that there seems to be a position that we will  
14 make a last-minute negotiation with one Commissioner and then the rest of us,  
15 regardless of our opinions, regardless if we have other ideas or research, now we're  
16 set with it's either that or nothing. That's where my issue is and I've said that from  
17 time and time again. If you want me to help you, I am willing to. I've had multiple  
18 conversations with Ms. Burl. I've had multiple conversations with Ms. Bowman.  
19 Me and the Chairman have had conversations. I have done everything I can, but I  
20 need the industry to help me because I have to make sound decisions to ensure the  
21 rates are justable. I can't just say well, let's create a Band-Aid. If the data shows  
22 that to me, I'm with you. I'm voting for a 15 rate increase today because the data  
23 proves you need it. Where I'm struggling is I can't agree and say that this

1 convoluted storage rate that we've created has sound data because we haven't  
2 collected it. So, that's why in the further of the motion said, Staff, continue  
3 working, continue looking so we can see. So, I can sit there, I can tell my  
4 constituents when they call me, we've looked at this. The industry needs it because  
5 it's not suffice. But I can't do that right now because no data's been provided to  
6 me. And what I have an issue with is when we have these deals with one  
7 Commissioner and then you come say, oh, well, I talked to you, so therefore you  
8 should accept it. That's not fair to me and that's all I'm asking. Treat me, Mr.  
9 Smith, like you treat Mr. Skrmetta. Treat me like him because I'm elected, too.  
10 That's what I'm saying.

11 **CHAIRMAN FRANCIS:** I've been working on this for two years to try to help  
12 the truckers. I had a trucking business. My decision is going to be made what  
13 comes out of Tammy Burl's office. That's where y'all need to go if you want my  
14 vote. Whatever Tammy suggests is the way I'm going to vote. So, we got any other  
15 discussion? Anybody else? Yes, sir, go ahead. What's your name?

16 **MR. CALEY JOYNER:** Caley Joyner. I'm Troop F Director for TRPL. I'm  
17 going to direct what you just said. I typed you an email a little over a week ago. I  
18 called your Staff, I asked her to get you to give me a call back. I never got the call  
19 back. I don't even know if you read the letter. I have copies of it for all the rest of  
20 the Commissioners if they'd like to read the letter. I am not from Baton Rouge,  
21 and I am not from New Orleans, I am from north Louisiana. I reached out for two  
22 weeks for my Commissioner to call me back. I never got a phone call back from  
23 my Commissioner. I talked to his Staff who wasn't even aware of how the

1 procedural order worked. They told me when I made a mention of non-paid tows  
2 that the state police paid us those or the state of Louisiana paid us back for those  
3 tows. I said that is not how that works. So, for me, I'm trying to have a open  
4 dialogue. I've tried to have an open dialogue. I have never met Commissioner  
5 Skrmetta, never talk to him, but the Commissioners I did reach out to never did  
6 return my phone call and I tried more than once. So, to say that we're not trying, I  
7 think is not accurate. I also would like to direct the interview that you made. You  
8 painted us out to be like crooks or criminals and not doing our job. Those guys that  
9 are doing those tow-aways are doing that under the letter of the law, but with that  
10 being said, I don't do tow-aways like that. From Monroe, Louisiana, I don't operate  
11 like that. My stuff is accident tows that we work that we don't get paid for. In my  
12 hand, I've got -- that's a boat and a trailer that was abandoned in the middle of the  
13 road, was a rotation called for me on -- I don't know what day it was. Anyway,  
14 never got paid for it. One week after we had the August meeting here, I got a travel  
15 trailer destroyed in the middle of the interstate. Cost me, believe, it was \$2,500.  
16 No tags, no VIN number. The owner left it in the middle of the interstate. I was  
17 forced to clean it up when I tried to talk to the State Police about getting DOTD to  
18 come clean the debris up. Never got paid for it, no way to collect, no information  
19 on that trailer. After the Buras one, crazy enough, one week later, I got a second  
20 travel trailer turned over the middle of the interstate. It was three times worse than  
21 the first one at 4:00 in the morning. Overtime, off-duty troopers, disposal. \$6,500  
22 is what I billed, none of this includes storage. No way to collect for it. The man  
23 pulling the trailer told me he'd never pay that bill and hung up on me. We are an

1 industry trying to support this state, provide a public service. We are an industry  
2 who is trying to help every individual here. We're not trying to steal from people,  
3 but we have to survive. We have families to feed, we have employees who have  
4 families that depend on us to make a living. And then I went on the state police's  
5 Facebook page. I've got five instances in a month, crazy enough, on I-10 because  
6 they don't report I-20 or anything north of that, interstate shut down, completely  
7 blocked. Interstate completely shut down, five of them. And then the one at I-55  
8 and 10 last October that was shut down for how long? 168 vehicles. Who cleaned  
9 that up? We did. How much of that -- how much of that do you think those people  
10 are going to get paid for? Probably next to none compared to the expense they had  
11 in it. I would also like to make a comment about the insurance. I know everybody's  
12 insurance is going up, but my insurance and my payroll runs 55 percent of my gross  
13 income. I don't know if you've tried to maintain trucks on that kind of an income,  
14 but it's hard. It's hard to maintain, to do all of that on less than half of your gross  
15 income, gross income. Truck notes and stuff because I can't afford to go buy a  
16 million dollar truck. I had to finance it for 10 years to do a job for the public, to  
17 make my job for the state police work better. Work better, so I can clean the  
18 interstate up so traffic can flow. And yes, I'm upset because we are trying to  
19 survive, we are not trying to screw people. We're not crooks, we are trying to  
20 survive. I have people that depend on me to make a living and that is what I'm  
21 trying to do.

22 **VICE CHAIRMAN LEWIS:** Thank you, sir. And, first, let me apologize. I did  
23 receive your email, I have read it. I was attempting to write a response, I have not



1 finished. So, I do apologize that I haven't communicated. Look, we have a lot of  
2 issues, I have 971,000 constituents, I do my best. I think Mr. Varnado will tell you,  
3 when I do, I do. So, I want to make it very clear, that was not intentional. That is  
4 just -- we're balancing a lot here on the Commission and so everything and I'm  
5 working through the association. Towards the interview, I was talking about one  
6 of the situations that the interview was talking about, Riverside Towing in my  
7 district.

8 **MR. JOYNER:** I'm going to interrupt you, but that's not the way it come across  
9 to the rest of us and the towing industry look at it.

10 **VICE CHAIRMAN LEWIS:** No. And that's -- I'm just giving you the duly  
11 respect, sir, to show I can explain to you that in no way have I said the industry --

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

13 **VICE CHAIRMAN LEWIS:** -- are crooks. What I was talking about are  
14 situations that primarily happen only in my district. I represent the vast majority of  
15 the college campuses in this state. I have Southern, I have LSU, I have Xavier,  
16 Dillard. And so that was -- I was talking about the instance of students, so I just  
17 wanted to clarify. I thank you for your comments. I do really -- as I've stated to  
18 Mr. Smith, I've stated it to Mr. Varnado, I've stated it to everyone, I think I show  
19 myself up here that I will do my homework, I will engage with you, I will research,  
20 and I will come. That's all I've been asking for. It has been a challenge through  
21 the channels of communication and that's the only thing I'm frustrated about, but I  
22 will individually still meet with you and talk with you. I just wanted to clarify why  
23 I haven't responded and then where we can go from here.

1 **MR. JOYNER:** I would like to add one more thing to that. You made a reference,  
2 again, to the only three or four companies supplied data, we were asked not to  
3 supply that data. We were asked to only have three or four companies provide that  
4 data.

5 **VICE CHAIRMAN LEWIS:** Who told you to do that?

6 **MR. JOYNER:** Staff told us that when TRPL started working on that, they did  
7 not want every towing company in the state of Louisiana and that was before you -  
8 -

9 **VICE CHAIRMAN LEWIS:** Ms. Burl, would you -- or Ms. Pendergrass, would  
10 anybody on Staff clarify? I'm unaware of Staff told people not to respond to data  
11 requests.

12 **MR. JOYNER:** I volunteered for it. My company volunteered for it.

13 **MS. ROBIN PENDERGRASS:** I can attest that we asked for a lot of data requests  
14 and that we were told from the get-go that that was impossible to get that from the  
15 companies because they didn't have the means to put that together. And so we met  
16 with some Commissioners, had meetings, and we came to an agreement that we  
17 would at least like to get three to four different areas within the state, at a minimum,  
18 to be able to do some type of analysis. So, that is incorrect. Staff did not say we  
19 would not accept data requests from all of the tow companies. Staff was told that  
20 the tow companies were unable to provide that information.

21 **SECRETARY FREY:** And just to add, one point, too, I think one of the issues  
22 Staff has had is that we're getting information, but no one intervened in the dockets  
23 initially. So, it's kind of difficult to get it and that's why we had to go the route

1 Robin's talking about, is just straight up, get it either through annual reports or  
2 through data requests to picking -- you know, typical, like with a rate case, we've  
3 got the utility involved, actively participating [INAUDIBLE].

4 **VICE CHAIRMAN LEWIS:** And thank you, Ms. Pendergrass. And then this is  
5 where -- why about part of the portion of my motion is for us and Staff to work to  
6 make sure that we can get your information into the record. And that's why I added  
7 that second component in the motion to say we are not trying to say we're done  
8 here, but we are obligated to make decisions that are sound and backed up and don't  
9 look like we just created them out of air. That's not to say that data doesn't exist  
10 to back up positions that you, the association, and other industry has taken, but we  
11 operate in a docket proceeding. We have to have that information into the record  
12 or we set this Commission up from any consumer to take us to court and say they  
13 just made up these rates. And then what happens? And then everyone suffers. And  
14 so what am I asking and the reason why I proposed what I proposed is to say let's  
15 find those processes. I'm willing to say, if our system doesn't work the best for us  
16 to provide data and there's a better system, I'm happy to stand up here and offer a  
17 different alternative method of data collection, but I cannot do that in the veil of no  
18 data and that's been my entire point. I've said that from Day 1 in all the  
19 conversations with Mr. Smith and Mr. Varnado. That's why I added that second  
20 component to say we're not done here today. We are here to say we need to move  
21 forward on this recommendation, but, Staff, you get with the association, we look  
22 at an association tariff, right? That's something we've talked about, that's in the  
23 motion. We look at collecting that data to say what are you storing per day, how

1 much we can then for come back and make a sound decision. That's all we're  
2 asking for, and I don't know how else to say it, is we are literally trying to help. But  
3 we just need the information to then be able to justify, not only to our constituents,  
4 but to justify in a courtroom if anybody challenges our order, saying that we were  
5 arbitrary and capricious. We also have to balance that because we don't want to  
6 set ourselves up where we give you a rate, somebody sues, says the Commission  
7 just made it up, and then guess what? You don't get your rate anymore because the  
8 court will look at us and say how did you come up with that? That's why the data's  
9 so important.

10 **CHAIRMAN FRANCIS:** All right. Let's call in the dogs. Okay. Let me -- okay.  
11 Go ahead. You got to say something. All right.

