

TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON OCTOBER 18, 2023 IN METAIRIE, LOUISIANA. PRESENT WERE: CHAIRMAN FOSTER CAMPBELL, VICE CHAIRMAN MIKE FRANCIS, COMMISSIONER ERIC SKRMETTA, AND COMMISSIONER DAVANTE LEWIS.

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2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON OCTOBER 18,**
3 **2023 IN METAIRIE, LOUISIANA. PRESENT WERE: CHAIRMAN**
4 **FOSTER CAMPBELL, VICE CHAIRMAN MIKE FRANCIS,**
5 **COMMISSIONER ERIC SKRMETTA, AND COMMISSIONER DAVANTE**
6 **LEWIS.**

7 **CHAIRMAN FOSTER CAMPBELL:** Good morning, everybody. Welcome to
8 New Orleans or Jefferson Parish. What is it? Jefferson Parish. New Orleans. I
9 live in North Louisiana, everything down here is New Orleans. Glad to see you.
10 We don't have a lot on the agenda today, but we're going to get through, give
11 everybody a chance to say what they got to say, and hopefully, we'll be out of here
12 by dinner time -- lunch as y'all say it, lunch. Would Mr. Francis say the prayer and
13 --

14 **[VICE CHAIRMAN MIKE FRANCIS LEADS IN PRAYER]**

15 **CHAIRMAN CAMPBELL:** Mr. Lewis, would you --

16 **VICE CHAIRMAN FRANCIS:** Where's the flag? [INAUDIBLE]

17 **MS. KATHRYN BOWMAN:** Boy scout.

18 **VICE CHAIRMAN FRANCIS:** Let me get my flag out. Let's see, is this the
19 right way?

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

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

22 **VICE CHAIRMAN FRANCIS:** Chairman --

23 **MS. BOWMAN:** Commissioner --

1 **VICE CHAIRMAN FRANCIS:** I'd like to thank everyone for your prayers and
2 support during this rough and tumble Secretary of State race and God blessed me
3 coming in third, so I won't be worried about being in a runoff and I'm back full
4 time. And thank you, every one of you, for all your encouragement and your
5 support and your votes. Thank you, Mr. Chairman.

6 **CHAIRMAN CAMPBELL:** I was going to say something, but I'm glad you said
7 that. You did a nice job, you ran a real good race, and you almost made it. That
8 means that there's always room for another try if you're interested in doing that
9 down the road. Politics is a rough and tumble game, y'all all know that. It's a great
10 thing. I've been in politics 50 years -- will be 50 years and it's been the greatest
11 life in the world. You get to help people every day and what an education you get.
12 You talk about everything from kilowatts to beauty shops, so a wide range of
13 activities. Number one. Mr. Lewis.

14 **COMMISSIONER DAVANTE LEWIS:** Thank you. Mr. Chairman, I want to
15 take time to introduce another member of the District 3 office. The Department of
16 Energy offers the Clean Energy Innovators Fellowship, a program that funds recent
17 graduates and energy professionals to support critical energy organizations to
18 advance clean energy solutions that will decarbonize the power system, electrify
19 transportation and industry, and make the US power system more resilient and
20 equitable and inclusive. The Department of Energy selected 27 sites across this
21 country and my office here at the Louisiana Public Service Commission was
22 selected to host a fellow for one to two years. And so, I would like to introduce the
23 newest member of our team, our Clean Innovation fellow, Frances Arthur. She

1 hails from the South. She has a BA in environmental science from the Savannah
2 State University, my sister's alma mater, and a masters of environmental and
3 sustainability from the University of Michigan at Ann Arbor. She has been an
4 energy analyst for -- an energy advisor. She has worked at DET Energy as a intern.
5 She also did some carbonization -- carbon analyzation, I should say, in Puerto Rico.
6 As well as extensive experience in the energy industry. And so, we are honored to
7 welcome Frances into the District 3 team and to the Louisiana Public Service
8 Commission and look forward to working with you over the next two years.
9 Frances, please stand and be recognized. Thank you, Mr. Chairman.

10 **MS. BOWMAN:** So Staff does have a couple of announcements. The first is that
11 the Public Utility Section's annual CLE will be held on December 1st at the City
12 Club in Baton Rouge. The agenda is being finalized and will be emailed to the
13 section members along with the registration form in the next week. If you do not
14 receive an email with the registration form over the next week, then your
15 membership in the section is not current. Please reach out to Carrie Tournillon if
16 you have any questions or need to update your membership. We also have a couple
17 more announcements. The first is that the November B&E is being moved to
18 Monday, November 20th. It's Monday, November 20th. The new B&E is still going
19 to be held in Baton Rouge. Then we also -- well, you have one --

20 **EXECUTIVE SECRETARY BRANDON FREY:** Yeah. Am I on? There we
21 go. A couple of months ago I had announced we had a retirement on Staff. And
22 we searched far and wide to fill Arnold Chauviere's position, and I'm happy to

1 announce we have now filled the position with Arnold Chauviere. So I'd like y'all
2 to welcome Arnold to the Staff.

3 **MS. BOWMAN:** And then we are moving one agenda item up out of order. It's
4 under Exhibit Number 11. So we'll take up the discussion of available federal
5 funding for energy efficiency and how such funding could work with the
6 Commission's rules first. And we do have a Mr. Christopher Justin here who would
7 like to speak on that matter.

8 **COMMISSIONER LEWIS:** Mr. Chairman, while he comes up, I did fail to make
9 another announcement. I would like to congratulate Annie Matthews in my office,
10 our legal fellow, for passing the Louisiana bar. She was sworn in this Monday and
11 we just want to welcome you as a new attorney in the state of Louisiana.

12 **MS. BOWMAN:** Gentlemen, if you'll just press the button, make sure the light
13 turns on green, and introduce yourselves for the record, please.

14 **CHAIRMAN CAMPBELL:** I would also -- I hate to interrupt you like that.

15 **MS. BOWMAN:** No, go ahead.

16 **CHAIRMAN CAMPBELL:** I know it's okay. I'm just kidding. Ms. Cravins'
17 dad got elected over the weekend. He's a judge and Ms. Cravins, Charlotte Cravins,
18 works with Mr. Lewis. Her dad's a good friend of mine and he won and he'll be a
19 great judge. He's a nice fellow. Always polite to everybody. Was an assistant DA
20 and now he's a district judge, so tell your dad we're all glad he won. I'm very glad.
21 Thank you. Go ahead. Go ahead.

22 **MR. CHRISTOPHER JUSTIN:** Good morning. My name is Chris Justin.

1 **MR. SIDNEY LEE:** I'm Sidney Lee, president of Air Condition Ambulance
2 Service.

3 **CHAIRMAN CAMPBELL:** Would you push your microphones a little bit back.
4 It's real, real loud.

5 **MR. JUSTIN:** Is that a little bit better?

6 **CHAIRMAN CAMPBELL:** That's better. It's better? Yeah. Usually you have
7 to pull them up, but this way it needs to be back. Thank you.

8 **MR. JUSTIN:** Sure thing. Okay. Great. Unfortunately, we do not have a slide
9 show projector here, but I did print out several copies of the presentation. At least
10 you three should have it here.

11 **CHAIRMAN CAMPBELL:** We got them.

12 **MR. JUSTIN:** Great. Okay. So my name is Chris Justin. I am a former licensed
13 professional engineer. I worked at the Shell Norco refinery for six years, and I am
14 a small business owner providing energy efficiency services in Louisiana. I'm here
15 to talk about the federally funded Home Energy Rebates Program. If you'll flip to
16 the next page here. Louisiana has been allocated \$212 million in federal funds to
17 increase residential energy efficiency. Next page. This Home Energy Rebates
18 Program pays up to \$14,000 per household for EE upgrades. How's the volume?
19 Too loud still? Doing okay?

20 **CHAIRMAN CAMPBELL:** Yeah. I'm fine.

21 **MR. JUSTIN:** Okay. These rebates cover things such as weatherization, air
22 conditioning, water heating, electrical panel work, et cetera. They are mostly for
23 low and middle income households, which I can define exactly what that is, if

1 you're interested. And they are often upfront discounts, meaning qualifying
2 households will owe little to nothing at the point of purchase. They are in addition
3 to federal tax credits and contractors who provide these services are eligible for up
4 to \$500 in additional funds through the Home Energy Rebates Program. Next page.

5 **CHAIRMAN CAMPBELL:** Show me the page. This the page?

6 **MR. JUSTIN:** Yes. Yeah. We're all here.

7 **CHAIRMAN CAMPBELL:** They're not numbered so we're just --

8 **MR. JUSTIN:** Yeah. Thank you. Sorry about that. And I think we'll have a
9 couple minutes for questions at the end. According to the National Renewable
10 Energy Laboratory, Louisiana households who implement these sort of measures
11 would save 42 to 51 percent on their energy bills. That could be anywhere from
12 300 to \$1,000 per year in utility bill savings. Next page.

13 **CHAIRMAN CAMPBELL:** This is --

14 **MR. JUSTIN:** Go ahead.

15 **CHAIRMAN CAMPBELL:** This is big numbers, but you feel good about these
16 42 to 51 percent?

17 **MR. JUSTIN:** So in the presentation, which I apologize to the audience, I will
18 share electronically afterward, this is -- these aren't my numbers. This is from
19 NREL, which is a well-respected government organization, and this is specifically
20 for Louisiana. There are a number of upgrades included in that 42 to 51 percent. I
21 highlighted a basic enclosure upgrade plus whole home electrification.

22 **CHAIRMAN CAMPBELL:** Do you feel like Louisiana would benefit more than
23 any other state since we have a lot of the poorest people living here? Probably

1 conditions are not conducive to saving a lot of electricity. So do you think our state
2 would really benefit?

3 **MR. JUSTIN:** I do believe that we would benefit. There may be some pre-
4 weatherization work that needs to happen. I know that y'all have been thinking
5 about that or at least the Department of Natural Resources is looking into that, but
6 yes. Yes, I do believe that we would benefit.

7 **CHAIRMAN CAMPBELL:** Proportionally, we're getting a lot -- could get a lot
8 of money, huh? Proportionally the number of people in Louisiana. You got a \$160
9 million compared to other states. That's a lot because we don't have a lot of people;
10 is that correct?

11 **MR. JUSTIN:** Yeah. Off the top of my head, I know -- so we're getting \$212
12 million. I know Florida has been allocated \$346 million, and Texas has gotten way
13 more. I can't rattle off every state off the top of my head, but the total program is
14 \$8.8 billion.