12 **MR. JAMES MERICLE:** James Mericle, Mericle's Towing, Shreveport,  
13 Louisiana. Wanted couple quick statements. All of us, all the towing industry,  
14 really nationwide, we're all mom-and-pop. We don't have millions of dollars to  
15 hire big speakers to come up here and do analysis for this industry. Just -- it doesn't  
16 work like that. Me and my wife started my company 22 years ago, same with all  
17 these guys. We're not big business, right? We're the only company that's out there  
18 on the roadways and is cleaning up this mess that has any liability. Nobody else  
19 can be sued for say, did something right or wrong or what have you. But when it  
20 comes to the data, so my company had their data [INAUDIBLE]. We were told  
21 that they didn't need anymore data, they only wanted three. They only wanted  
22 three. I had mine ready, my wife had it ready, worked hours and hours for the data.

1 They didn't want it, they only wanted three. So, I don't want to keep hearing that  
2 we didn't have data. We had it. They only --

3 **VICE CHAIRMAN LEWIS:** Can you clarify who told you they only wanted  
4 three?

5 **MR. MERICLE:** I'd rather not say, the Staff knows. We sent emails, we made  
6 phone calls. They said they only needed three and the three they got  
7 [INAUDIBLE].

8 **VICE CHAIRMAN LEWIS:** Our Staff sent you emails?

9 **MR. MERICLE:** Hmm?

10 **VICE CHAIRMAN LEWIS:** Our Staff sent you emails and said that?

11 **MR. MERICLE:** Yes, yes. We have emails, they denied the emails. They just  
12 said -- we're told they didn't want it. They only wanted -- they only needed three.

13 **VICE CHAIRMAN LEWIS:** Well, I'll look into that. I'll look into that.

14 **MR. MERICLE:** And in their defense, there's a lot of small companies that have  
15 two or three trucks and are not as big as some of us. They just don't have the  
16 resources, the money, or frankly the time to do it, you know. I don't drive a truck  
17 anymore or answer the phone, but some of -- all these guys still do that. So, they  
18 don't have time to do some of this or even show up to even come here. So, there's  
19 a lot more problems for our industry in Louisiana than what we're even talking  
20 about today, you know. The whole storage thing, once a car sits there five or six  
21 days, they ain't picking it up anyway. And I have dozens of emails over the last  
22 six months where we've sent title work to the state and they sent it back and then  
23 we find out that the mistake that was made on their end, they're like, oh. They

1 actually said oh, my bad, we're short staffed here. So, we had to start the entire  
2 process to get that title work done when it was a mistake saying they -- literally, I  
3 have probably two dozen of instance like this. So, there's a ton of problems, guys.

4 **VICE CHAIRMAN LEWIS:** Thank you. And I will continue, as I've told  
5 everyone, to work with you. I do plan to help, and I've told this to Mr. Smith and  
6 the association at the legislature, I will work on that issue, we will get to the bottom  
7 of this data issue. But I just wanted, as I've done to everyone, committing that I'm  
8 continuing to do the work. We just have to do it in a way, and if that means, as I  
9 just stated, if it means we need to change our process on how we get data from your  
10 type of facilities, I'm open to those conversations and I want to make sure we make  
11 the process available. I just need that information to make sound decisions.

12 **MR. MERICLE:** I understand. Another quick little thing, we just worked the  
13 state police accident the day that Alabama/LSU game was going on. We had a 18-  
14 wheeler overturned up north area, mile marker 190. Between the state police -- it  
15 was a Louisiana State Police called [INAUDIBLE], we had to come clean this mess  
16 up, right? Between the state police and the DeSoto Parish Sheriff's Office, I spent  
17 over \$3,000 in paying them. You know what the state did? They wanted their  
18 money the next day. Who's out there politicking for me to get my money? Because  
19 I got between payroll and all that, I'm about \$10,000 in that wreck. Probably won't  
20 get paid on it. Who's going to clean that up if I get out?

21 **MR. JOYNER:** That was what I was going to say. Two weeks ago, I had a truck  
22 turned over. I had to hire a secondary company to come, it was loaded with  
23 cottonseed. He comes with an excavator, load the cottonseed back in the man's

1 trailer, and left. To this day, I have not seen an insurance agent. Nobody has  
2 contacted us about payment. That's why we're pushing for the storage. If they  
3 understand that after five days, I'm not worried about your wife who got her car  
4 towed, that doesn't bother us. What matters is the one's that sit there, that we're  
5 out money that we've paid out. Nobody -- long as that storage is low, they'll let it  
6 ride. I haven't even seen an insurance agent.

7 **CHAIRMAN FRANCIS:** All right. Let's bring this to a close. Y'all need to go  
8 in a room, lock yourself in with Ms. Tammy Burl, and figure this out.

9 **COMMISSIONER SKRMETTA:** You still have witnesses, Commissioner.

10 **CHAIRMAN FRANCIS:** Are there other witnesses?

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

12 **SECRETARY FREY:** Yeah. I mean, we've got like six or eight more, I think.

13 **MS. BOWMAN:** We have six more. So, I'm going to just call up -- we have six  
14 more, I'll call up three at a time. We'll have Mr. Gary Varnado, I don't know if  
15 you want to speak. Okay. Mr. Adrien Benoit.

16 **MR. ADRIEN BENOIT:** No, I think we said all we needed to say.

17 **MS. BOWMAN:** Okay. Thank you. Mr. Glenn -- is it Faul? F-A-U-L.

18 **MR. GLENN FAUL:** Yeah, we're good.

19 **MS. BOWMAN:** Okay. Ms. Kristy -- is it Jaeyer? Ascension Towing. Okay.  
20 Ms. Vicki Marshall with tow companies.

21 **MS. VICKI MARSHALL:** Yes.

22 **MS. BOWMAN:** And then a -- I believe it's Noel Williamson, with -- is it  
23 [INAUDIBLE] Towing?

1 **MR. NOEL WILLIAMSON:** That's me.

2 **MS. BOWMAN:** Okay. Are you -- okay. Thank you. And just please introduce  
3 yourselves for the record before speaking.

4 **MS. MARSHALL:** Vicki Marshall. I agree with most of everything you said.  
5 You and you have been very polite in answering everything. And being in the  
6 industry as a dispatcher and working with the East Baton Rouge Parish Sheriff's  
7 Department, BRPD, and different police entities, I can tell you where all the  
8 problems are and what's going on. DMV is the main problem. All right. They  
9 have the employees. They're being allowed to tell people at the front door that's  
10 not their job to do this. They are the main DMV office. Jill Jarreau needs to be  
11 fired, Lauren Debetaz needs to be fired. The new person that Governor Landry  
12 appointed needs to get on his butt and get the job done. These people are told that  
13 they can still work at home. They have to make an appointment to go register their  
14 car, to get their cars out of the tow company for no insurance. They are holding  
15 people's cars hostages. It's not the tow companies, it's DMV. All right. They're  
16 doing it. That's the main issue right there. The rate increase, yes, we deserve it.  
17 You don't know what we put up with. Meanwhile, the DMV's number one.  
18 Dispatching and officers, by the rules it says the tow company has 45 minutes to  
19 respond to an accident when you're towing for law enforcement. There's a code  
20 out there that state police have that if that tow company does not show up within  
21 the 45 minutes, they call next on rotation, and that tow company is fined. That is  
22 not happening. You have BRPD with a private contract with RoadRunner, which  
23 is defunct and just doesn't have a fight in this game anymore. You have Smart



1 Tow, who has private contract with EBRSO. And I'm telling you, some of these  
2 deputies, because I talk to these deputies, they are fed up with Smart Tow. They  
3 are fed up because Smart Tow has two drivers that intentionally make the deputies  
4 sit on the side of the road for over 45 minutes because they don't think they're paid  
5 enough. The deputies do not have a rotation list with EBRSO, that is not following  
6 state law and that is through the state police. You have repeat offenders who don't  
7 register and have insurance. They go to DMV again, they have to wait, they get  
8 income tax money in, they go buy another car, they get in a wreck, they injure  
9 somebody, they're still on the street. No valid driver's license, nothing. And again,  
10 what they were saying, we're eating all this money. We're not getting paid. We're  
11 not getting paid because of law enforcement telling people it's sheriff's  
12 responsibility or police officer's responsibility. No, it's not. It's that vehicle  
13 owner's responsibility. That's why you have insurance. As far as insurance  
14 companies, they lie, cheat, and steal with their customers and tell them it's the tow  
15 company ripping them off. When they're dropping the ball by not sending their  
16 adjusters out to pick up their vehicles. I mean, there are so many illegal activities,  
17 I could just go on and on and on going on about other stuff, not the tow companies.  
18 And we're getting blamed for it, it's not right.

19 **CHAIRMAN FRANCIS:** You think our Staff knows these problems?

20 **MS. MARSHALL:** Oh, you're so rude, it's pathetic. But I filed a complaint with  
21 your office this week against a tow company who is operating in two states illegally.  
22 Oh, yes, ma'am. And her name was Ms. Flowers, I will give you the name. I have  
23 the email and the printed paperwork. We take this seriously and we will investigate

1 it. Two hours later, I get an email, they thoroughly investigated it and did not find  
2 them at fault. You tell me how you did that, I would love to know. There's deputies  
3 and police officers out there who can't close an investigation that fast. You got the  
4 Secretary of State, you call to report it. They're not overseen by anyone and their  
5 response is I don't care what they do as long as they pay their annual dues. Okay.  
6 You call your office, no one oversees y'all, but y'all. I mean, it's -- everybody's  
7 against each other. No one's trying to help each other.

8 **CHAIRMAN FRANCIS:** All right. Thank you, Ms. Vicki. Can I get another --  
9 would you like to speak, ma'am?

10 **MS. KRISTY JAEGAR:** Hi. I'm Kristy. I'm with Ascension Towing in St.  
11 Amant. Everything she says is correct. We deal with this on a daily basis. Not  
12 only are we fighting for, you know, our livelihood, I'm a wife of a tow truck driver,  
13 I'm a dispatcher, I run a tow company, my brother is a tow truck driver, my son's  
14 in the industry, we're family. It's not us trying to be against anybody or anyone,  
15 we're trying to make a living, you know. My son's in it. I told him, I said you  
16 know what, get out while you can because it's to the point we're all feeling like we  
17 don't even want to do this anymore because we feel like our back's are against the  
18 walls. We buy expensive trucks, we go out and we provide a service. Seventy-five  
19 percent of what's at my industry, no insurance, liability only. And these people are  
20 allowed to come in, take everything they want out of their car. We're left with  
21 nothing. We're -- you know, no insurance. So, we know we're not going to get  
22 paid for it. Just this -- you know, each one of the tow companies are up here talking  
23 about how they do jobs and don't get paid. Just this past Easter, we had a -- in

1 Donaldsonville, a tanker that went off the interstate and rolled. Louisiana State  
2 Police requested that I send my rotator truck as well as my heavy duty. So, I sent  
3 two trucks out there. We get out there, we do the job, we spent eight hours. It was  
4 myself, my husband, my son, my sister-in-law, and my brother. We were out there  
5 for eight hours on Easter. We weren't home with our families cooking and enjoying  
6 the day, we were doing a job. At the end of the job, no insurance. So, again, we  
7 didn't get nothing, nothing. Once we eventually get ownership of it, such as a  
8 dismantle, scrap it. Engine was trashed. I mean, we all worked for free that day.

9 **MS. MARSHALL:** And to go back to dispatching, I mean, she can tell you --

10 **MS. JAEGAR:** Right.

11 **MS. MARSHALL:** -- the dispatchers and the police departments need to be  
12 trained better because the officers will tell them I need a heavy duty, medium duty,  
13 or it's a hundred feet off in the woods, or it's up in a tree. So, you know what kind  
14 of truck to send. It's just -- that is the main problem, not being dispatched right.

15 **MS. JAEGAR:** Correct.

16 **MS. MARSHALL:** But again, not getting paid. And the sheriffs will say, well,  
17 it's sheriff's responsibility. Well, are you going to cut me a check? No.

18 **MS. JAEGAR:** Not to mention, we have to pay for after hours, you know, cops to  
19 come out there when there's no insurance and we're forking out two and three  
20 thousand dollars. And again, insurance. I know he says insurance is going up for  
21 everybody, but we have to pay a certain insurance to tow for the police. We're  
22 required by the Public Service Commission to carry a certain amount of insurance  
23 to, you know, do all that. Where regular drivers can drive with no insurance, they

1 can come clean everything out of their cars, there's no consequences. I have a  
2 repeat offender that I've had his vehicle six times. It gets picked up, no insurance.  
3 He goes, gets his little tow only release. Never puts insurance on it and time and  
4 time and time again.

5 **MS. MARSHALL:** And you can ask the sheriff's department, ask them how many  
6 deputies of theirs has asked to be transferred out of the traffic division for the lack  
7 of response time by Smart Tow and other tow companies. They're fed up with it  
8 and nobody's listening to them. And like she says, we have to pay drivers, we have  
9 to pay office expenses, we have to pay truck maintenance, insurance, even though  
10 you don't like that word. And we're not making the money. We need the increase.

11 **MS. JAEGAR:** Because if we're required to pay these insurance, so should  
12 everybody on the road that drives a car. I have to pay my personal insurance as  
13 well as I have the insurance to pay on these trucks.

14 **MS. MARSHALL:** If they're repeat offenders, take their government subsidies  
15 away, take their license away for good. Don't let them ever get another one.

16 **MS. JAEGAR:** But as us tow companies keep absorbing the loss, it's going to get  
17 to eventually where everybody's shutting down and then who are you going to have  
18 to go out and do it? Who are you going to have to go out there and do these roll-  
19 over jobs? Because I can speak for me at Ascension Towing, we're tired of working  
20 for free, we're tired of not getting paid.

21 **COMMISSIONER CAMPBELL:** Is your company for sale?

22 **MS. JAEGAR:** Is it for sale?

23 **COMMISSIONER CAMPBELL:** Yeah.

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

2 **COMMISSIONER CAMPBELL:** Well, let me ask y'all something. I've heard  
3 this and I've heard it and I respect you. But let me tell you something, every time  
4 I've heard business is terrible, terrible, terrible, they're for sale.

5 **MS. BOWMAN:** No, Commissioner --

6 **MS. MARSHALL:** Who wants to be in a business where you can't make money?

7 **COMMISSIONER CAMPBELL:** Wait a minute. Let me talk, let me talk. Okay.

8 **MS. BOWMAN:** I don't know if your mic is --

9 **COMMISSIONER CAMPBELL:** I heard that -- I heard that from all the people  
10 that own the nursing homes. Oh boy, boy, boy, boy. This terrible, it's terrible.  
11 You ask them, is there a nursing home for sale in Louisiana? No. You just told me  
12 your business is not for sale.

13 **MS. JAEGAR:** It could be for sale.

14 **COMMISSIONER CAMPBELL:** Well, I mean, I know it could for \$2 million.

15 **MS. JAEGAR:** Everything is --

16 **COMMISSIONER CAMPBELL:** But I'm saying if it's so bad, why aren't all  
17 these tow companies for sale? I hear you. I respect what you're trying to do, but  
18 you're sitting up here telling everybody how high your insurance is, it's high for  
19 everybody. I am a little farmer. But I have to have a umbrella to cover me and  
20 there's only one company in Louisiana I can buy an umbrella from, a \$3 million  
21 umbrella, Louisiana Farm Bureau. And it cost like hell, but I got to have it. That's  
22 a part of doing business. I understand that. I'm not slighting you. I'm just telling  
23 you everybody's having a tough time.

1 **MS. JAEGAR:** And we understand that and I can speak for us as well as other  
2 tow companies, we do a lot for the community.

3 **COMMISSIONER CAMPBELL:** I'm not saying -- I know you work hard.

4 **MS. JAEGAR:** I'm just saying, myself, I've donated cars to people that's needed  
5 it. I go out and do things for the community. We do events. We help as well.  
6 We're not just, you know --

7 **MS. MARSHALL:** They are the most charitable organization out there and then  
8 I'm listening to everybody around here, I guess Staff, elected officials, and they  
9 don't even know what's going on in the industry they're trying to regulated.

10 **CHAIRMAN FRANCIS:** [INAUDIBLE] Cotton, that you?

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

12 **CHAIRMAN FRANCIS:** You got something to say?

13 **MR. WILLIAMSON:** Oh, yes, sir.

14 **CHAIRMAN FRANCIS:** Come on. We're going to have a recess after you get  
15 through.

16 **MR. WILLIAMSON:** My name is Noel Cotton Williamson. I own Cotton's  
17 Towing in Lake Charles and I discovered the solution to all of this for myself. For  
18 years, I've been with my bookkeeping people trying to figure out consent, non-  
19 consent. Am I losing money on the non-consent? And she's been telling me for  
20 years I think you are with all the cars that you don't get paid for. So, when the state  
21 police started calling after Laura, four years ago, I said no, I'm not going to pick  
22 these cars up off the side of the road, I'm not a charity organization. The state has  
23 got a disaster, state of Louisiana can spend millions and millions of dollars every

1 year picking up trash off the side of the road, but they can't pay me when people  
2 abandon these junk cars. We've tried with the legislature over the years. Flag their  
3 license, if they abandon it, flag a license and come pay us \$100, something. That  
4 didn't work. After Delta, I made up my mind. Okay. We're on two parish rotation  
5 lists, three city rotation lists, and the state police. I started marking them off one  
6 by one. I'm not servicing you anymore. You know what happened? Take a guess.  
7 Two years after getting off the rotation list, my profits went up a hundred percent.  
8 Why don't we sell our trucks, Mr. Campbell? Because we're making money on the  
9 consent tows where people want their car towed. But when the police tow them or  
10 they abandon their car, 50 percent of those we don't get paid for. We take them to  
11 the scrap yard and get \$300. So, my suggestion, what I've been suggestion the last  
12 two years, quit messing with the democrats -- I mean, not the democrats, excuse  
13 me. Quit messing with the bureaucrats, quit doing it. Let them interstates plug up  
14 with every vehicle in the world because I don't care anymore. I make money, I'm  
15 not here for charity. Okay. I'm not here like you people to serve the people of  
16 Louisiana. I'm here to make money for my business and I tried to do the right thing.  
17 Fifty-seven years and we're one of the most respected companies. We're the  
18 smallest, we're the smallest, but we're one of the most respected companies in  
19 southwest Louisiana. And the other thing behind that, since I got off these rotation  
20 lists, guess what, I take my phone off the hook at 8:00 at night. I'm not required to  
21 be 24 hours. I take that phone off the hook at 8:00 and then it's 6:00 the next  
22 morning. This non-consent thing, I just get the feeling a lot of you folks just don't  
23 understand the difference between the two. I get paid for every single consent call.

1 When people call me, they pay me. When I don't get paid for 50 percent of this --  
2 I've heard since I was a kid when you [INAUDIBLE] the grocery stores, well, our  
3 stuff, you know, you're paying 20 percent more for groceries because we got to pay  
4 for shoplifting. Well, damn it. Somebody's got to pay for these cars that we pick  
5 up. As a service to the public, somebody has to pay those bills, and if the legislature  
6 can't make them pay it -- excuse me. If the legislature can't manage to pay us, then  
7 the rest of the public's got to pay for it, it's only fair. And that's -- and like I said,  
8 I don't mean to offend anybody, but I've spent my whole life in this business.

9 **CHAIRMAN FRANCIS:** Well, thank you, Cotton. Thank you.

10 **MR. WILLIAMSON:** And it's getting tough. Thank y'all very much.

11 **CHAIRMAN FRANCIS:** All right. Let's take a five-minute recess.

12 **MS. BOWMAN:** Well, do you want to resolve this item first?

13 **CHAIRMAN FRANCIS:** All right. Let's go ahead and clear this item. All right.  
14 Call the roll on this.

15 **MS. BOWMAN:** Well, we have a motion on the floor by Commissioner Lewis,  
16 which was seconded by Commissioner Greene.

17 **COMMISSIONER SKRMETTA:** I have a request to --

18 **MS. BOWMAN:** Can you -- because people are talking in the back, so we can't  
19 hear you.

20 **COMMISSIONER SKRMETTA:** That's okay. If you can hear me now?

21 **MS. BOWMAN:** Yes.

22 **COMMISSIONER SKRMETTA:** Could you read the content of the motion,  
23 please, in detail?



1 **MS. BOWMAN:** Yeah. So, the motion says the Commission accepts Staff's  
2 recommendation as filed into the record on October 7, 2024, which will close  
3 Docket Number R-35595 and set permanent rates for the non-consensual towing  
4 industry. The Commission would also direct Staff to continue to work with the  
5 regulated towing industry in reviewing the current rate structure and regulations  
6 with the goal of identifying potential modifications to ensure the industry's rates  
7 are not only reasonable, but commensurate with the industry's services. This  
8 collaboration should include analyzing the potential of different tariffs being  
9 established for different tiers of tow companies and tow services; collaboration with  
10 the towing industry on potential legislation regarding abandoned vehicles and the  
11 statutory length of storage prior to acquiring the vehicle's title; and methods to  
12 ensure proper data is provided to the Commission regarding the industry. The first  
13 step in this collaboration is for Staff to issue discovery to all regulated tow  
14 companies seeking information on non-consensual tows including the number  
15 performed by each company, the length of time held at the storage yard, the number  
16 of towed vehicles that are ultimately sold, and the number of towed vehicles that  
17 are ultimately sold for scrap or salvaged.

18 **CHAIRMAN FRANCIS:** Okay. Hearing that --

19 **COMMISSIONER SKRMETTA:** So, just -- wait, I have a question. Just for  
20 clarification on the motion, so there's no actual rate change or anything, this is a  
21 motion to establish a path for data, correct?

22 **MS. BOWMAN:** Well, no.