15 **CHAIRMAN CAMPBELL:** Okay. Go ahead.

16 **MR. JUSTIN:** Sure.

17 **VICE CHAIRMAN FRANCIS:** Can I ask a question?

18 **CHAIRMAN CAMPBELL:** Yes, sir.

19 **VICE CHAIRMAN FRANCIS:** Across America, do they figure how many
20 people are living in a particular state? Is that -- is there money allocated fairly like
21 that, do you think?

22 **MR. JUSTIN:** The funds -- so right now, there's a federal tax credit available for
23 folks to make these sort of upgrades. This program is specifically for low and

1 middle income households who may not be able to benefit from the -- because they
2 may not have the tax liability that they would actually receive the discount, so. And
3 the low income threshold is set at 80 percent of the area median income. Here in
4 Jefferson Parish, that is a household of four making under \$65,600 would qualify
5 for the full rebate level. So you know, by definition 80 percent of the median
6 income here -- under 80 percent of the median, so a little under half, about.

7 **VICE CHAIRMAN FRANCIS:** So we have five Commissioners with five
8 different --

9 **MS. BOWMAN:** Commissioner, can you make sure your mic is turned on, please
10 or speak a little -- it is? Okay.

11 **VICE CHAIRMAN FRANCIS:** It is. Can you hear me okay?

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

13 **VICE CHAIRMAN FRANCIS:** We have five Commissioners in Louisiana, each
14 one with a different footprint. So this 200 million, would it be divided equally
15 amongst each of the five or is it going to be according to the household needs? Do
16 you know which way?

17 **MR. JUSTIN:** It's not going to be split among the different districts. It's going to
18 be one pot of funds for the state. So the -- as written, the state is to administer this
19 program and I don't believe -- they're not required to allocate certain percentages
20 to different districts. It's a ten year program as well, so it's going to be here for a
21 long time.

22 **COMMISSIONER ERIC SKRMETTA:** Which department of the state
23 administers it?

1 **MR. JUSTIN:** Natural Resources.

2 **COMMISSIONER SKRMETTA:** So Natural Resources administrating a energy
3 efficiency program?

4 **MR. JUSTIN:** I'm not sure that they will be the ones administering it. They are
5 responsible for applying for the funds for essentially determining how the program
6 will run, but within the program there is a significant amount of money to pay for
7 administration. So they may choose to have someone else administer the program.

8 **COMMISSIONER SKRMETTA:** So which agency in the state would be most
9 appropriate for administering items associated with energy efficiency of electricity?

10 **MR. JUSTIN:** Honestly, you would know better than me.

11 **COMMISSIONER SKRMETTA:** Yeah, I'm pretty sure we do.

12 **CHAIRMAN CAMPBELL:** Mr. Francis, you got any more questions?

13 **VICE CHAIRMAN FRANCIS:** [INAUDIBLE].

14 **CHAIRMAN CAMPBELL:** I have the same kind of thinking that he's thinking.
15 We represent a big -- I represent 24 parishes from Alexandria to Arkansas, from
16 Texas to the middle of the Mississippi River. Big -- a lot of rural parishes, not many
17 people. We have to make sure that we get our fair share. That's basically what
18 you're talking about.

19 **VICE CHAIRMAN FRANCIS:** Yeah, that's right.

20 **CHAIRMAN CAMPBELL:** And a lot of little towns, little towns. Dry Prong,
21 Colfax, Springhill, you name it, they have special needs. And we have to make
22 exceptions. You know, if you're going to look just about doing Baton Rouge and
23 Shreveport, that's great, but a lot of people live all over these little towns, Tallulah,

1 any -- you name it, Columbia. So we have to make sure this money is equally
2 spread out. That's what I'm the most interested in and I'm not interested in some
3 czar telling me where all this money ought to be spent. That's the thing, because I
4 think I've done a real good job with it. And I watch it, and we do it all by bid, and
5 we have reputable contractors, and nobody gets any favoritism. And that's the way
6 I want to see it continue. And I'm not saying it's not, but I'm just saying for me to
7 be satisfied, it's going to have to be equally distributed.

8 **VICE CHAIRMAN FRANCIS:** Yeah. I agree with you, Mr. Chairman. And
9 I'm wondering why they didn't come straight to the Public Service Commission for
10 us to handle it without it being this other agency. I don't know why this other
11 agency is involved in it. We're the ones who are in charge the utility service for
12 the people and not this other -- what agency did you say it was?

13 **MR. JUSTIN:** Department of Natural Resources is tasked --

14 **VICE CHAIRMAN FRANCIS:** Department of Natural Resources. Okay. Not
15 the Public Service Commission, so.

16 **COMMISSIONER SKRMETTA:** Yeah.

17 **MR. JUSTIN:** In the law, the state energy offices are responsible for applying for
18 the funds and as I understand it, someone within DNR is taking that on.

19 **VICE CHAIRMAN FRANCIS:** Mr. Secretary, what do you think about that? Do
20 you think that we need somebody else helping us with it?

21 **SECRETARY FREY:** That's correct, what he was just saying. Under the
22 program and -- is this one on? Okay. We have this joint group looking at all the
23 different grants that are available and I know Commissioner Lewis has a directive

1 later we're going to talk about some of the things. So some are going directly from
2 the state, some the utilities themselves are applying for it. As I appreciate this one,
3 and it's like HEAT and HOMES are different acronyms that stand for different
4 things. But the way the federal law was set up, it said the funds are distributed to
5 the state energy office. And actually last year, the state energy office has always
6 been the Department of Natural Resources. We think of it as oil and gas, mining,
7 that type of stuff, but actually the office was changed this past session to the state
8 Department of Natural Resources and Energy. So it's the state equivalent, I guess,
9 of the DOE, and we're like the state equivalent of the FERC, would probably be
10 the best way to describe it. So that's the way the federal law was set up. They're
11 the ones who get that funding. And it's a little bit different than our energy
12 efficiency programs as I appreciate it, but they can work together.

13 **VICE CHAIRMAN FRANCIS:** And the DNR is an appointed position; is that
14 right?

15 **SECRETARY FREY:** Correct.

16 **VICE CHAIRMAN FRANCIS:** And we're elected over here [INAUDIBLE] --

17 **SECRETARY FREY:** Correct.

18 **VICE CHAIRMAN FRANCIS:** I think we need to -- we don't need the DNR
19 handling our money. What would you say, Mr. Lewis?

20 **COMMISSIONER LEWIS:** I mean, I would agree with you. I think this is why
21 this conversation's important, because I think what you're highlighting is how our
22 own energy efficiency rules can complement the program. Because I've had
23 multiple conversations with the state energy office and my office has been directly

1 engaged in the application process. And to my appreciation, I mean, the IRA
2 dictated that it went to the state energy office, which happens to be in the
3 Department of Natural Resources. So that wasn't -- I don't think a choice of the
4 state. That was kind of if we wanted this federal money, we had to go there. But I
5 think the point that you are highlighting in this presentation today is that the rules
6 that we are currently debating or could create could be very much a complement to
7 ensure the exact concerns of my colleagues are met. Because then if we are braiding
8 these funds together, not only do we bring parity and equity, we also could bring
9 significant savings to Louisianans by touching some of the funds that we have
10 available, funds that the Louisiana Housing Corporation has under their energy
11 efficiency weatherization programs. I mean, I think that's been one of the
12 significant problems that I've had, we have a lot of money to help Louisianans
13 significantly lower their energy burden, but it's in different places. And I think the
14 beauty of what this application could do is finally bring us to the table, as our
15 Secretary was talking about, to look at all the pots of money and create a system
16 where we are complementing each other rather than competing with each other to
17 really bring some savings to Louisiana. Would you agree with that?

18 **MR. JUSTIN:** Yeah. I think from my perspective and not to necessarily speak for
19 Sidney here, but there are plenty of contractors who provide energy efficiency
20 services who are eager to access and utilize these funds. And however that is
21 handled with y'all, I'm happy to help in that process and provide my expertise. I
22 have, you know, read through this act back and forth more times than I can count.
23 Have it saved, you know. I know it very well. And I am -- in terms of the

1 implementation or who is managing it, I'm not as, you know, I'm not attached to
2 that. The thing that I'm looking for is y'all may not be as familiar with this
3 program, the Home Energy Rebates Program, the amount of money and the impacts
4 that this could have for qualified households. And we're eager to get it going,
5 however, whatever form that takes.

6 **COMMISSIONER SKRMETTA:** Right. And so the Commissioners --

7 **CHAIRMAN CAMPBELL:** Just a second. Hold on. You finished?

8 **COMMISSIONER LEWIS:** I was just going to say, I think one of the options
9 that we may have is bringing the state energy office to talk about those
10 collaborations. I know Secretary Frey's had those conversations, I've had those
11 conversations. But it may be beneficial to bring the state energy office to have a
12 kind of a more -- a presentation on how they are applying and what they're looking
13 for in drafting that application to the federal government.

14 **SECRETARY FREY:** We actually have a meeting with them, a kickoff meeting,
15 next -- well, in the next couple of weeks with Ed O'Brien, who I'm sure you met
16 with in their office. And Ed actually comes our meetings sometimes to kind of
17 watch, so I think he'd be more than willing to come and kind of explain how they
18 see this happening. And they want to work directly with us. I mean, they made no
19 bones about it to try and make sure our programs do complement each other, so I
20 think we can definitely get him to come.

21 **CHAIRMAN CAMPBELL:** Mr. Skrmetta.

22 **COMMISSIONER SKRMETTA:** Yeah. You know, one thing we're not talking
23 about is that a lot of these sort of processes and plans were put forth under the

1 current administration are about to move into a new administration. And I think
2 we have an opportunity to engage with Governor-Elect Landry on how these funds
3 are going to be managed and how they're going to be directed and what they're
4 going to be. And I think that this sort of development of the state into this sort of
5 inclusion of Department of Energy into DNR is probably done -- I don't want to
6 say incorrectly, but I don't think it was done in the best interest. Because I think
7 like Commissioner Campbell said is, we don't need an additional sort of focused
8 bureaucratic czar on this when we've been doing the job on this and each
9 Commissioner has been handling this. So I think what we ought to be focused on
10 and Staff should focus on is meeting with the transition team, talking about this
11 particular issue on how we look at, how we continue to express what we've done
12 with energy efficiency, what we've done on the program, and how we should set
13 this up to manage and do it under the constitutional construct of the state, and do it
14 with, you know, how we've been doing it and not creating another sort of
15 unnecessary layer. And I think that would probably be well accepted by the new
16 administration for us to move forward and, you know, act as a primary on this. But
17 instead of trying to, you know, look at it under what is the current aspect, I think
18 there's going to be significant changes under the new administration on, you know,
19 bureaucracy and stuff like that. So I think we're going to be in a position to present
20 our self in a way that makes sense to create -- because that's what I'm hearing from
21 you is, whichever which way it comes, you're happy with it. But I think we need
22 to present it to the administration on -- or the new administration on how we see it

1 the best way to flow, and if the best way to flow is for us to demonstrate what we've
2 done then so be it and let's go do it that way.