1 **COMMISSIONER SKRMETTA:** Because it doesn't say anything about rates,  
2 it just says --

3 **MS. BOWMAN:** So, the rates that we voted on in August, I believe was when did  
4 the interim rates from Staff's recommendation, which gave the industry a 15  
5 percent increase across the board. So, that now becomes permanent rates, but after  
6 the August meeting, Staff received comments from the industry and there's a couple  
7 additional changes. One is that beginning in January of 2025, there will be allowed  
8 an automatic PPI adjustment on the rates. We also listened to them about stand-by  
9 rates, so we removed a stand-by rate and now allow a higher rate for -- either it's  
10 the tow or the transit. I'm going off of memory because I don't have it right in front  
11 of me. So, there's a couple additional changes, but that 15 percent we voted on in  
12 August is what now becomes the permanent rates until we can work with the  
13 industry to get some additional information.

14 **COMMISSIONER SKRMETTA:** Yeah. I just would've preferred to have  
15 clarification of numbers as part of the motion to understand it because otherwise it  
16 sounded like it was just a study. It didn't sound like it was --

17 **MS. BOWMAN:** Well, it said it accepts Staff's recommendation filed into the  
18 record, which has the rules and the rates and everything included.

19 **COMMISSIONER SKRMETTA:** Yeah. You know that, I know that, everybody  
20 in this room doesn't know that. That's the problem. So, I just wanted clarification  
21 of the numbers.

22 **MS. BOWMAN:** Yes.

1 **COMMISSIONER SKRMETTA:** Okay. So, this sets permanent the 15 percent  
2 until such time as it's changed and it establishes PPI, so producer's price index rate  
3 increases.

4 **MS. BOWMAN:** Correct.

5 **COMMISSIONER SKRMETTA:** And it also establishes what other number?

6 **MS. BOWMAN:** A transit time rate instead of a stand-by time rate, which is a  
7 higher rate.

8 **COMMISSIONER SKRMETTA:** Which is a higher rate.

9 **SECRETARY FREY:** Yes.

10 **COMMISSIONER SKRMETTA:** Okay. All right. Anyway, I got it.

11 **MS. BOWMAN:** Okay.

12 **CHAIRMAN FRANCIS:** Okay. Roll call. Commissioner Skrmetta, how do you  
13 vote?

14 **COMMISSIONER SKRMETTA:** Yes.

15 **CHAIRMAN FRANCIS:** Commissioner Greene, how do you vote?

16 **COMMISSIONER GREENE:** Yes.

17 **CHAIRMAN FRANCIS:** Commissioner Campbell, how do you vote?

18 **COMMISSIONER CAMPBELL:** I'm shocked that Mr. Skrmetta's voting for  
19 this after the speech that I heard for three hours.

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

21 **COMMISSIONER CAMPBELL:** I'm for it.

22 **CHAIRMAN FRANCIS:** But how do you vote?

23 **COMMISSIONER SKRMETTA:** You don't know what three hours is, Foster.

1 **CHAIRMAN FRANCIS:** But how do you vote?

2 **MS. BOWMAN:** He said he was for it.

3 **CHAIRMAN FRANCIS:** Oh, he's for it. Commissioner -- I guess, Commissioner

4 Lewis, you're for your motion; aren't you? Okay. The Chairman votes, yes, so it's

5 unanimous. So, thank God for that. Let's take a five-minute break.

6 **[OFF THE RECORD]**

7 **[BACK ON THE RECORD]**

8 **CHAIRMAN FRANCIS:** Okay. We'll call our meeting back to order.

9 Everybody be quiet. Sit down, be quiet.

10 **MS. BOWMAN:** I don't think your mic's on.

11 **CHAIRMAN FRANCIS:** It's on. Hello. Okay. Would everybody be seated?

12 Take a seat. Let's get started.

13 **MS. BOWMAN:** Hey, could everybody sit down? We're ready to get started.

14 **CHAIRMAN FRANCIS:** Okay. We'll have to have the Sergeant of Arms clear

15 the room. All right. Let's get started. We're on Exhibit Number 5; is that right?

16 **MS. BOWMAN:** Yes, sir. We're on Exhibit Number 5.

17 **CHAIRMAN FRANCIS:** Okay. Kathryn, go ahead.

18 **MS. BOWMAN:** Exhibit Number 5 is Docket Number S-37187. It's CenterPoint

19 Energy Resources, Delta Utilities North Louisiana and Delta Utilities South

20 Louisiana's joint application for all necessary authorizations and approvals for

21 Delta Utilities to acquire the assets of CenterPoint for authority of Delta Utilities to

22 operate as a local distribution company, and it's a discussion and Staff vote on

23 Staff's report and recommendation. On October 24, 2024, CenterPoint and Delta

1 Utilities filed its joint application for the necessary approvals. It was published in  
2 the Commission's Official Bulletin and no interventions were received. In the  
3 application, the parties sought several Commissions' approvals, including the -- for  
4 Delta Utilities to operate as a natural gas distribution utility; approval of the transfer  
5 and sale of all of the assets of CenterPoint to Delta; Delta's assumption and  
6 adoption of CenterPoint's terms of service, conditions, rates, and rate schedules;  
7 approval of Delta to create regulatory access -- regulatory assets, excuse me; and  
8 Commission stating its non-opposition to Delta Utilities incurring indebtedness for  
9 the transaction. After review of all the relevant information, Staff filed its  
10 recommendation on October 22, 2024, generally agreeing with the application and  
11 finding that the transaction was in the public interest, that Delta States has the  
12 necessary access to capital and will be able to ensure system compliance, the  
13 transaction is fair and reasonable to CenterPoint's employees, and the transaction  
14 will preserve the Commission's jurisdiction. Staff recommends that the  
15 Commission accept its Staff report and recommendation, including the conditions  
16 contained therein filed into the record on October 22, 2024.

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

18 **COMMISSIONER GREENE:** Second.

19 **CHAIRMAN FRANCIS:** Move to make -- accept Staff recommendation by  
20 Commissioner Skrmetta, seconded Commissioner Greene. Is there any discussion  
21 or opposition? [NONE HEARD] Hearing none, Number 5 is in the books. Number  
22 6.

1 **MS. BOWMAN:** So, Number 6 is Docket Number U-36669. This is Southern  
2 Spirit Transmission's request for certification, and it's a discussion and possible  
3 vote on a motion by the Marston Family for rehearing. So, this is the one we had  
4 we brief discussion with at the beginning of the meeting, and I guess we're going  
5 to have discussion now related to whether or not the agenda item will be deferred.

6 **COMMISSIONER CAMPBELL:** Mr. Chairman.

7 **CHAIRMAN FRANCIS:** Okay. I have an objection to the item being deferred.  
8 I'd like for us to vote whether to rehear it or not.

9 **MS. BOWMAN:** Not to rehear it, but to --

10 **CHAIRMAN FRANCIS:** I'm sorry.

11 **MS. BOWMAN:** -- to consider it today.

12 **SECRETARY FREY:** Yes.

13 **CHAIRMAN FRANCIS:** To consider it today. Yes, that's what I meant. Sorry.

14 **MS. BOWMAN:** Consider the request today.

15 **SECRETARY FREY:** Yeah. So, I think we should -- so Commissioner Campbell  
16 has a motion to defer it 'til --

17 **COMMISSIONER CAMPBELL:** Right.

18 **SECRETARY FREY:** Yes.

19 **COMMISSIONER CAMPBELL:** I'd like to put this off and hold it in  
20 Natchitoches. It makes good sense because a lot of people concerned are from  
21 north Louisiana. It only goes through north Louisiana. It doesn't come through  
22 here. It only affects my district. When you have a lot of people who'd like to testify  
23 for this, I've been here 27 years, I've never seen this happen before that you're

1 going to tell me that I can't move something to my area that only affects my area.  
2 And we always let people defer things, so I would ask that you vote with me to  
3 defer this 'til next month in Natchitoches, Louisiana, where that parish, Sabine  
4 Parish, Winn Parish all have something to do with this. A lot of people are  
5 interested in it and it makes good sense if we defer it to Natchitoches.

6 **CHAIRMAN FRANCIS:** Okay. We have a second -- is there a second to that  
7 motion?

8 **VICE CHAIRMAN LEWIS:** I'll second.

9 **CHAIRMAN FRANCIS:** Seconded by Commissioner Lewis. All right. Is there  
10 any other discussion?

11 **COMMISSIONER SKRMETTA:** Opposition.

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

13 **COMMISSIONER SKRMETTA:** Opposition. Roll call vote.

14 **CHAIRMAN FRANCIS:** Okay. Commissioner Skrmetta, how do you vote on  
15 this issue?

16 **COMMISSIONER SKRMETTA:** No.

17 **CHAIRMAN FRANCIS:** What?

18 **COMMISSIONER SKRMETTA:** To defer it?

19 **CHAIRMAN FRANCIS:** Yes.

20 **COMMISSIONER SKRMETTA:** No.

21 **CHAIRMAN FRANCIS:** Okay. Commissioner Greene, you --

22 **COMMISSIONER GREENE:** Yes.

23 **CHAIRMAN FRANCIS:** You vote to defer it? Commissioner Campbell.

1 **COMMISSIONER CAMPBELL:** Yes.

2 **CHAIRMAN FRANCIS:** Commissioner Lewis.

3 **VICE CHAIRMAN LEWIS:** Yes.

4 **CHAIRMAN FRANCIS:** The Chair votes no to -- you got a three to two vote  
5 here, so --

6 **MS. BOWMAN:** So, it will be deferred.

7 **CHAIRMAN FRANCIS:** -- it is deferred to next month. Okay. All right.  
8 Number 7.

9 **MS. BOWMAN:** Exhibit Number 7 is Docket Number U-36923. This is  
10 Southwest Louisiana Electric Membership Corporation's request for an increase in  
11 base rates. It's a discussion and possible vote on an uncontested stipulated  
12 settlement. On December 28, 2023, SLEMCO filed its request which was  
13 published in the Commission's Official Bulletin and no interventions were  
14 received. Following initial discovery on the request, Staff filed its recommendation  
15 with testimony, and -- on July 15, 2024. And on August 29, 2024, SLEMCO filed  
16 objections. After negotiations, the parties were able to enter into an uncontested  
17 stipulated settlement which was filed into the record on September 27, 2024. The  
18 major terms of that settlement are that SLEMCO is authorized to implement a base  
19 rate increase in accordance with its application, subject to Staff's adjustments  
20 related to expenses for charitable contributions; expenses for executive bonuses and  
21 related payroll taxes and benefits; two adjustments related to interest on long-term  
22 debt; and two adjustments to principal payments. Further, the parties agreed to a  
23 4.34 percent net plant growth rate over a five-year period. Staff recommends that



1 the Commission accept the uncontested stipulated settlement filed into the record  
2 on September 27, 2024.

3 **VICE CHAIRMAN LEWIS:** I'll entertain a motion. I'll move to -- I'll move to  
4 accept the uncontested stipulated settlement.

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

6 **VICE CHAIRMAN LEWIS:** I have a second from Commissioner Campbell. Is  
7 there any opposition? [NONE HEARD] Hearing no opposition, we'll move on to  
8 -- that motion is approved. We move to Exhibit Number 8.

9 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-37196. This is  
10 Washington-St. Tammany's Electric Cooperative's formula rate plan annual report  
11 of 2023 Test Year. It's a discussion and possible vote on a joint report and draft  
12 order. On May 7, 2024, Washington-St. Tammany filed its annual report for the  
13 test year and was published in the Commission's Official Bulletin with no  
14 interventions. The Commission issued Order Number U-36399, which established  
15 WST's current bandwidth of a time interest earned ratio of 1.4 to 1.6 and a lower  
16 limit of an operating TIER of 1.2 along with a modified debt service coverage of  
17 1.4. WST is allowed to adjust to the midpoint of 1.50 in any given test year should  
18 WST's earnings fall outside the authorized earnings bandwidth. In its 2023 filing,  
19 the company reported a calculated TIER of 2.09, an operating TIER of 0.851, and  
20 a MDSC of 1.17, which would have required a rate increase of an upward  
21 adjustment in approximately \$2.1 million. After Staff reviewed WST's filing, it  
22 confirmed the company's calculations, and while the WST's TIER is above the  
23 prescribed bandwidth, the company did not meet its operating TIER or MSDC

1 metrics, and as such, justified a rate increase. Staff filed its report and  
2 recommendation into the record on August 7, 2024. WST filed correspondence  
3 into the record on August -- excuse me, October 4<sup>th</sup> which indicated that the  
4 company agreed with the majority of Staff's report and recommendation and  
5 provided additional information regarding the increase in non-operating margin.  
6 Staff reviewed and accepted that additional information, and therefore, the parties  
7 entered into a joint report and draft order on October 28, 2024. Staff recommends  
8 that the Commission accept the joint report and draft order filed into the record on  
9 October 28, 2024, subject to the conditions filed therein.

10 **COMMISSIONER SKRMETTA:** Move to accept the joint report and Staff order  
11 of the Staff.

12 **VICE CHAIRMAN LEWIS:** I'll second. Is there any opposition? [NONE  
13 HEARD] Hearing no opposition, Exhibit 8 is approved. Exhibit 9.

14 **MS. BOWMAN:** Exhibit 9 is Evangeline -- excuse me, is Docket Number U-  
15 37197. It's Evangeline Gas Company's request for approval to establish a pipeline  
16 replacement rider. It's a discussion and possible vote pursuant to Rule 57 on the  
17 Commission's Rules of Practice and Procedure of uncontested stipulated  
18 settlement, so this will need two votes. On May 8, 2024, Evangeline filed its  
19 request which was published in the Commission's Official Bulletin and no  
20 interventions were received. Following discovery, Staff filed its report and  
21 recommendation on September 26, 2024, and in the report, Staff recommended that  
22 Evangeline be authorized to implement a rate rider of \$2.38 per MCF for residential  
23 customers, \$1.50 per MCF for public authority customers, and \$1.45 per MCF for

1 commercial customers, for a period of 3 years from the issuance of an order in this  
2 docket, subject to reporting conditions. On October 4<sup>th</sup> of this year, Evangeline  
3 filed a correspondence indicating acceptance of Staff's recommendation, and there  
4 was an uncontested stipulated settlement filed into the record on November 6<sup>th</sup>.  
5 Staff requests that the Commission: 1) Exercise its original and primary  
6 jurisdiction, pursuant to Rule 57, to consider this matter; and 2) Accept the  
7 uncontested stipulated settlement filed into the record as Exhibit A on November  
8 6, 2024.

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

10 **VICE CHAIRMAN LEWIS:** I'll second. Any opposition? [NONE HEARD]

11 Hearing none, the matter is brought up under Rule 57.

12 **COMMISSIONER SKRMETTA:** Move to accept the uncontested stipulated  
13 settlement.

14 **VICE CHAIRMAN LEWIS:** And I'll second. Can I have -- Randy, I just have  
15 one quick question -- or, Gordon, I think this is you. I'm sorry, Randy, didn't mean  
16 to scare you.

17 **COMMISSIONER SKRMETTA:** And to interrupt for a second. Kathryn.

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

19 **COMMISSIONER SKRMETTA:** Regarding the towing and tariff that we just  
20 approved, on January, when we implement the PPI, I'd like to have a statement  
21 from Staff of the new established rates according to the PPI.

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

23 **COMMISSIONER SKRMETTA:** And then every January thereafter --

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

2 **COMMISSIONER SKRMETTA:** -- to publicly state what the current rates are  
3 until the new ones are established.

4 **MS. BOWMAN:** That's part of our recommendation and --

5 **COMMISSIONER SKRMETTA:** I'm not -- yeah. I wanted to have it read at  
6 the meeting.

7 **MS. BOWMAN:** Okay. Perfect.

8 **SECRETARY FREY:** We can do that. Sure.

9 **MR. GORDON POLOZOLA:** Good afternoon, Commissioners. Gordon  
10 Polozola with Kean Miller on behalf of Evangeline Gas Company.

11 **VICE CHAIRMAN LEWIS:** Thank you, Gordon. And a quick question that I  
12 have is I'm just curious on how you were going to make your pipeline replacement  
13 program, the metrics, knowledgeable and reportable so that they can be in  
14 compliance with the LDNR rules. So, I'm just -- I know we're responding to that  
15 and I have no objection. I'm just curious on what will that process look like or how  
16 will you make those metrics known.

17 **MR. POLOZOLA:** Sure. Yes. Thank you, Commissioner. So, for this special  
18 surcharge, we'll have segregated accounts, we'll have segregated reporting to the  
19 Commission on how much exactly is collected through the surcharge, how much is  
20 exactly is spent on the pipeline replacement. We will also be filing bi-annual  
21 reports with the Louisiana Department of Energy and Natural Resources who has  
22 the compliance issue, so not only will this Commission have it, but the LDNR will  
23 have the information as well.

1 **VICE CHAIRMAN LEWIS:** Great. Thank you.

2 **CHAIRMAN FRANCIS:** Okay. Is there any objection to this motion? [NONE  
3 HEARD] Any other conversations? [NONE HEARD] Hearing none, it's passed.  
4 Where we at, Number 10?

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

6 **CHAIRMAN FRANCIS:** Okay.

7 **MS. BOWMAN:** Exhibit Number 10 is Docket Number U-37211. This is Dixie  
8 Electric Membership Corporation's formula rate plan annual report for the 2023  
9 Test Year filing. It's a discussion and possible vote on a joint report and draft order.  
10 On May 15, 2024, DEMCO filed its annual report which was published in the  
11 Commission's Official Bulletin with no interventions. Pursuant to Commission  
12 Order Number U-35359, DEMCO's formula rate allows the company to earn a  
13 midpoint times earned interest earned ratio of 1.45 and requires a resetting of rates  
14 in the event that the test period falls outside the band of 1.3 to 1.5. In DEMCO's  
15 2023 filing, the company reported a calculated TIER of 0.95, which would have  
16 required a rate increase and would have resulted in an upward adjustment in  
17 revenue of approximately 8.3 million. Commission Staff conducted review of  
18 DEMCO's filing and confirmed the company's earned TIER for the 2023 test year  
19 was 0.95. As DEMCO earned TIER fell below the established bandwidth, Staff  
20 found that DEMCO was authorized, in accordance with its FRP, to adjust rates.  
21 Staff filed its report and recommendation into the record on September 16, 2024.  
22 Upon review, DEMCO indicated it accepted the company's report and  
23 recommendation, and they filed a joint report and draft order into the record on

1 September 24, 2024. Staff recommends that the Commission accept that joint  
2 report and draft order filed into the record on September 24, 2024.

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

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

6 **VICE CHAIRMAN LEWIS:** I'll second.

7 **CHAIRMAN FRANCIS:** Seconded by Commissioner Lewis. Any other  
8 conversation or objection? [NONE HEARD] Hearing none, it's passed. Okay.  
9 Eleven.

10 **MS. BOWMAN:** Exhibit Number 11 is Docket Number U-37425. This is Entergy  
11 Louisiana's application for approval of generation and transmission resources in  
12 connection with service to a single customer for a project in north Louisiana. It's  
13 a discussion and possible vote to retain United Professionals Company. Entergy  
14 filed the referenced application on October 30<sup>th</sup> of this year seeking Commission  
15 approval that the additional generating capacity and transmission serves the public  
16 convenience and necessity, is in the public interest. Based on the pre-filing notice  
17 letter received by Staff, Staff solicited United Professionals Company to assist in  
18 this docket. Staff solicited UPC given the company's knowledge and experience  
19 with not only Entergy's business operations, but also the company's financial  
20 structure. Based on Staff solicitation, UPC provided a proposal of \$650,000 in fees  
21 and \$25,000 in expenses for a total budget not to exceed of \$675,000. Staff  
22 recommends that the Commission retain UPC for 650,000 in fees and 25,000 in  
23 expenses, for a total budget not to exceed of \$675,000.

1 **COMMISSIONER SKRMETTA:** Move to accept the bid of United  
2 Professionals.

3 **CHAIRMAN FRANCIS:** Move to accept the bid of United Professionals --

4 **COMMISSIONER CAMPBELL:** I'll second. This is in my -- this is my area.

5 **CHAIRMAN FRANCIS:** -- and is there a second?

6 **COMMISSIONER CAMPBELL:** I just seconded it.

7 **CHAIRMAN FRANCIS:** Second by Commissioner Campbell.

8 **COMMISSIONER CAMPBELL:** This is my area. This is the best news we've  
9 had in north Louisiana in a long, long time, so I'm for it 1,000 percent. We need it  
10 more than anybody. We have -- this data center would be a Godsend for northeast  
11 Louisiana and northwest Louisiana. We're very happy that we've been working  
12 with the right people to get this to happen. It's going to happen and a lot of people  
13 up our way will have good-paying jobs, and I think this will expand. This is \$5  
14 billion that is going to be spent and maybe more like 10 billion.

15 **CHAIRMAN FRANCIS:** Is UPC here? Is Lane here? Hey, Lane, come see a  
16 minute. Like they say south of I-10, what we going to spend 675,000 on? What  
17 you going to do?

18 **MR. LANE SISUNG:** Lane Sisung, United Professionals Company, LLC.  
19 Hopefully, we're not going to spend that. The way that these bids work is that you  
20 are forced to provide a not-to-exceed budget. In this particular docket, there are  
21 many moving parts. There are -- generally, when a RFP or a solicitation is put out  
22 for this certification, it's for the certification of one generator. This will be multiple  
23 generators. This also has transmission certification associated with it. This is also

1 asking for consideration of future rate mechanisms to allow a single customer  
2 access to renewable portfolios. It has many elements to it that aren't normally  
3 within a bid. Secondly, this also not only covers the first Commission vote, it  
4 covers monitoring, the construction for the years, and then it covers a prudence  
5 review on the top. So, you could actually have two separate multi-week trials if  
6 there's opposition to these things. So, the reason the bid had to be so large is there  
7 are so many variables and there are so many potential trials. In a perfect world,  
8 we're able to work with the intervenors, get this to a quick vote, you're not going  
9 to have any trials, and the money's going to come way down.

10 **CHAIRMAN FRANCIS:** Will that be federal trials or state trials?