3 **CHAIRMAN CAMPBELL:** So bottom line, you're willing to work with us?

4 **MR. JUSTIN:** I would love to work with you.

5 **CHAIRMAN CAMPBELL:** That's basically what I've heard up here is that
6 we're open, you're open, and I'm not fighting y'all. I want to work with you.

7 **MR. JUSTIN:** Absolutely. Would love it.

8 **CHAIRMAN CAMPBELL:** We just can't -- Mr. Francis and I, especially,
9 representing as much of the rural area as we do, we can't be left out. And although
10 it might be insignificant to some people, a little town like Shongaloo that you've
11 never heard of has people living there. I'll give you a little history lesson this
12 morning. You need to hear this. All y'all need to hear this. Shongaloo is north of
13 Minden, Louisiana. And years gone past, they've graduated -- I mean, of their
14 graduating class, 16 or 18 people. You listening to me? All of them went to college.
15 And at one time, LSU main campus had three deans, different disciplines, from
16 Shongaloo. Three of the deans at LSU campus all graduated from Shongaloo High
17 School.

18 **VICE CHAIRMAN FRANCIS:** Wow.

19 **CHAIRMAN CAMPBELL:** That's something for a little bitty town, you know.
20 And they're very proud of their town and I'm proud of them. So I don't want them
21 to be left out and that's the same thing that Mr. Francis is saying.

22 **VICE CHAIRMAN FRANCIS:** Chairman and I have 40, 42 parishes of the 64.
23 Two of the largest districts.

1 **CHAIRMAN CAMPBELL:** It's a lot. But anyway, we appreciate it. And you
2 just make that -- and not threatening. We want to work with you.

3 **MR. JUSTIN:** Absolutely.

4 **CHAIRMAN CAMPBELL:** We'll all work together and it'll work out fine.
5 Thank you.

6 **MR. JUSTIN:** I would love to meet with anyone in the town of Shongaloo and
7 help out in whatever way I can. That's essentially the business that I'm offering.

8 **COMMISSIONER LEWIS:** Quick question for you.

9 **MR. JUSTIN:** Go ahead.

10 **COMMISSIONER LEWIS:** And you may not be the appropriate party. Do you
11 know when the state's application needs to be submitted to the Department of
12 Energy for review to unlock the funds? I'm just trying to make sure we all kind of
13 understand the timeline of the process here with the Department of Energy.

14 **MR. JUSTIN:** We need to tell them that we plan to apply by August 16, 2024,
15 and we need to complete the application by January 31, 2025.

16 **COMMISSIONER LEWIS:** Perfect. So we are in the, kind of, drafting of that
17 application phase or we should be in that drafting [INAUDIBLE] --

18 **MR. JUSTIN:** I'd say we're in the consideration. There's also a contractor
19 training grants, which also complement these programs. And that application is
20 due January 31st, so I believe DNR, Ed O'Brien specifically, is focused on that right
21 now.

22 **COMMISSIONER LEWIS:** The contractor part?

23 **MR. JUSTIN:** The contractor part, yeah.

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

2 **MR. JUSTIN:** Sure.

3 **CHAIRMAN CAMPBELL:** Go ahead.

4 **MR. JUSTIN:** Yeah. If I may -- let's see where are we.

5 **CHAIRMAN CAMPBELL:** Show us what page you're on since they're not
6 numbered.

7 **MR. JUSTIN:** Yeah.

8 **CHAIRMAN CAMPBELL:** You're on a pink house?

9 **MR. JUSTIN:** I want to jump back to the -- yeah. It says SCEP on the right side
10 there. I want to highlight that --

11 **CHAIRMAN CAMPBELL:** I got you. Go ahead.

12 **MR. JUSTIN:** You there? That this program in addition to the funding -- the
13 federal funds for the upgrades themselves, there is funding for the administration
14 of the program. So it will not be at any additional cost to ratepayers. It will be paid
15 federally. So the next page here, I have a bunch of, you know, company names
16 here, icons.

17 **CHAIRMAN CAMPBELL:** Got you.

18 **MR. JUSTIN:** Yeah. We're all eager to unlock these funds. Everyone that I've
19 spoken to is excited about it. I brought with me Mr. Sidney Lee to speak a little bit
20 about the impact that home energy rebates may have on his business. Go ahead,
21 Sidney.

22 **MR. LEE:** Back in the early 2000s, there was a state program called the HERO
23 program, which if we increased the efficiency of the consumer's home, they got a

1 \$2,000 rebate. Okay. That lasted for a -- all the way until after Katrina. Actually,
2 FEMA kicked in another thousand after Katrina, so it was 3,000, plus they had the
3 federal tax credits so the homeowner could get up to 3,500. That helped my
4 business immensely and, of course, my competitors also. With this, this is like
5 \$8,000 towards -- a \$8,000 grant towards the purchase of a high efficiency HVAC
6 system, which of course your HVAC system is your largest user of electricity in
7 your home, bar none. So a lot -- this would help a lot of folks who couldn't afford
8 that upgrade and that would help my business exponentially and my competitors.
9 So it works.

10 **MR. JUSTIN:** Nick Persich with Johnstone Supply was going to be here.
11 Unfortunately, a couple of employees had family emergencies, but he shared with
12 me that programs such as this would help mitigate the off season for them and he
13 wouldn't have to lay off as many folks. Contractors that he works with wouldn't
14 have to lay off folks. It would help smooth that out for him. There are also letters
15 of support pended at the end of the slides here that y'all can take a look at. Okay.
16 So my ask for you, which we've already talked about, is to incorporate this program
17 in some way in the planning for your own energy efficiency measures, the ones you
18 have in place and the ones you have coming up and that people like me are in
19 position to help. As I said, I know exactly what's available in this program. I know
20 it inside and out. I have -- I'm building a business on this. I have a direct financial
21 stake in making sure that this is applied sensibly, whatever that looks like, and I've
22 also been in communication with many affected groups who are eager to see this in
23 place. Everyone from SELACACI, which is the Southeast Louisiana Coalition of

1 the AC Industry, to Housing Louisiana. There are a number of groups that we've
2 talked to about what this could look like and the effect it would have with them. So
3 I invite you to ask me at any time to come meet with y'all to answer any questions
4 you may have. We're just really eager to move this forward because there's a lot
5 of money sitting there that could help a lot of people.

6 **CHAIRMAN CAMPBELL:** I appreciate you communicating this to us because
7 I'm a real believer in communication. I'm going to tell you a story. True story.
8 Brandon can -- I got this picture -- you mentioned Katrina, some of these people
9 have heard this story. If you have to hear it again, it's good for you. I got this
10 picture of a room. Did I tell you about it? In a room, there was 3,000 water
11 moccasins in this room. They were just all on top of each other. Isn't that right,
12 Brandon? Shake your head, Brandon, you know it's right. They were 3,000 water
13 moccasins just -- they were this deep in a room. So I sent a letter to the Chairman
14 of FCC. This guy calls me on Sunday. I pick up the phone, hey, this is Chairman.
15 I say, okay, how you doing? He said, I'm fine. Where are these snakes? I said,
16 man, they're everywhere. You can't walk around. You see them everywhere in
17 New Orleans. They're all on the corners and all. He said, what can I do for you?
18 I said, I need some money. He sent \$25 million down here. 25 million from a
19 picture of some snakes. So you never know, like you're talking about,
20 communicating with people in Washington or whatever for cell phone service to
21 help people. I've never seen so damn many snakes in my life, and I didn't know,
22 but he asked me where are those snakes. I said everywhere you walk in New
23 Orleans, you step on them, you know.

1 **MR. JUSTIN:** Kind of like Indiana Jones.

2 **CHAIRMAN CAMPBELL:** Was it 30 million or 25 million?

3 **SECRETARY FREY:** Foster, I don't remember the exact number, but it was quite
4 a bit. It was for emergency Lifeline cell phones for people who were displaced.

5 **CHAIRMAN CAMPBELL:** So the moral of the story, communicating with the
6 people who have the money helps. And the people in New Orleans needed it
7 because they were out of telephone service, so hey. Chairman called me and, you
8 know, I'm at home and I get a phone call from the Chairman, big deal. And that
9 just adds to your story a little bit. If you ever want to use that, you can. Thank you
10 for coming.

11 **MR. JUSTIN:** Thank you very much.

12 **CHAIRMAN CAMPBELL:** All right. Does anybody have any other questions?
13 [NONE HEARD] Thank y'all. Very nice.

14 **MS. BOWMAN:** So just a couple of housekeeping items. We will have the
15 presentation posted on our website later today for anybody who wants to view it
16 and look into the information a little bit more. And I did forget, one item is deferred
17 and it's still under Exhibit 11. And it's the update on the Project Cypress Direct
18 Air Capture Hub located in Southwest Louisiana. That is deferred until November.

19 **COMMISSIONER SKRMETTA:** Wait. Would you repeat that again? Which
20 item on 11?

21 **MS. BOWMAN:** The update on the Project Cypress Direct Air Capture Hub.

22 **COMMISSIONER SKRMETTA:** Okay. And the other one? Anything else
23 deferred?

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

2 **COMMISSIONER SKRMETTA:** Just Cypress?

3 **MS. BOWMAN:** Just Cypress.

4 **VICE CHAIRMAN FRANCIS:** Mr. Chair -- Chairman.

5 **CHAIRMAN CAMPBELL:** [INAUDIBLE].

6 **VICE CHAIRMAN FRANCIS:** I want to bring attention to one fact here in Mr.

7 Skrmetta's area. We need an energy efficiency upgrade on this building, get some

8 better lighting in here. I can hardly read my paper.

9 **COMMISSIONER SKRMETTA:** I guess it's ambience. But I will tell you that

10 this particular facility is participating in the Entergy Power Through program to

11 produce extra electricity at peak requirements and also is a redoubt for emergency

12 responders in hurricane programs. So it is actually participating in the Power

13 Through program that Entergy is doing so they are -- and many thanks to the

14 Copeland Enterprises and Al Copeland, Jr. for hosting us at this facility. So thank

15 you.

16 **CHAIRMAN CAMPBELL:** Yeah. Go ahead.

17 **MS. BOWMAN:** So Exhibit Number 2 is Docket Number T-36689. This is the

18 Commission versus Pelican Movers, alleged violation of Revised Statute 45:161

19 through 180.1, by engaging in activities related to moving household goods prior

20 to complying with the requirements of Revised Statute 45:164 (E) and General

21 Order dated March 16, 2021, occurring on or between September 2, 2022 and

22 October 2, 2022. It's a discussion and possible vote pursuant to Rule 57 on an

23 affidavit and stipulation executed by the carrier so this will need two votes. As a

1 result of a complaint submitted to Transportation Staff, a citation was issued to
2 Pelican Movers on March 9, 2023, based upon the aforementioned allegations and
3 violations. In response to the citation, the owner of the company executed an
4 affidavit and stipulation admitting to the violations alleged in the citation and
5 agreed to the imposition of a \$1,000 fine and \$25 citation fee with 500 being
6 suspended contingent on the following conditions: That the carrier not be found
7 guilty, enter a plea of guilty, or enter a plea of no contest to any of the rules and
8 regulations of the Commission for a period of one year from the date of the executed
9 affidavit and stipulation; agree to refund the full amount charged to the customer
10 of \$2,827 for moving services performed on or about September 2, 2022; execute
11 the affidavit and stipulation and cease engaging in activities related to moving
12 household goods until such time as the common carrier certificate is issued to
13 Pelican Movers. Staff recommends that the Commission: 1) Exercise its original
14 and primary jurisdiction under Rule 57 to consider the affidavit and stipulation; and
15 2) Accept the affidavit and stipulation executed on August 3, 2023 for fines and
16 fees totaling \$525.

17 **CHAIRMAN CAMPBELL:** I need a motion to bring this up.

18 **VICE CHAIRMAN FRANCIS:** I make a motion we move 57 on Exhibit Number
19 2.

20 **CHAIRMAN CAMPBELL:** I'll second it. There was a motion and a second.
21 Motion by Mr. Francis. Second by me, Foster Campbell, Chairman. That shocks
22 the hell out of them; doesn't it? No objections? [NONE HEARD]

1 **VICE CHAIRMAN FRANCIS:** Chairman, I move that we accept the
2 recommendation of the Staff on this -- Number 2.

3 **CHAIRMAN CAMPBELL:** Mr. Francis makes a motion to accept Staff
4 recommendation. I'll second it. Is there any objection? [NONE HEARD] If
5 there's none, it's passed. Number 3, correct?

6 **MS. BOWMAN:** Exhibit Number 3 is Docket Number T-36704. It's the
7 Commission versus Tidal Tank. It's an alleged violation of Revised Statute 45:161
8 through 180.1 by operating intrastate without Commission authority to transport
9 non-hazardous oilfield waste on eight counts, allegedly occurring on or between
10 February 1, 2022 through February 21, 2022. It's also a discussion and possible
11 vote pursuant to Rule 57 on the affidavit and stipulation executed by the carrier, so
12 this will also need two votes. As a result of a complaint submitted to Transportation
13 Staff, a citation was issued to Tidal Tank on March 30, 2023, based on the
14 aforementioned allegations and violations. And in response to that citation, the vice
15 president of the company executed an affidavit and stipulation admitting to the
16 violations alleged in the citation and agreed to the imposition of a \$16,000 fine and
17 \$25 citation fee with 8,000 being suspended contingent on the following conditions:
18 Not being found guilty, entering a plea of guilty, or entering a plea of no contest to
19 any of the rules and regulations of the Commission for a period of one year from
20 the date of the affidavit and stipulation; cease all Commission regulated operations
21 and not operating under other motor carriers' common carrier certificates, including
22 Common Carrier Certificate Number 8276, and further understands that owner-
23 operator leases must comply with the Commission's leasing rules; agrees that it

1 shall implement changes to its corporate training policy, whereby all employees
2 will receive an orientation on the Commission related statutes, rules, and orders;
3 and return the notarized affidavit and stipulation and pay the fines to the
4 Commission by August 31, 2023. Staff recommends that the Commission exercise
5 its original and primary jurisdiction under Rule 57 to consider the affidavit and
6 stipulation, and accept the affidavit and stipulation executed on August 21, 2023
7 for fines and fees totaling \$8,025.

8 **CHAIRMAN CAMPBELL:** I need a motion. I'll make a motion to bring this up
9 under Rule 57.

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

11 **CHAIRMAN CAMPBELL:** Second by Mr. Francis. Is there any objection?
12 [NONE HEARD] No objection. That's your area, Mr. Francis.

13 **VICE CHAIRMAN FRANCIS:** I move that we accept the Staff recommendation
14 on Exhibit 7 -- Exhibit 3. Sorry.

15 **CHAIRMAN CAMPBELL:** I'll second. No objections? [NONE HEARD]
16 Number 4. Thank you. Thank you.

17 **VICE CHAIRMAN FRANCIS:** Mr. Chairman, I want to compliment Ms. Burl
18 and your department on handling these two issues. I think you did a real good job
19 and thank you.

20 **MS. BOWMAN:** Exhibit Number 4 is Docket Number T-36708. This is the
21 Commission vs Majestic Vibes on the Bayou. It's an alleged violation of General
22 Order dated April 25, 2012, by engaging in activities related to transporting
23 passengers prior to the issuance of a common carrier certificate as a common carrier

1 by motor carrier subject to the Commission’s jurisdictions as provided by Revised
2 Statute 45:161 through 180.1. It’s a discussion and possible vote pursuant to Rule
3 57 on an affidavit and stipulation executed by the carrier. This will also need two
4 votes. As a result of a complaint submitted to Transportation Staff, a citation was
5 issued to Majestic Vibes on March 31, 2023, based on the aforementioned
6 allegations and violations. In response to the citation, the owner of the company
7 executed an affidavit and stipulation admitting to the violations alleged in the
8 citation and agreed to the imposition of a \$1,000 fine, a \$25 citation fee with \$500
9 being suspended contingent on the following conditions: 1) Not being found guilty,
10 entering a plea of guilty, or entering a plea of no contest to any of the rules and
11 regulations of the Commission for a period of one year; filing an application with
12 the Commission and obtaining Commission certificate of authority to operate;
13 cease engaging in activities related to transportation of passengers until such time
14 as the common carrier certificate is issued; pay all fines and fees by September 30,
15 2023. Staff recommends that the Commission exercise its original and primary
16 jurisdiction under Rule 57 to consider the affidavit and stipulation, and accept the
17 affidavit and stipulation executed on September 7, 2023 for fines and fees totaling
18 \$525.

19 **VICE CHAIRMAN FRANCIS:** Move to take up Number 4 under 57.

20 **CHAIRMAN CAMPBELL:** I’ll second. There’s a motion by Mr. Francis, second
21 by Mr. Campbell. No objection? [NONE HEARD] It’s passed.

22 **VICE CHAIRMAN FRANCIS:** [INAUDIBLE] we accept Number 4 at Staff’s
23 recommendation.

1 **CHAIRMAN CAMPBELL:** Make a motion to accept Staff recommendation; is
2 that what you said?

3 **VICE CHAIRMAN FRANCIS:** Yes, yes.

4 **CHAIRMAN CAMPBELL:** I'll second it. Is there any objection? [NONE
5 HEARD] Hearing none. Number 5. Passed.

6 **MS. BOWMAN:** Exhibit Number 5 is Docket Number S-36943. It's CenterPoint
7 Energy Resources' request for approval of second amended and restated asset
8 management agreement with BP Energy Company. It's a discussion and possible
9 vote on a Staff report. CenterPoint submitted a letter to the Commission on July
10 20, 2023 requesting the Commission express its non-opposition to the second
11 amended and restated asset management agreement within Louisiana entered into
12 with BP Energy Company on March 30, 2023. Notice of the matter was published
13 in the Commission's Official Bulletin, which expired without any interventions.
14 CenterPoint owns and operates natural gas distribution systems throughout the
15 United States and is engaged in the distribution and sale of natural gas to customers
16 located in several Louisiana parishes. The AMA requires CenterPoint to release to
17 BP certain rights under the no-notice transportation and storage service agreement
18 with Gulf South and purchase certain supplies of gas from BP. And in turn, BP
19 provides firm gas delivery to CenterPoint and manages the refill of the storage
20 throughout the term of the AMA. BP is the sole supplier of gas to CenterPoint and
21 serves as its agent for the purpose of submitting gas nominations and scheduling
22 instructions to Gulf South. Among other considerations, CenterPoint receives
23 guaranteed monthly payments from BP under an agreed-upon schedule for the

1 duration of the AMA. The Commission expressed its non-opposition to the original
2 agreement in Order Number S-31146 and the agreement has been amended several
3 times, with the fourth amendment set to expire April 30, 2023. Staff reviewed
4 CenterPoint's request and responses to formal discovery and issued a report and
5 recommendation on October 4, 2023. As set forth in that report, CenterPoint and
6 its customers have benefitted since the agreement with BP became effective and
7 CenterPoint accurately anticipates those benefits and the AMA ensures that these
8 benefits continue for CenterPoint and its customers and there are the guaranteed
9 monthly asset payments continue and will be shared on a 50-50 basis. On October
10 4, 2023, CenterPoint filed its correspondence into the record noting its non-
11 opposition to Staff's report. Staff therefore recommends that the Commission
12 accept the Staff report filed October 4, 2023, recommending Commission approval
13 of the second amended and restated asset management agreement-Louisiana as
14 being in the best interest of CenterPoint customers.

15 **COMMISSIONER SKRMETTA:** Move to accept Staff recommendation.

16 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta.

17 **VICE CHAIRMAN FRANCIS:** Second.

18 **CHAIRMAN CAMPBELL:** Second by Mr. Francis that we accept Staff
19 recommendation. Is there any objections? [NONE HEARD] Hearing no
20 objections, it's passed. Number 6, correct?