11 **MR. SISUNG:** It would all be right here with the ALJs --

12 **CHAIRMAN FRANCIS:** Okay.

13 **MR. SISUNG:** -- and on to you.

14 **CHAIRMAN FRANCIS:** And it's a proposed 2,500 megawatts, so that's -- that's  
15 like probably three different generators, huh?

16 **MR. SISUNG:** That is correct. Yes, sir.

17 **CHAIRMAN FRANCIS:** I know that's in Campbell's district, and -- but it still  
18 affects all five of us Commissioners. We're all glad to see that. So, if we got any  
19 questions, we just look up your number and call you and you'll answer us. Okay.

20 **MR. SISUNG:** Give me a call. I'll be around.

21 **CHAIRMAN FRANCIS:** Thank you. Thank you. I appreciate you.

22 **VICE CHAIRMAN LEWIS:** Lane, I'll be calling you a lot I feel.

23 **MR. SISUNG:** Thank you.



1 **CHAIRMAN FRANCIS:** So, there's a -- let's see. We already got a --

2 **MS. BOWMAN:** We have a motion and a second.

3 **CHAIRMAN FRANCIS:** -- motion and second. And is there any other

4 conversation or objection? [NONE HEARD] I don't think there's any objection

5 to this, so Number 11's in the books.

6 **MS. BOWMAN:** So, Exhibit Number 12 is the same docket. Entergy's

7 application, and it's a discussion and possible vote to retain Stone Pigman. Same -

8 - Entergy filed it's referenced application on October 30<sup>th</sup> of this year, and Staff

9 solicited Stone Pigman given the company's knowledge and experience with not

10 only Entergy's business operations, but also the company's financial structure. And

11 based on Staff solicitation, Stone Pigman provided a proposal of 760,000 in fees

12 and 28,000 in expenses, for a total budget not to exceed of \$788,000. Staff does

13 recommend that the Commission retain Stone Pigman for 760,000 in fees and

14 28,000 in expenses for a total budget not to exceed of 780,000. And just like United

15 Professionals, this is a cap, so it's not a guarantee that that entire amount would be

16 spent.

17 **COMMISSIONER SKRMETTA:** Move to accept the bid of Stone Pigman.

18 **VICE CHAIRMAN LEWIS:** Second.

19 **CHAIRMAN FRANCIS:** Move to accept the bid by Commissioner Skrmetta,

20 seconded by Commissioner Lewis, and -- boy, I wish Zeke was here to hear this

21 award of Stone Pigman. And is Stone Pigman here?

22 **MS. BOWMAN:** Ms. Shelton is here.

23 **CHAIRMAN FRANCIS:** Is this the lead counsel for Stone Pigman?

1 **MS. BOWMAN:** She will be the lead counsel on this docket for us, yes, sir.

2 **CHAIRMAN FRANCIS:** Well --

3 **MS. DANA SHELTON:** You want me to come up?

4 **CHAIRMAN FRANCIS:** Dana -- Dana, come on up.

5 **MS. BOWMAN:** You got up, Dana.

6 **CHAIRMAN FRANCIS:** Dana Shelton with Stone Pigman. And Stone Pigman

7 just the viewers, audience, listeners, we have two different attorneys. One works

8 for MISO and one works for SPP, the two RTOs. And Noel Darce is also -- I saw

9 him in the audience for -- working on MISO, but congratulations to your firm for

10 winning this. What are we going to get for our money and why do we need to hire

11 a attorney for this?

12 **MS. SHELTON:** Yes, Commissioner. It's Dana Shelton from the law firm of

13 Stone Pigman. Well, as Mr. Sisung said, this is a very expansive docket that may

14 require, depending on what happens with intervenors and whatnot, very extensive

15 legal work, legal services. We're talking about the approval, certification of five

16 different resources including three generating resources, one new high-voltage

17 transmission line --

18 **CHAIRMAN FRANCIS:** Okay.

19 **MS. SHELTON:** -- and upgrades of a transmission substation, so it's all rolled

20 into one proceeding, which needs to be handled on a expedited basis. The customer

21 here has expressed a need to get this done quickly, to get this data center to market

22 very quickly. And Entergy's filing asks for a ruling by this Commission by October

23 of next year, which for something that's -- as you said, it's a 25 percent increase for

1 Entergy's generation load in the footprint, so to approve that in less than a year is  
2 going to require a significant expenditure of resources. And I bid this in a -- or  
3 provided this cost estimate assuming a worst-case scenario, that there'd be  
4 intervenors, objections, and we would need a hearing. And also, as Lane said, we  
5 were asked to also provide a price for construction monitoring of all these new  
6 resources, which will take three years, perhaps as many as five years to do that.  
7 Legal services are a little less with respect to construction monitoring, but it will  
8 require development of a monitoring plan, review of reports, discovery on those  
9 reports, perhaps providing reports to the Commission. And then once those units  
10 go into service, we were asked to provide a bid for a prudence review to make sure  
11 the construction was handled in a prudent manner. So --

12 **CHAIRMAN FRANCIS:** That would be a separate issue though?

13 **MS. SHELTON:** It could entail very significant legal resources, but it might not.  
14 I'm hoping it doesn't, as Mr. Sisung said, so it's a worst-case scenario cost estimate.

15 **CHAIRMAN FRANCIS:** Well, I'm glad you got the job. I have a lot of trust and  
16 faith in you, and I think Commissioner Lewis has comments here.

17 **VICE CHAIRMAN LEWIS:** Yes. Thank you. Thank you, Mr. Chairman, and  
18 thank you, Ms. Shelton and Mr. Sisung, for that. And I agree. I think you two  
19 represent the best that we could have at the Commission. I think this is an  
20 opportunity, but my advice and encouragement and trust in you and UPC is that,  
21 while we are the expediated timeline, that we do our best to ensure that every  
22 intervenor is heard. There are a lot of complicated issues that should be worked  
23 out that could be beneficial, I mean, especially when we're talking about the

1 generation capacity, the water consumption. And so my support and trust in you is  
2 that we will make sure that every voice is heard in this intervention schedule, and  
3 as we move to be as expedient as we can, that we don't let time get in the way of a  
4 thorough review because these are long-term commitments, these are big projects.  
5 We have seen commissions across this country go all over the place on these, right?  
6 There are some that struggling, some that are moving fast, and so that's why I  
7 support because I know and I have trust and faith in you that you will make sure  
8 that we can handle it in the time that the customer is asking, but also ensuring that  
9 our processes are protected and that the actual analysis is done correctly. And so  
10 that's -- it was more of a compliment. I think I kind of took a long way to get there,  
11 but complimenting you and Lane because I have faith that you will be looking out  
12 not only for this Commission, ratepayers, the customers, and everyone as well. And  
13 I just wanted to reiterate those points.

14 **MS. SHELTON:** Well, thank you very much, Commissioner. And absolutely,  
15 that's our intent to give every issue a fair hearing and that's why, in part, you know,  
16 I wanted to ensure we had all the resources lined up to do that. I was told this is a,  
17 kind of, clear the decks, concentrate on this to get it done, and we will do all those  
18 things that you said because it is very important. While I'm very encouraged by  
19 the package that Entergy's put on the table, I think they've thought through -- I  
20 haven't, you know, delved into it completely yet, didn't want to do that until we  
21 were hired, but I'm very encouraged by the thought that they put into this. But  
22 certainly, there's going to be other things to make sure that, you know, unwarranted  
23 costs are not visited on our residential ratepayers and all of the things that a data --

1 and it's a very, very exciting opportunity for Louisiana, absolutely. We just want  
2 to make sure it's done right, and that's what we will be singularly focused on over  
3 this next year.

4 **VICE CHAIRMAN LEWIS:** Thank you.

5 **CHAIRMAN FRANCIS:** Thank you, Ms. Shelton.

6 **MS. SHELTON:** Thank you.

7 **CHAIRMAN FRANCIS:** Okay.

8 **MS. BOWMAN:** So, moving to Exhibit Number 13.

9 **CHAIRMAN FRANCIS:** Thirteen.

10 **MS. BOWMAN:** It's a docket to be determined. It's going to be Cleco Power's  
11 request for proposals for the acquisition of generating capacity and energy  
12 resources. It's a discussion and possible vote to retain an outside consultant. Staff  
13 did issue an RFP for this one seeking the outside consultant, and we received three  
14 responsive bids. The first is from London Economics of 163,194 in fees and \$3,608  
15 in expenses for a total budget not to exceed of \$166,802. The second was from  
16 United Professionals Company of 162,000 in fees and 12,500 in expenses for a total  
17 budget not to exceed of 174,500. And then the third is Critical Technology  
18 Consulting's of 176,400 in fees and 7,500 in expenses for a total budget not to  
19 exceed of \$183,900. Staff makes no recommendation as all three are qualified.

20 **COMMISSIONER SKRMETTA:** Moved to accept the bid of UPC.

21 **CHAIRMAN FRANCIS:** Commissioner Skrmetta moves that we accept bid of  
22 UPC of 174,500.

23 **VICE CHAIRMAN LEWIS:** I'll second.

1    **CHAIRMAN FRANCIS:** Second by Commissioner Lewis. Is there any other  
2    discussion? [NONE HEARD] Hearing none, the Exhibit 13 is awarded to UPC,  
3    Number 2.

4    **MS. BOWMAN:** Exhibit Number 14 is reports, resolutions. We've already  
5    handled the two agenda items under reports. There is an agenda item under  
6    discussions which was a discussion with Hillcrest Builders on its billing practices.  
7    And I'm going to just confirm that Mr. Rusty Miller is not in the room or in the  
8    audience. If so, please identify yourself. Or anyone for Hillcrest, I guess I should  
9    say it that way. [NONE HEARD] Okay.

10   **SECRETARY FREY:** Okay. We didn't think anyone was here, so I have a  
11   statement from -- Foster, if you want to say something and then I'll read out what  
12   you have.

13   **COMMISSIONER CAMPBELL:** Yeah. Well, I've -- this company has caused  
14   considerable problems up in our area. People are -- they're way behind on their  
15   paperwork. A lot of our requirements haven't been met. I met up there with a  
16   group of homeowners. We sent out a letter to this man in California, told him we  
17   want him to be here, it's serious. He has not attended and I'm ready to do whatever  
18   we can to get him here and get him straight because we got people up there that  
19   have serious problems and he's pretty much -- doesn't care or doesn't -- I ask him  
20   to come and he's not here, so whatever we got to do. I'm representing a lot of  
21   people up there having problems. This man didn't seem to care. He doesn't seem  
22   to care.

23   **SECRETARY FREY:** Okay.

1    **CHAIRMAN FRANCIS:** I've got something to say, also.

2    **SECRETARY FREY:** Sure.

3    **CHAIRMAN FRANCIS:** Coincidentally, I had a real good friend that was right  
4    in the middle of that whole thing up there.

5    **COMMISSIONER CAMPBELL:** You did. Yeah. I met her.

6    **CHAIRMAN FRANCIS:** She just praised Joe and Commissioner Foster  
7    Campbell and also had Bill Robinson there.

8    **COMMISSIONER CAMPBELL:** Yeah, we did.