21 **MS. BOWMAN:** Exhibit Number 6 is Docket Number U-35441. This is
22 SWEPCO's application for approval of a change in rates, extension of formula rate
23 plan, and other related relief. It's a discussion and possible vote on a budget

1 increase for J. Kennedy & Associates due to a scope expansion. The Commission
2 issued Order Number U-35441 in February 2023 accepting a partial stipulated
3 settlement between Staff and SWEPCO. The settlement was considered partial
4 because it left one contested issue for the Administrative Law Judge related to net
5 operating loss ADIT. On July 19, ALJ Verzwylt issued her final
6 recommendation for Commission consideration, which recommended that
7 SWEPCO seek a private letter ruling from the Internal Revenue Service regarding
8 a potential normalization violation and that SWEPCO shall coordinate with Staff
9 on drafting the request. The Commission considered the ALJ's recommendation at
10 its August 2023 B&E and accepted that recommendation. Coordination with
11 SWEPCO to draft a private letter ruling to the IRS was not in the original scope of
12 work contemplated by J. Kennedy when it was retained by the Commission at the
13 January 2020 B&E. Thus, Staff solicited J. Kennedy for additional budget to cover
14 the coordination and drafting of the private letter ruling with SWEPCO and to
15 submit that to the IRS. Based on Staff solicitation, J. Kennedy submitted the
16 following proposed budget: 88,400 in fees and 1,300 in expenses for a total budget
17 not to exceed of \$89,700. Staff recommends that the Commission approve the
18 budget increase of J. Kennedy & Associates of 88,400 in fees and 1,300 in expenses
19 for a total budget not to exceed of \$89,700 due to a scope expansion.

20 **CHAIRMAN CAMPBELL:** I make a motion that we accept Staff
21 recommendation.

22 **COMMISSIONER SKRMETTA:** Second.

1 **CHAIRMAN CAMPBELL:** Second by Mr. Skrmetta. Is there any objection?
2 [NONE HEARD] No objections, it's passed. Number 7.

3 **MS. BOWMAN:** So Exhibits 7, 8, and 9 are very similar to one another, but we
4 can either take them up together. I can read all the in res --

5 **COMMISSIONER SKRMETTA:** I'm going to have questions for each co-op
6 and each attorney representing the co-ops.

7 **MS. BOWMAN:** So we'll just keep them separate. That's fine.

8 **COMMISSIONER SKRMETTA:** Yeah. I would appreciate that.

9 **MS. BOWMAN:** So Exhibit Number 7 is Docket Number U-36514. This is
10 Concordia Electric Cooperative, NextEra Energy Market, and Mondu Solar's joint
11 application for approval of long-term power supply agreements. It's a discussion
12 and possible vote on an ALJ recommendation. Currently, Concordia serves its
13 members through a full requirements power service and supply agreement with
14 Louisiana Generating, a subsidiary of Cleco Cajun, and that expires on March 31,
15 2025. And there's also a wholesale power purchase contract for hydroelectric
16 power through Southwestern Power Administrator on behalf of the United States
17 Department of Energy that is expected to be renewed when it expires in 2032. In
18 this proceeding, Concordia seeks to replace the LaGen PSSA with a full
19 requirements wholesale power supply and service agreement with NextEra Energy
20 Marketing for a period of 9.75 years to begin on April 1, 2025 and the Mondu Solar
21 Project, a 150 megawatt solar generating resource owned by NextEra Marketing
22 affiliate, Mondu Solar, to be located in Pointe Coupee Parish and from which
23 Concordia will purchase 25 megawatt capacity and energy through a 25 year

1 purchase power agreement. If approved, the NextEra Agreements will supply all
2 of Concordia's capacity and energy requirements, beginning on April 1, 2025, net
3 of the SWPA contract. Cleco Cajun and Entergy Louisiana timely intervened in
4 this proceeding with ALEC and EP2 Consulting requesting interested party status.
5 A joint hearing was held in this matter with the nearly identical proceedings in
6 Dockets Number U-36515 and U-36516, filed by Pointe Coupee Electric
7 Membership Corporation and Southwest Louisiana Electric Membership
8 Corporation. No party seriously contested the cooperative's compliance with the
9 MBM order, but Entergy opposed the certification due to the lack of identifiable
10 physical generating capacity associated with the NextEra PSA. Similar to the
11 position taken in the proceedings initiated by 1803 Electric Cooperative, Dixie
12 Electric Membership Cooperative, and JDEC; Entergy argues that the Commission
13 should impose a minimum capacity threshold on all Louisiana utilities and that
14 approval of the NextEra PSA will jeopardize resource adequacy in Louisiana.
15 Commission Staff recommends certification of the NextEra PSA subject to
16 conditions in that the cooperatives have agreed upon, but recommends disapproval
17 of the Mondu Solar PPA because asymmetrical pricing in the contract. Entergy did
18 not take a position on the Mondu Solar PPA and Cleco Cajun did not take a position
19 on either of the agreements. Based upon the evidence and testimony presented in
20 the proceeding, the Administrative Law Judge recommends that the Commission
21 adopt the final recommendation of the ALJ and draft order issued October 6, 2023,
22 which contains the following ordering language: Concordia has complied and met
23 with the requirements of the Commission's MBM order; the NextEra PSA serves

1 the public convenience and necessity and should therefore be certified under the
2 Commission's 1983 General Order, subject to the following conditions: The joint
3 applicants accept all risk of changes in Commission rules, specifically including a
4 potential requirement for owned and/or contracted for generation being procured to
5 meet future capacity needs, without the benefit of grandfathering; joint applicants
6 acknowledge and agree that any future change made to the NextEra PSA based on
7 changing regulations is subject to Commission review and approval, including
8 without limitation: At the conclusion of Docket Number R-36263, the joint
9 applications will make a filing with the Commission so that the Commission may
10 consider the impacts of its decision in Docket Number R-36263 on its decision in
11 this docket, on the PSA and whether or not any amendment is required including,
12 but not limited to changes to the PSA, changes affecting the pricing mechanism for
13 the sale of the capacity and/or energy and/or deliverability or reporting
14 requirements, so that the Commission may take any action it deems appropriate.
15 Joint applicants retain the obligation to prudently manage the NextEra PSA. Joint
16 applicants agree to annually report to the Commission information related to all
17 decisions made to the price and/or procure capacity to meet the cooperative's future
18 load needs, including information outlined in the pre-filed direct testimony of Staff
19 witness, Mr. Sisung, HSPM confidential version Page 54 through 57. All prudently
20 incurred costs with NextEra PSA are deemed eligible for rate recovery by the
21 cooperative, subject to the Commission's review and further determination at a later
22 date in a separately docketed rate proceeding, with the expiration of and removal
23 from rates of the costs associated with the current power supplier. And that the

1 Mondu Solar PPA is not approved at this time, however, the Commission may
2 determine that the Mondu Solar PPA serves the public convenience and necessity
3 and should, therefore be certified as prudent, in accordance with the Commission's
4 1983 General Order upon review of the filing by joint applicants within 60 days of
5 the issuance of this order, which contains the following: A quantification of the
6 effects of the price increases and/or decreases discussed in fact of finding Number
7 22; an assessment of the potential savings associated with the Inflation Reduction
8 Act; and a proposal for flowing any identified savings to the cooperative. That is
9 the ALJ's final recommendation. We do have one card for Mr. Larry Hand to speak
10 on this matter as well.

11 **CHAIRMAN CAMPBELL:** Is there a motion?

12 **COMMISSIONER SKRMETTA:** Actually, I have questions so I'd like to speak
13 to the co-op's attorney and to NextEra's attorney.

14 **CHAIRMAN CAMPBELL:** You want all the co-ops?

15 **COMMISSIONER SKRMETTA:** Well, one at a time. We can just do them one
16 at a time instead of doing them, you know, all at once. We'll just go one at a time.
17 So the first one is --

18 **MS. BOWMAN:** Commissioner, I'm sorry. Will everyone please introduce
19 themselves for the record and sign a yellow card. If you're an attorney, please just
20 sign the white clipboard.

21 **COMMISSIONER SKRMETTA:** Right. So the first one is Concordia, correct?

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

1 **COMMISSIONER SKRMETTA:** Okay. So y'all can just take your time signing
2 on if you need to.

3 **MR. RUSSELL PURVIS:** My name is Russell Purvis. I am the attorney for
4 Concordia Electric. I have my co-counsels who assisted throughout this matter,
5 Mr. Glenn Edwards and Mr. Christopher Piasecki. Mr. Dwayne Bailey is the
6 manager of Concordia Electric.

7 **COMMISSIONER SKRMETTA:** And counsel for NextEra is who?

8 **MR. BRIAN MURPHY:** Good morning. Brian Murphy, counsel for NextEra
9 Energy Marketing and Mondu Solar in this docket.

10 **COMMISSIONER SKRMETTA:** Okay. Y'all need another chair? We can get
11 one for you. That's okay. Staff is going to grab one for you. I'm just going to ask
12 you some pretty straightforward questions. As you know, as we move forward,
13 we're sort of at a cart before the horse moment with the ongoing movement of the
14 Minimum Capacity Order that we have not completed, but we have a sort of
15 preliminary suggested amount that's coming out. Personally, and just as a singular
16 Commissioner comment, I think it's difficult to run a state promising an economy
17 where we promise them they'll have 90 percent of the power they need to run. I
18 think we're going to have to have a discussion about why we need to have 100
19 percent Minimum Capacity Order and have it within at least a traditional region of
20 deliverable assets of power. Simply because if we want to run an industry, if we
21 want to run commercial, if we want to run residential and have an economy, we've
22 got to promise the people that we're going to deliver power because that's -- it's
23 the thing that drives our state. But the questions I have are basically about

1 understanding the obligation of both the co-op and the power provider as we move
2 forward. And the other co-ops that are sitting there are going to be listening because
3 it's going to be the same basic questions. And my question, I guess we can go with
4 co-ops first, Russell, you know, just -- or Mr. Purvis, which is you understand that
5 you're, you know, approaching this before we have the Minimum Capacity Order
6 completed, correct?

7 **MR. PURVIS:** Yes, sir.

8 **COMMISSIONER SKRMETTA:** Okay. That as we move forward, do you, on
9 behalf of your client accept that there is a risk of change in the Commission rules,
10 and that's specifically including potential requirement for owned and contracted-
11 for generation that's going to be procured to meet future capacity needs without the
12 benefit of any grandfathering in of you on any particular vote at this time?

13 **MR. PURVIS:** Commissioner, that's correct. And we agreed to that in the
14 proceeding before the Administrative Law Judge and we will accept whatever
15 ruling that comes out of that docket and comply with it.

16 **COMMISSIONER SKRMETTA:** So just to be clear, if anything changes, it will
17 void whatever contract you have as far as pricing and elements that has to comply
18 with any future Commission rules? You're going to have to comply with future
19 Commission rules, whatever --

20 **MR. GLENN EDWARDS:** Commissioner, I can answer.

21 **COMMISSIONER SKRMETTA:** You might have to use the microphone. Just
22 say your name.

1 **MR. EDWARDS:** Glenn Edwards, Commissioner. We have agreed to comply
2 with Commission orders, we have agreed to comply with any future Commission
3 orders, as has our provider, NextEra. While I think it would be premature to say
4 that any future Commission orders would void our contract --

5 **COMMISSIONER SKRMETTA:** Not to void the contract. [INAUDIBLE].

6 **MR. EDWARDS:** We understand that future Commission orders may change our
7 pricing and may require even contract amendments to accommodate Commission
8 rules. But we are committed, as Concordia Electric, and my understanding from
9 NextEra is they are committed as well, said it on the record that we will comply
10 with Commission's orders.

11 **COMMISSIONER SKRMETTA:** So do you unconditionally accept the risk of
12 change to Commission rules regarding the NextEra Energy Marketing Power
13 Service Agreement?

14 **MR. EDWARDS:** Certainly, Commissioner. We know we live by final
15 Commission orders. I mean, that -- you know, we certainly reserve our right to
16 participate in the rulemaking processes and the orders and to state our position, but
17 when an order is final, an order is final, and we are under the jurisdiction of the
18 Commission and we will live by it.

19 **COMMISSIONER SKRMETTA:** Right. I'm not mincing words. I'm asking
20 do you unconditionally accept participation -- unconditionally accept all the risk of
21 change in the Commission rules?

22 **MR. PURVIS:** Concordia unconditionally accepts.

23 **COMMISSIONER SKRMETTA:** Okay.

1 **MR. PURVIS:** And, you know, we know who are friends are in this.

2 **COMMISSIONER SKRMETTA:** I get it. I just want to make sure we're not
3 putting ourselves in a position to where later on if things go sideways, that there's
4 an argument that nobody approached this with clear eyes. Okay? And that's the
5 most important thing. And you understand what accepting the risk means; is that
6 correct, counsel?

7 **MR. PURVIS:** That's correct, Commissioner. We understand that and we will
8 comply.

9 **COMMISSIONER SKRMETTA:** Okay. And do you realize that the risk that
10 you're accepting will include potential changes in pricing?

11 **MR. PURVIS:** It's difficult to project it, but we will accept if that does so.

12 **COMMISSIONER SKRMETTA:** Right. Just that, if it happens, you understand
13 that you're accepting that?

14 **MR. PURVIS:** Yes. Yes, Commissioner.

15 **COMMISSIONER SKRMETTA:** Because I want to make sure -- I just want to
16 make sure that everybody understands that you're facing us with clear foresight.

17 **MR. PURVIS:** We are.

18 **COMMISSIONER SKRMETTA:** Okay. My questions for you, Mr. Murphy,
19 for NextEra, the same thing. Do you -- does NextEra unconditionally accept the
20 risk of all changes in the Commission rules regarding the NextEra Energy
21 Marketing Power Service Agreement as it pertains to future Commission rules, as
22 they may change?

23 **MR. MURPHY:** Yes.

1 **COMMISSIONER SKRMETTA:** Okay. Is there any provision in the NextEra
2 Energy Marketing contract, as it stands today, that would restrict the cooperative
3 from participating in any LPSC established energy efficiency program?

4 **MR. MURPHY:** No.

5 **COMMISSIONER SKRMETTA:** Okay. Is there any provision in the NextEra
6 contract, as it stands today, that would restrict the cooperative from participating in
7 any LPS required green tariff?

8 **MR. MURPHY:** No.

9 **COMMISSIONER SKRMETTA:** Okay. Is there any provision in the NextEra
10 Energy Marketing contract that would restrict the cooperative from participating in
11 any LPSC required demand response program?

12 **MR. MURPHY:** No.

13 **COMMISSIONER SKRMETTA:** Okay. And is there any provision in the
14 NextEra Energy Marketing contract, as it stands today, that would restrict the
15 cooperative from purchasing energy from a qualified facility under a PURPA
16 agreement?

17 **MR. MURPHY:** No.

18 **COMMISSIONER SKRMETTA:** All right. And will NextEra Energy
19 Marketing commit to procure identifiable physical generation to support the
20 cooperative load it seeks to serve under the Power Supply Agreement?

21 **MR. MURPHY:** If that's what the Commission rules and the MCO docket
22 requires, that's what we will do.

23 **COMMISSIONER SKRMETTA:** So that's a yes?

1 **MR. MURPHY:** It's not a yes today until there's a final rule.

2 **COMMISSIONER SKRMETTA:** No, but if the rule establishes that, you will
3 agree to do that?

4 **MR. MURPHY:** I would say not only would agree to it, but to your questions
5 before, there's nothing in the contract to prevent this. The contract is flexible
6 enough to not only comply and work with the co-ops on an MCO rule, any of the
7 other rules that come in the next 10 years, this contract was specifically made
8 flexible so that we could work with the co-ops to ensure they can comply and that
9 we can comply.

10 **COMMISSIONER SKRMETTA:** Well, I just figured [INAUDIBLE].

11 **MS. BOWMAN:** Commissioner, excuse me. Will you talk a little bit closer to
12 your microphone, please?

13 **COMMISSIONER SKRMETTA:** Sure. It was getting a little feedback, so I was
14 trying to balance the feed. How's that? Is that okay? Where's tech? You okay
15 with that? Okay. So I'll make it real clear again, just to make sure that we're not
16 having a minced answer and a minced question. Does NextEra agree to procure
17 identifiable physical generation to support the cooperative load it seeks to serve?

18 **MR. MURPHY:** I understand the question, thank you for the question. And if the
19 Commission rules and the MCO docket require that, the answer is yes.

20 **COMMISSIONER SKRMETTA:** Well, it's beyond what the Commission rules.
21 It's your intent as a service provider, are you committed to procure identifiable
22 physical generation?

1 **MR. MURPHY:** Currently, we are committed to comply with the rules of MISO
2 and this Commission and FERC and none of those rules require that, so currently
3 we would have the flexibility to use, as the term is used in MISO, ZRCs. And ZRCs
4 are different from the language you're using. So if -- I am not --

5 **COMMISSIONER SKRMETTA:** I'm putting as few words in this question as
6 possible, Counselor, so I'm going to just take that as a no.

7 **MR. MURPHY:** I am happy to state it as a no because that is not required by law
8 and we're not going to do it until it's required by law.

9 **COMMISSIONER SKRMETTA:** All right. That's fine. So do you -- does
10 NextEra Energy Marketing, will you commit to obtaining generator performance
11 information that can be used to provide the cooperative and the Commission
12 information in the event of a MISO declared max-gen event?

13 **MR. MURPHY:** Thank you. Again, similarly, if that is required by this
14 Commission, we would work with the co-ops, in essence, to have a discussion on
15 this. We would comply with that. What that compliance would require is that we
16 have a counter-party that is willing to do it. If the counter-party is not willing to
17 provide that performance data, that would essentially limit the amount of counter-
18 parties we can contract with. So the answer, again, is going to be yes, if it's required
19 by law, and with the understanding that there will be counter-parties in the market
20 that -- or generators in the market that will not be willing to provide that information
21 and they will not be contracted with.

22 **COMMISSIONER SKRMETTA:** For the benefit of the public, define counter-
23 party.

1 **MR. MURPHY:** And I appreciate you asking me for that clarification. When I
2 say counter-party, it's a generator in the market, could be an independent power
3 producer, it could be a utility outside the state of Louisiana, it could be a qualifying
4 facility, it could be an industrial customer with capacity that they could sell. To
5 your point, they would have to be willing to provide the performance data, if that's
6 required, whether it was required by FERC or MISO or this Commission. And if
7 they weren't willing to provide that data, they could not be contracted with.

8 **COMMISSIONER SKRMETTA:** So if they contract with you, they are
9 subjecting themselves to the rules of this Commission?

10 **MR. MURPHY:** If they contract with us and they could not -- the words I would
11 use is if they could not comply with the rules of this Commission, they would not
12 be able to sell us -- we would not be able to contract with them to supply the power.

13 **COMMISSIONER SKRMETTA:** So let's put it in present tense, not will be. So
14 if a third-party power provider, known as a counter-party, cannot comply with the
15 rules of the Louisiana Public Service Commission, you will not contract with them?

16 **MR. MURPHY:** Correct.

17 **COMMISSIONER SKRMETTA:** Okay. One second, I'm just going through
18 my last --

19 **CHAIRMAN CAMPBELL:** You have another question?

20 **COMMISSIONER SKRMETTA:** Yeah, I'm just thinking. One second, Foster.
21 One second. So this is more for the co-ops, and I'm done with the NextEra
22 question. The risk is -- the big risk, and I want y'all to understand and I want you
23 to understand your acceptance of the risk, is by moving now instead of waiting until

1 the MCO Order is completed, that you understand that the risk that you're facing is
2 potential price shift. And the understanding that you'll, you know, accepting that
3 risk, that's the big thing. And I just want to ask you are you prepared to accept that
4 risk?

5 **MR. PURVIS:** Yes, Your Honor, Concordia is prepared to accept the risk of
6 whatever ruling that this Commission makes and we always will do that.

7 **COMMISSIONER SKRMETTA:** Okay. All right. So I'm done with my
8 questions.

9 **CHAIRMAN CAMPBELL:** Both of y'all had questions? Okay. Let me just --
10 let me ask one thing. Basically, the big argument here is that the co-ops are leaving
11 some of the major companies, right? Basically, y'all are going to another provider
12 of electricity; is that correct?

13 **MR. PURVIS:** Correct.

14 **CHAIRMAN CAMPBELL:** Right. And the people you bought it from before
15 are not real happy about you leaving, correct?

16 **MR. PURVIS:** That's correct.

17 **CHAIRMAN CAMPBELL:** Yeah. So we got the people that are providing
18 electricity not real happy the co-ops are leaving them because it's big customers,
19 but the co-ops are leaving them because they can save the consumers money.

20 **MR. PURVIS:** That's correct. It's about 25 percent we feel, our consultants have
21 given us that.

22 **CHAIRMAN CAMPBELL:** So we have -- again, I go to Mr. Francis and I. We
23 have a lot of people in the rural areas that rely on co-ops; is that correct?

1 **MR. PURVIS:** That's correct.

2 **CHAIRMAN CAMPBELL:** And usually these people who live out in the rural
3 areas don't make as much money as the people who live in the urban areas, usually.
4 That's a fact. So what you're doing and what the rest of the co-ops are doing,
5 they're seeking cheaper electricity. Reliable, cheaper electricity, and that's what
6 the argument is about today: Can y'all really provide the electricity at what you
7 said you could?