9    **CHAIRMAN FRANCIS:** And Kathryn was there.

10   **COMMISSIONER CAMPBELL:** Yeah.

11   **CHAIRMAN FRANCIS:** So, man, I mean, we showed those folks who's boss on  
12   that, and I think the ratepayers are very happy with the response you had,  
13   Commissioner, so that was good work. Good work.

14   **SECRETARY FREY:** And this is Commissioner Campbell's statement. About  
15   a month ago, my office began receiving complaints regarding Hillcrest Builders, a  
16   wastewater provider in my district. Specifically, the company was attempting to  
17   collect allegedly unpaid amounts from customers through door-to-door  
18   communications. The homeowners of the subdivision met with me, my staff, and  
19   Kathryn regarding these concerns. Upon investigation, we also learned the  
20   company is in noncompliance with the Commission on annual report filings and  
21   inspection and supervision fees. A cease and desist order was issued to the  
22   company regarding the billing issues and it also included dates by which the  
23   company needed to provide information to the Commission, relative to those other

1 issues. Finally, given the questions raised at the homeowners' meeting and the  
2 company's compliance issues, I asked the Staff to send a letter requesting that Mr.  
3 John Rusty Miller, owner of the company, attend today's meeting. Mr. Miller  
4 declined to appear in person, preventing us from asking these important questions.  
5 Given the above, I asked Staff to take any and all actions necessary to bring the  
6 company into compliance, including issuing any necessary citations.

7 **COMMISSIONER CAMPBELL:** Thank you.

8 **MS. BOWMAN:** So, we are still on Exhibit Number 14. We do have some  
9 ratifications. The first is a discussion and possible vote to ratify interventions of  
10 the Commission in RTO or other FERC proceedings. So, pursuant to the hiring of  
11 Stone Pigman and United Professionals by the Commission for MISO, SPP, and  
12 ERSC participation, they are allowed to intervene after consultation with the  
13 Executive Secretary, subject to Commission ratification at the next B&E. And Staff  
14 recommends that the Commission ratify the following doc-less interventions:  
15 ER24-3067, AC24-145, ER25-111, ER25-89, ER25-98, ER25-138, ER24-3141,  
16 ER25-150. So, we'll entertain a motion to ratify the doc-less interventions in those  
17 FERC proceedings.

18 **CHAIRMAN FRANCIS:** For SPP? Is that --

19 **MS. BOWMAN:** For FERC proceedings, so it's doc-less interventions to monitor  
20 some filings made by MISO, SPP, and Entergy is the combination of these dockets.

21 **CHAIRMAN FRANCIS:** So, we need a motion --

22 **VICE CHAIRMAN LEWIS:** I move to ratify Staff's interventions.



1 **CHAIRMAN FRANCIS:** You need a second? I'll second that. All right. Any  
2 other discussion? [NONE HEARD] Okay. That's done.

3 **MS. BOWMAN:** So, we also have a discussion and possible vote to ratify votes  
4 taken by Commissioner Skrmetta acting as the Commission's representative on the  
5 Board of Directors of the Organization of MISO States. Staff followed the protocol  
6 set forth in Special Order 17-2019 to consult with the Executive Secretary and the  
7 Chairman and to make a recommendation to Commissioner Skrmetta prior to the  
8 votes. The protocols also require that the votes be ratified at a following B&E.  
9 OMS prepared comments in FERC Docket Number EL24-80 supporting a FERC  
10 Show Cause Order opposing MISO tariff language allowing transmission owning  
11 utilities to unilaterally initially fund interconnection transmission projects. Based  
12 on Staff's recommendation, the Commission voted yes on this OMS comments,  
13 and Staff recommends that the Commission ratify the Commission's votes taken  
14 on October 15, 2024 and November 11, 2024.

15 **CHAIRMAN FRANCIS:** Motion to ratify.

16 **VICE CHAIRMAN LEWIS:** Second.

17 **COMMISSIONER SKRMETTA:** Abstain vote by Skrmetta.

18 **CHAIRMAN FRANCIS:** Abstained. Any other objection, or? [NONE HEARD]  
19 So, it's -- motion by Chairman, second by Commissioner Lewis, abstained, and so  
20 it's in the books.

21 **MS. BOWMAN:** We also have a discussion and possible vote to ratify votes taken  
22 by Chairman Francis acting as the Commission's representative on the Regional  
23 State Committee of the Southwest Power Pool. Same as the MISO OMS vote, Staff

1 followed the protocol set forth in Special Order 17-2019 to consult with the Vice  
2 Chairman and the Secretary prior to the vote, subject to ratification at this B&E.  
3 There was four voting items by the Chair. The first voting item decouples two  
4 transmission pricing zones for Schedules 9 and Schedules 11, and it allows  
5 Schedule 11 pricing zones to be combined so that certain base plant upgrade  
6 transmission costs can be allocated to a larger geographical area. Chairman Francis  
7 voted against this proposal. The second voting item was a motion to approve a  
8 policy paper for evaluating, approving, and assigning costs to parties engaged in a  
9 shared Seams project that does not fall under FERC Order 1000. Chairman Francis  
10 voted against this item. The third voting item involved a date change for  
11 Attachment AA, which requires a load responsible entity to maintain capacity  
12 required to serve its load and meets its planning reserve obligations. Chairman  
13 Francis voted in favor of this item. And the fourth voting item establishes the RSC  
14 as the SPP forum for the negotiation of a cost allocation methodology and to  
15 acknowledge that SPP has provided proper notice of its engagement period  
16 pursuant to FERC Order 1920. Chairman Francis voted in favor of this motion.  
17 The Staff recommends that the Commission ratify Chairman Francis' votes cast on  
18 October 28<sup>th</sup> as the Commission's representative to the SPP RSC.  
19 **COMMISSIONER SKRMETTA:** Move to ratify the vote of Chairman Francis.  
20 **VICE CHAIRMAN LEWIS:** Second.  
21 **CHAIRMAN FRANCIS:** Move to ratify by Commissioner Skrmetta, seconded  
22 by Commissioner Lewis. And I might add, with the assistance of Ms. Dana Shelton  
23 and Lane Sisung at this meeting, we had some noes and some yes votes there,

1 according to their -- all our recommendations, but one thing I want to add: We  
2 voted for \$14 billion worth of transmission projects. It's just huge, the amount of  
3 transmission that's going to be needed over the next few years.

4 **MS. BOWMAN:** It's a lot.

5 **CHAIRMAN FRANCIS:** All right.

6 **MS. BOWMAN:** And for the record, Chair abstains?

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

8 **MS. BOWMAN:** And for the record, you abstain on that vote?

9 **CHAIRMAN FRANCIS:** Yes. I do abstain, yeah, so. Okay.

10 **MS. BOWMAN:** And then last item under Exhibit Number 14 is a directive to  
11 Staff regarding Docket Number U-37425, which is Entergy Louisiana's request for  
12 approval of generation and transmission resources and is of the request of  
13 Commissioner Campbell. And so I'll just read it into the record. On October 30,  
14 2024, Entergy Louisiana filed an application seeking approval of generation and  
15 transmission projects in connection with service to a large customer project in north  
16 Louisiana, which has been assigned Docket Number U-34725. I propose a directive  
17 to Staff and the Administrative Hearings Division to exercise best efforts in  
18 developing and adhering to a procedural schedule that results in an ALJ  
19 recommendation issued and provided to the Commission for consideration at the  
20 October 2025 B&E meeting. Entergy's filing asked for a Commission vote by the  
21 September 2025 B&E in order to meet the customer's project schedule. However,  
22 I believe providing an additional month until October is reasonable and considers  
23 both the Staff and parties' needs for adequate time to review the issues and the case

1 and the customer's need for a Commission decision that allows it to maintain its  
2 project schedule. Further, my proposed directive allows for nearly a full year from  
3 filing to consideration. And that is Commissioner Campbell's directive.

4 **COMMISSIONER CAMPBELL:** I make a motion we accept it.

5 **MS. BOWMAN:** We don't need a motion unless there's opposition.

6 **COMMISSIONER CAMPBELL:** Okay.

7 **MS. BOWMAN:** So, --

8 **CHAIRMAN FRANCIS:** Okay.

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

10 **CHAIRMAN FRANCIS:** I need to backtrack on something.

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

12 **CHAIRMAN FRANCIS:** I got a typo that was 4 billion not 14 billion on the  
13 transmission [INAUDIBLE].

14 **MS. BOWMAN:** Okay. So, a typo not 14, but 4 billion?

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

16 **MS. BOWMAN:** Okay.

17 **CHAIRMAN FRANCIS:** Correct that. Sorry.

18 **MS. BOWMAN:** Okay.

19 **CHAIRMAN FRANCIS:** I know Dana's going to be happy.

20 **MS. BOWMAN:** So, no opposition to Commissioner Campbell's directive. We'll  
21 move on to Exhibit Number 15, which is Docket Number S-37393. It's Magnolia  
22 Water Utility Operating Company's request for a letter of non-opposition for  
23 CSWR, Magnolia's parent company, to enter into a term loan facility. It's a

1 discussion and possible vote on a Staff report and recommendation. On September  
2 25<sup>th</sup> of this year, Magnolia filed the request seeking Commission authorization,  
3 which was filed into the Commission's Official Bulletin and no interventions were  
4 filed. CSWR is seeking approval of a loan agreement with an initial draw of up to  
5 a 150 million and an option for a delayed draw of an additional 150 million within  
6 24 months of closing for a full total loan amount of \$300 million. The loan fund  
7 amounts will be disbursed by CSWR to its subsidiaries on a as-needed basis for  
8 capital expenditures, improvements, and acquisitions, and it shall also be utilized  
9 to balance Magnolia's corporate capital structure in an order -- as mandated in  
10 Order Number U-35822. The loan facility has a mature date of five years with  
11 interest-only payments being made up to the end of the fifth year. CSWR intends  
12 to loan Magnolia up to \$100 million of the loan proceeds in the form of an  
13 intercompany unsecured loan, allowing Magnolia to further its goal of achieving  
14 50/50 debt-to-equity capital structure, and the proposed transaction will not  
15 adversely affect the Commission's jurisdictional authority to regulate Magnolia.  
16 Staff's report and recommendation was filed into the record on November 8<sup>th</sup>,  
17 wherein Staff concurred that the transaction is in the public interest. So, Staff  
18 recommends that the Commission accept Staff's report and recommendation filed  
19 into the record on November 8, 2024.

20 **CHAIRMAN FRANCIS:** I make a motion to accept Staff's recommendation.

21 **COMMISSIONER SKRMETTA:** Second.

22 **CHAIRMAN FRANCIS:** Second by Commissioner Skrmetta and Commissioner  
23 Lewis has some questions.

1 **VICE CHAIRMAN LEWIS:** Yes. Can we have a representative from Magnolia  
2 to come to the table. I have a few questions, and I have a question from -- in the  
3 absence of Commissioner Greene that I will ask on his behalf.

4 **MS. BOWMAN:** And while they're walking up, Commissioner Skrmetta, would  
5 you like me to --

6 **COMMISSIONER SKRMETTA:** We can wait until we're done with this.

7 **MS. BOWMAN:** Okay.

8 **VICE CHAIRMAN LEWIS:** Thank you, gentleman. I'm going to start with  
9 Commissioner Greene's questions, and then I'll move to the few questions that I  
10 have for you. For the record, will this acquisition of customers increase any rates?

11 **MR. JOSIAH COX:** No, Commissioner, it will not.

12 **VICE CHAIRMAN LEWIS:** Will you return to the Commission in a few months  
13 to ask for new rates to pay for repairs/upgrades to these acquired systems?

14 **MR. COX:** Are we talking about the acquisition cases for any of these -- or this is  
15 the loan. I'm just making sure I know what I'm talking about.

16 **VICE CHAIRMAN LEWIS:** These are -- I think from Commissioner Greene,  
17 he's trying to see if the loan will cover the acquisition cost and any upgrades to the  
18 system.

19 **MR. COX:** Yes.

20 **MS. BOWMAN:** And, Josiah, I'm sorry, will you introduce yourself for the  
21 record?

22 **MR. COX:** Yes. I'm Josiah Cox. I'm the President, Central States Water  
23 Resources, the parent company of Magnolia Water. So, yes, those loan proceeds

1 will go toward that. I don't believe any of those acquisitions though will be in the  
2 next FRP because there won't be enough time for them to be in it.

3 **VICE CHAIRMAN LEWIS:** Thank you. And for my questions, can you -- how  
4 much of this loan do you expect to go toward the balancing of the capital structure?

5 **MR. COX:** Well, I mean, all of it will go towards the balance of the capital  
6 structure.

7 **VICE CHAIRMAN LEWIS:** Okay.

8 **MR. COX:** Because our capital structure is so equity heavy, which is one of things  
9 this Commission has asked us to balance over time.

10 **VICE CHAIRMAN LEWIS:** And what do you expect that to do to your  
11 debt/equity ratio?

12 **MR. COX:** We're trying to move it to 50/50, Commissioner.

13 **VICE CHAIRMAN LEWIS:** So, it'll be --

14 **MR. COX:** Well, we won't be there yet, but we will move towards that in  
15 Louisiana, for sure.

16 **VICE CHAIRMAN LEWIS:** And then that's your belief that balancing that  
17 capital structure will reduce your cost of capital and your revenue requirements as  
18 a result and net benefits for customers, so that's why you're going for that 50/50  
19 split?

20 **MR. COX:** That is correct, Commissioner.

21 **VICE CHAIRMAN LEWIS:** And just for clarification, would any -- would you  
22 explain the collateralization of any shareholder equity that's built into this loan?

23 **MR. COX:** It is collateralized.

1 **VICE CHAIRMAN LEWIS:** Okay.

2 **MR. COX:** Against shareholder equity, that is correct.

3 **VICE CHAIRMAN LEWIS:** Great. Thank you. Those are all the questions that

4 I have.

5 **CHAIRMAN FRANCIS:** Thank y'all.

6 **COMMISSIONER SKRMETTA:** Thanks. We can go ahead and vote.

7 **CHAIRMAN FRANCIS:** Any other questions?

8 **COMMISSIONER SKRMETTA:** No.

9 **CHAIRMAN FRANCIS:** Okay. So, is any other -- any opposition to this?

10 [NONE HEARD] Hearing none, it's approved.

11 **COMMISSIONER SKRMETTA:** Yeah. One thing I did want to add after the

12 vote is I'd like -- and y'all could just look at this. I'd like to look at the concept of

13 -- since you're now a multi-state facility to look at how we could potentially look

14 at drawing in all of the meters in your multi-state system into sort of looking at a

15 national rate to see how that might modify and reduce rates potentially in Louisiana.

16 So, if we can get more numbers in the denominator, we can look and see if that may

17 ultimately -- not formally, but on an informal basis first to see how that might look.

18 **MR. COX:** We will work with Staff on that and maybe potentially make that part

19 of our next FRP filing.

20 **COMMISSIONER SKRMETTA:** Great. Thank you.

21 **MR. COX:** Thank you.

22 **CHAIRMAN FRANCIS:** Okay. Exhibit 16?



1 **MS. BOWMAN:** Yes, sir. Exhibit Number 16 is Docket Number U-37213. This  
2 is Cleco Power's request for a Commission financing order authorizing Cleco  
3 Power to finance, through a securitization financing transaction, the retirement  
4 costs associated with the Dolet Hills Power Station and the associated mines, as  
5 well as to establish an energy transition reserve. It's a discussion and possible vote  
6 on a uncontested stipulated settlement pursuant to Rule 57 at the request of the  
7 Chair. On May 17, '24, Cleco filed its application requesting authorization to  
8 finance through a securitization financing transaction 305 million as authorized by  
9 Commission Order Number U-35753-A. The transaction would be effectuated by  
10 the issuance of energy transition bonds under the Louisiana Electric Utility Energy  
11 Transition Securitization Act. By utilizing the securitization financing, as opposed  
12 to traditional utility financing, Cleco estimated it would save approximately \$94.3  
13 million, on a net present value basis. On November 15, 2024, the parties filed an  
14 uncontested proposed stipulated settlement pursuant to Rule 57 into the record.  
15 And Staff recommends that the Commission: 1) Assert its original and primary  
16 jurisdiction to take this matter up under Rule 57; 2) Accept the uncontested  
17 stipulated settlement filed into the record on November 15, 2024; and 3) Approve  
18 the issuance of a financing order consistent with the terms of the uncontested  
19 stipulated settlement filed into the record on November 15, 2024.

20 **COMMISSIONER SKRMETTA:** Move to bring the matter up under Rule 57.

21 **CHAIRMAN FRANCIS:** Rule under 57, Commissioner Skrmetta. Seconded by

22 --

23 **VICE CHAIRMAN LEWIS:** Second.

1 **CHAIRMAN FRANCIS:** -- by Commissioner Lewis then.

2 **COMMISSIONER SKRMETTA:** Kathryn, can I bring up the other two matters

3 as a single motion or they have to be independent?

4 **MS. BOWMAN:** No, sir. I think it could just be one motion.

5 **COMMISSIONER SKRMETTA:** Move to accept the uncontested stipulated

6 settlement and also approve the issuance of a financing order.

7 **CHAIRMAN FRANCIS:** So, all-inclusive under Rule 57 by Commissioner

8 Skrmetta, seconded by Commissioner Lewis.

9 **COMMISSIONER SKRMETTA:** Actually, separate from the 57.

10 **MS. BOWMAN:** Separate from the 57, but the uncontested stipulated settlement

11 --

12 **CHAIRMAN FRANCIS:** Okay.

13 **MS. BOWMAN:** -- and approving the issuance of a financing order could be one

14 motion.

15 **CHAIRMAN FRANCIS:** Okay.

16 **COMMISSIONER SKRMETTA:** That's what it is.

17 **VICE CHAIRMAN LEWIS:** And I'll second. And, Lane, can I have you for one

18 quick question?

19 **CHAIRMAN FRANCIS:** So, have someone up --

20 **MS. BOWMAN:** It's not Lane.

21 **VICE CHAIRMAN LEWIS:** Oh, it's not Lane?

22 **MS. BOWMAN:** Our consultant is Estrada Hinojosa, but they are here.

23 **VICE CHAIRMAN LEWIS:** Oh, I'm sorry. I'm reading the wrong --

1 **UNKNOWN SPEAKER:** [INAUDIBLE]

2 **MS. BOWMAN:** Oh, they had to -- I'm sorry. They were here --

3 **UNKNOWN SPEAKER:** He's here. Mark's here.

4 **MS. BOWMAN:** Oh, no. Mark's here.

5 **MR. MARK GOODING:** We're here.

6 **VICE CHAIRMAN LEWIS:** Just one -- I just have one quick question for you.

7 And I'll go just for the sake of time. So, I know they are carrying charges as a

8 regulatory asset and then it will be recovered through their IICR rider. I guess my

9 question is will the change to that rider be automatic, and will you have a chance to

10 review that before it becomes effective?

11 **MS. BOWMAN:** I'm sorry. That is a Lane question. I didn't realize we had --

12 it's been a long day. I didn't realize we had two consultants on that docket. I'm

13 sorry.

14 **MR. GOODING:** That's okay.

15 **VICE CHAIRMAN LEWIS:** I was like --

16 **SECRETARY FREY:** Mark's our securitization guy.

17 **MS. BOWMAN:** Yes.

18 **MR. GOODING:** I can't even talk about what rates might be expected.

19 **VICE CHAIRMAN LEWIS:** Okay. Thank you. Thank you.

20 **MS. BOWMAN:** I apologize for the confusion.

21 **VICE CHAIRMAN LEWIS:** Thank you for clarifying, Ms. Bowman. You

22 almost got Mr. Yeilding in trouble there.

23 **MR. SISUNG:** And the question was? I'm sorry.

1 **VICE CHAIRMAN LEWIS:** Yeah, no. The question -- the question was -- I'm  
2 just trying to make sure I'm following along. So, I know that the carrying charges  
3 are as a regulatory asset and then will be covered through their IIC rider. So, my  
4 question is will that rider be automatic and will you have a chance to review it  
5 before it becomes effective?

6 **MR. SISUNG:** No. We review the IICR every year.

7 **VICE CHAIRMAN LEWIS:** And do you expect -- or can you say if there will  
8 be any minor adjustments that your -- from your review?

9 **MR. SISUNG:** Yes. We have the opportunity to file a protest if we disagree with  
10 how they've implemented any of the allowed changes in IICR, and if that's the  
11 case, it could be set for an ALJ hearing and come before you guys ultimately.

12 **VICE CHAIRMAN LEWIS:** Thank you. Those are all my questions.

13 **MR. SISUNG:** Okay.

14 **MR. GOODING:** Thank you.

15 **CHAIRMAN FRANCIS:** All right. Thank y'all.

16 **MS. BOWMAN:** So, we have a motion by Commissioner Skrmetta and a second  
17 by Commissioner Lewis to accept the uncontested stipulated settlement and  
18 authorize the financing part of it.

19 **CHAIRMAN FRANCIS:** Is there any objection or other discussions? [NONE  
20 HEARD] Hearing none, it's in the books.

21 **MS. BOWMAN:** Okay. And we --

22 **CHAIRMAN FRANCIS:** And --

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

1 **VICE CHAIRMAN LEWIS:** Second.

2 **CHAIRMAN FRANCIS:** Move to adjourn, second. Fini.

3

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

5

1 I certify that the foregoing pages 1 through 179 are true and correct to the best  
2 of my knowledge of the Open Session of the Business and Executive Meeting  
3 held on November 20, 2024 in Baton Rouge, Louisiana.

4 \*\*\*\*\*

5 **Rough Draft prepared by:**

6 Clarisa Findley

7 **Clarisa Findley,**  
8 **Court Reporter**

December 5, 2024

**Date**

9 Keyanna Freeman

10 **Key-Anna Freeman,**  
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December 5, 2024

**Date**

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13 **Alicia Carter-Thomas,**  
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December 5, 2024

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**Date**

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December 12, 2024

**Date**