8 **MR. PURVIS:** Yes. Yes.

9 **CHAIRMAN CAMPBELL:** Right. And you feel confident you can?

10 **MR. PURVIS:** Yes, Commissioner, that's --

11 **CHAIRMAN CAMPBELL:** And the people that are mad are the investor-owned
12 companies that sold you electricity and they're losing you; is that correct?

13 **MR. PURVIS:** Well, I don't know if I can characterize their --

14 **COMMISSIONER SKRMETTA:** I don't think an investor-owned company
15 would say --

16 **CHAIRMAN CAMPBELL:** Well, I'm saying that. So basically, what we have
17 here is you people who --

18 **COMMISSIONER SKRMETTA:** [INAUDIBLE] not served by investor-owned
19 company.

20 **CHAIRMAN CAMPBELL:** They're searching for electricity. Y'all have done a
21 good job getting out, getting bids, and you've come up with a source of electricity
22 you feel sure can provide the people in the rural areas, basically. There are some
23 urban, Dixie Electric and your electric, but most or all is rural areas. Y'all feel very

1 confident that you can provide the electricity at a cheaper price. That's in a nutshell
2 of what this is about.

3 **MR. PURVIS:** We are confident that we will provide reliable electricity at a
4 cheaper price.

5 **COMMISSIONER SKRMETTA:** Commissioner Campbell, I don't want you to
6 misconstrue what I'm talking about. I'm not talking about the issue of them getting
7 a new contract. What I'm talking about is particularly, we have the Minimum
8 Capacity Order that's coming probably early next year.

9 **CHAIRMAN CAMPBELL:** I got it.

10 **COMMISSIONER SKRMETTA:** Which is going to establish some price
11 differentials. They've got a contract, they're doing their thing, nothing's going to
12 change that. And by the way, I think you're served by Cleco, aren't you?

13 **MR. EDWARDS:** Cleco Cajun.

14 **COMMISSIONER SKRMETTA:** Yeah, well, Cleco Cajun's not an investor-
15 owned utility, it's a private utility. But the point is, we're going to eventually decide
16 what a Minimum Capacity Order is, we are going to make those decisions, and it's
17 going to probably have an impact on pricing to some degree.

18 **CHAIRMAN CAMPBELL:** What I was talking about before you butted in --

19 **COMMISSIONER SKRMETTA:** But wait, let me finish what I'm saying. Let
20 me finish my sentence.

21 **CHAIRMAN CAMPBELL:** No, no, I'm not because you butted into me, Mr.
22 Skrmetta. You've done it three times today. Three times. So I'm not going to --

1 **COMMISSIONER SKRMETTA:** Well, actually, I'm going to just keep talking,
2 so. So my point is --

3 **CHAIRMAN CAMPBELL:** Your point is that you're out of order, that's the
4 point. You did it with Mr. Francis, you've done it with everybody today. You
5 come in and you just start taking over. Now, I want to be nice to you. I'm doing
6 my dead level best to be nice. If you would raise your head, I would recommend
7 you. I'll say, okay, Mr. Skrmetta. I've done it and I'll be glad to. But you just
8 can't rudely take over a conversation when other people are talking. That's rude.

9 **COMMISSIONER SKRMETTA:** You're mischaracterizing it.

10 **CHAIRMAN CAMPBELL:** So anyway, all I'm saying, basically the bottom line
11 is this, in my mind, in my simple mind. You guys went out and you provided
12 electricity or you think you can and you say you can and we're depending on you
13 at a cheaper price for people with rural electric. That's it. And the people who
14 have -- that are not real happy with you are SWEPCO, Cleco, and Entergy. That's
15 a fact. So we got a lot of argument going on, but that's the bottom line. To me.
16 That's what I think.

17 **COMMISSIONER SKRMETTA:** Commissioner.

18 **CHAIRMAN CAMPBELL:** Mr. Lewis.

19 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. A quick question for
20 Staff. In --

21 **COMMISSIONER SKRMETTA:** Commissioner Campbell, when you have a
22 chance.

1 **COMMISSIONER LEWIS:** I'll proceed. Wasn't it your determination that this
2 is a limited certification proceeding and not the venue to litigate or pre-empt any
3 possible future MCO Order? Is that -- am I understanding that correctly?

4 **MR. JUSTIN BELLO:** Justin Bello on behalf of Staff. That's correct,
5 Commissioner.

6 **COMMISSIONER LEWIS:** Thank you. To Concordia, would you agree that
7 this agreement was initially -- intentionally, excuse me, structured to adapt new
8 regulatory requirements related to capacity obligations? That you left yourself in a
9 way that would comply if there were other rules; would you agree with that?

10 **MR. PURVIS:** Yes. We will comply with any ruling that this Commission makes.

11 **COMMISSIONER LEWIS:** And you would also say that, as an applicant, you
12 did not seek to grandfather the agreement to avoid MCO or any other rulemaking?

13 **MR. PURVIS:** That's correct. That is part of the stipulated order that was entered
14 into by the Administrative Law Judge.

15 **COMMISSIONER LEWIS:** For NextEra, I have a question. Do you have any
16 backup plans if we cannot reach an agreement on the PPAs? So if the applicant
17 and Staff are fundamentally opposed or unlikely to agree, then how do the
18 consultants see a second-best option playing out?

19 **MR. MURPHY:** Commissioner Lewis, this is related to the one issue in dispute
20 on the Power Purchase Agreement?

21 **COMMISSIONER LEWIS:** Correct, yes.

22 **MR. MURPHY:** Well first, I'm hopeful that we can reach agreement with Staff.
23 I think it's somewhat of a misunderstanding, which happens in litigated

1 proceedings where adversaries or cross-examination can be misunderstood. So we
2 are working diligently with the Staff to iron out any differences that we have.
3 There's two backup plans. Currently, the full requirements contract, if the PPA
4 was not approved or the solar project was not built, would make up for the
5 differential, and that's in all three dockets, with all three Power Purchase
6 Agreement. The co-op attorneys, ourselves, and Staff, as a procedural matter, we
7 would try to get something before you all to decide, ultimately, even if there was a
8 difference of opinion. I would state, I think Staff's suggestions during and
9 observations during the proceeding have led us to rethink how to price the contract
10 and we've come up with a final and firm price that we believe does take into
11 consideration two other issues. Which one was the escalation clause that's in the
12 contract, and two, whether there are outstanding benefits that could flow back to
13 customers. So in the end, even if we had a difference of opinion, Commissioner
14 Lewis, we would present that to the Commission to ultimately decide.

15 **COMMISSIONER LEWIS:** Thank you. And, I mean, I think there is a desirable
16 deal to be made here, that we shouldn't lose out on it or negate four years of work
17 because of a couple of loose ends. And so, I would like to and I think we are going
18 to work to ensure that we can bring some resolve before the December meeting on
19 the solar portion of this because that portfolio, I think, would -- it's a greater
20 capacity, diversity, and flexibility in our market. And I think to Concordia's point,
21 it would reduce ratepayers' bills and I think that should be our ultimate solution
22 here, is how can we provide a cheap, reliable power to our people in this state and
23 not just kind of get into the way that we've always done things. And so, those were

1 just the questions that I just kind of also want to, once again, state that this a very
2 limited certification proceeding. This is not the MCO proceeding. We will have
3 that proceeding, we are reading, you have submitted comments on that, we will get
4 a final report, but I think we should not start to conflate. I mean, I think there is a
5 -- we are going there, but we have precedent on handling limited certification
6 proceedings without a rulemaking being done and I don't think we should take that
7 into consideration in this conversation today.

8 **CHAIRMAN CAMPBELL:** That all? Mr. Francis [INAUDIBLE].

9 **VICE CHAIRMAN FRANCIS:** Okay. My turn. Minimum capacity would be,
10 simply put, available electricity for the demand, wouldn't it? When you talk about
11 minimum capacity.

12 **MR. MURPHY:** Commissioner Francis, is that -- we're looking at each other. I
13 just want to make sure the question's for NextEra or for the co-ops.

14 **VICE CHAIRMAN FRANCIS:** Yeah, this is for NextEra. Let's talk about
15 NextEra.

16 **MR. MURPHY:** And the question is whether minimum capacity is essentially
17 making sure that electricity is going to the customers that need it?

18 **VICE CHAIRMAN FRANCIS:** Yeah, that's the right answer. I thought that's
19 what I [INAUDIBLE] to be. I think we've all hear about we need more minimum
20 capacity to make sure the lights don't go out; wouldn't y'all agree with that? I think
21 most people in this room know that we're going to probably raise the minimum
22 capacity; wouldn't you agree with that?

1 **MR. MURPHY:** Well, I can state on behalf of NextEra, we support resource
2 adequacy measures of a Commission, this Commission, Commissions in other
3 states. So if this Commission does come out, as the discussion with Commissioner
4 Skrmetta and I was leading to, to a minimum capacity, we're going to be supportive
5 of that.

6 **VICE CHAIRMAN FRANCIS:** Right. And I would assume that NextEra's
7 prepared to do whatever they need to do to provide that under the terms of the
8 contract that we're approving today, right?

9 **MR. MURPHY:** Yeah, I agree 100 percent with that. And to that point, what I
10 don't want to be lost is that I think one of the reasons we were selected by the co-
11 ops is the expertise we have in this field, both not only marketing. We're one of
12 the largest generators in the United States, we're one of the largest utilities in the
13 United States, and I wouldn't want it to be lost that if a MCO came out, I think we
14 would make an excellent partner for the co-ops to ensure that they are able to
15 comply with that order.

16 **VICE CHAIRMAN FRANCIS:** Well, I think a large corporation like NextEra is
17 able to handle the minimum capacity upgrade that we'd have without having to
18 change the price that you're going to be charging to the co-ops.

19 **MR. MURPHY:** Well, I definitely wish I could commit to that. I would say that,
20 generally, minimum capacity requirements that limit supply, just going back to the
21 basic economics that we learn, you know, first year in college, if you have less
22 supply, generally prices go up when you have the same or more demand. So to
23 Commissioner Skrmetta's, you know, points on questions, there is a possibility,

1 depending on what the final rule says, that the price in this MISO market, which
2 limits the suppliers or limits the options for generation suppliers, could go up. So
3 I couldn't sit here today and commit that the price would be exactly the same. With
4 that said, the contract is structured not as a fixed price, but as a flexible what you,
5 you know, in the industry they call a hedging approach or stepped-ladder approach,
6 so that we're not putting all our eggs in one basket today. So five years from now,
7 we'll have ability to be strategic in the market, whether MCO or not, a year from
8 now, as well as throughout the 10-year term.

9 **VICE CHAIRMAN FRANCIS:** So after we sign this contract, if we have a
10 minimum capacity increase that would change the rules, that could possibly affect
11 the price that the co-ops will pay for their electricity, other than what we've agreed
12 to today; is that right?

13 **MR. MURPHY:** That is correct.

14 **VICE CHAIRMAN FRANCIS:** Okay. That's good. That's what I thought Mr.
15 Skrmetta was getting at. Is that true, Commissioner Skrmetta?

16 **COMMISSIONER SKRMETTA:** I don't know. I'm not recognized yet.

17 **VICE CHAIRMAN FRANCIS:** Okay.

18 **COMMISSIONER SKRMETTA:** I'm just waiting.

19 **VICE CHAIRMAN FRANCIS:** Well, all right. Well, as the Vice Chairman, let
20 me ask you to intervene there and give you the microphone, please.

21 **COMMISSIONER SKRMETTA:** Okay. Well, basically that's what I'm getting
22 at. Obviously, two things. This isn't about, you know, you're not buying your
23 power from a different company because first off, you weren't buying from an

1 investor-owned utility, you know. Cleco is a private company, so it's sort of
2 irrelevant. You're going to be buying from an investor-owned utility, which is, I
3 think, largely lost on some Commissioners and some of the public. You know, you
4 go from one investor-owned utility to another investor-owned utility, which
5 through stock, I think you went down 67 percent the other day. So, you know, the
6 issue is pretty simple for me, and it's that we are taking a step before we complete
7 the task and that's it. You know, you've made your contract, you've laid your case,
8 it's done. Okay? My problem with this is I don't want to see an outside company
9 take advantage of the co-ops by coming back later and saying "oops". And that's
10 my genuine concern about this, because the MCO Order, I believe, is deficient. I
11 don't see how a state can operate on selling 100 percent of the population that
12 they're going to have 90 percent of the power they need. It's just -- it's an
13 impossibility. You tell your family, hey, live your life, but take 90 percent of the
14 power you need. We're going to need to operate on 100 percent power at the lowest
15 price possible, 24 hours a day, 7 days a week, so we can have an economy, so we
16 can have jobs, so we can everything. So it's not about who you buy your power
17 from and battle utilities and all that because you're going from one battle utility to
18 another battle utility, if you want to look at it that way. It's from one person to
19 another person. And if you save money, that's great, you know. And if you don't
20 save money, well, shame on you. I mean, that's the decisions you made. But what
21 I am saying is, and this is a question for Staff. And so I guess, Brandon or Kathryn,
22 when do you anticipate we will complete analysis and vote on the MCO Order?

1 **MS. BOWMAN:** I'm going to punt that to Ms. Evans. She's the Staff attorney
2 working on the docket.

3 **COMMISSIONER SKRMETTA:** Ma'am.

4 **MS. LAUREN EVANS:** Good morning, Commissioners. Lauren Evans on behalf
5 of Staff. We just received all of the comments from the stakeholders and we're
6 currently reviewing it. I don't have a specific end date, but as soon as possible.

7 **COMMISSIONER SKRMETTA:** So are we talking 2023, first quarter '24,
8 second quarter '24? I mean, rough guess.

9 **MS. EVANS:** I would say first quarter of 2024.

10 **COMMISSIONER SKRMETTA:** Okay. And that's where my question to you,
11 you know, Russell, is your contract is in place, but your contract begins operation
12 in three years. When does it begin operation?

13 **MR. PURVIS:** 2025, [INAUDIBLE].

14 **COMMISSIONER SKRMETTA:** Two and a half years, more or less. So there's
15 no imperative to complete this contract other than ants in the pants, so to speak. If
16 you can wait one quarter to find out what this MCO Order is and solidify what
17 pricing's really going to be because your contract's still got, with Cleco Cajun, is
18 still going to be in place for a couple of years. That's my point, Commissioner
19 Campbell, if you want to understand. Is we are just not affecting a contract that's
20 not going to go into place for a couple of years. We wait six months and we will
21 find out exactly what the MCO Order is, we will find out what exactly the pricing
22 potential is, and the impact on the co-ops and the impact on the consumer. And
23 that's why I just think this is premature. The fact that they have already decided

1 who they're going to go with is done. That's irrelevant. So it's not anything about
2 SWEPCO, Cleco, Entergy, or any of that stuff. This is all about the potential price
3 impact on the consumer and the potential supply mechanism for the consumer, and
4 that's it. It's about hitting the switch on the wall, making sure there's power, and
5 it's about making sure when that bill comes at the end of the month that it's the
6 lowest potential price possible. I just don't want there to be surprises for you guys,
7 the co-op. Because no offense, if somebody else rolls up their tent and walks away
8 because they don't like it, well, we got to start all over again and find a way to help
9 you guys, right? But that's my thing, is I just think this is premature. I'd rather
10 wait until the end of the first quarter and get the MCO Order done and that's where
11 I am on this. I just think it's premature. Thank you.

12 **CHAIRMAN CAMPBELL:** Thank you, Mr. Skrmetta. Does anybody else have
13 any [INAUDIBLE]?

14 **VICE CHAIRMAN FRANCIS:** Yeah, I'm not through, yet. Mr. Purvis, it is true
15 that if we change the Minimum Capacity Order, that the price of electricity is going
16 to go up for our customers; isn't that right?

17 **MR. PURVIS:** Yes.

18 **VICE CHAIRMAN FRANCIS:** Okay. And you think the board, they all
19 understand that you're going to sign a contract today and we're probably going to
20 raise the minimum capacity and so that price is going to change?

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

22 **VICE CHAIRMAN FRANCIS:** Putting it in real simple terms that our
23 constituents can understand.

1 **MR. PURVIS:** Yes, Commissioner. You know, we have been on this for like two
2 -- over two years, negotiating. It's been exhausted and we have -- our consultants,
3 Daymark, have reviewed this and reviewed the docket, but if we get another issue
4 arises in three months, does that extend it? You know, we live in changing times.
5 The one constant in our life is change and the one thing that's going to come up
6 will be other issues. We're not restricting the Commission from regulating
7 Concordia Electric in any way, and whatever new comes, we will face it and we
8 will abide by whatever the ruling of the Commission is. That's the issue, but we
9 need to get this completed and then we'll go on and face whatever new
10 developments there are.

11 **VICE CHAIRMAN FRANCIS:** Ms. Evans, when do you think we'll have know
12 the -- what Minimum Capacity Order and what change we'll have? Do you got any
13 idea?

14 **MS. EVANS:** I would probably have to defer that to Mr. Sisung, but I do think
15 that there is a potential for costs to go up as a result of the MCO, but it's all about
16 risk and getting the lights on.

17 **VICE CHAIRMAN FRANCIS:** Where is -- Lane here, Sisung here? When do
18 you think we'll -- what's D-Day for that, Lane? I know it's a scientific guess.

19 **MR. LANE SISUNG:** Lane Sisung, consultant to the Commission. As Ms. Evans
20 just said, we got the responses back last week or the week before. We're going
21 through them. Our goal is to turn them around. Some of the responses have
22 requested a little more time and a little more actual physical discussion with Staff,
23 so we'll probably engage in those discussions. It would certainly be my goal to get

1 the proposed rule out of our shop well before the end of this year, and then wherever
2 the process goes from there, it would go, but that's the goal.

3 **VICE CHAIRMAN FRANCIS:** Okay. Thank you. Mr. Purvis, I know that you
4 need to lock in these deals and I understand that. And so, when we do the Minimum
5 Capacity Order, which we probably are going to, so that's going to make your
6 contract be adjusted somewhat because of your supplier; isn't that true?

7 **MR. PURVIS:** Yes, Commissioner.

8 **VICE CHAIRMAN FRANCIS:** So, we're still -- you could opt out of that
9 contract at that time if it wasn't fair, couldn't you?

10 **MR. PURVIS:** Well, I mean, we're committed to --

11 **VICE CHAIRMAN FRANCIS:** I'm not a lawyer, so I'm just asking a lawyer.

12 **MR. PURVIS:** Well, I'll let Mr. Edwards --

13 **MR. EDWARDS:** Let me say this, Commissioner. Glenn Edwards. And to the
14 point of the flexibility in the contract, while we all agree that how the MCO Order
15 comes down, it may well affect pricing in the market, there's no doubt about that.
16 However, based on the work we've done and the approach we've taken, you know,
17 internally, we have looked at it and we are comfortable that, if there is some
18 increase in market pricing because of the MCO, that increase is not going to fully
19 eclipse the savings that we anticipate to have under this contract and under this
20 approach. It may mean we have a little less savings than we anticipated we were
21 going to have, but we're still going to have savings. And it is --

22 **VICE CHAIRMAN FRANCIS:** Well, I support the work you've done and your
23 history, providing electricity for the contract, you know, and signing these new

1 contracts. I just want everybody to understand that we are looking at reliability, so
2 we're going to raise the Minimum Capacity Order, we're probably going to do that,
3 and that's what's going on all through MISO and SPP. It's for safety and reliability.
4 And you sign a contract today and we change the rules, we could expect to -- our
5 customers should expect the price is going to go up a little bit because of reliability.
6 So in that way, I do support that and I understand Commissioner Skrmetta's say,
7 oh, well let's just wait, we'll sign it off when we know what's for sure. But all the
8 things you've done to sign these contracts and make these deals, I think it's time to
9 say yes to it and we'll see what happens in the future.

10 **CHAIRMAN CAMPBELL:** You going to make a motion?

11 **VICE CHAIRMAN FRANCIS:** So I'm making a motion we accept this.

12 **CHAIRMAN CAMPBELL:** All right. Brandon.

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

14 **CHAIRMAN CAMPBELL:** Thank you. There's a motion and a second. We
15 can't accept all three at one time.

16 **MS. BOWMAN:** Your mic, Commissioner.

17 **SECRETARY FREY:** Correct, correct.

18 **MS. BOWMAN:** Your mic.

19 **CHAIRMAN CAMPBELL:** [INAUDIBLE].

20 **SECRETARY FREY:** Yes. This is just for the Concordia and then we'll take up
21 the next two after that.

22 **COMMISSIONER SKRMETTA:** To Staff, I'm going to oppose just on the
23 basis. I'll prefer to abstain just on dilatory basis, but I'll have to oppose for a vote.

1 Because I'd rather just wait until we get the MCO Order, just to make sure we get
2 everything [INAUDIBLE].

3 **MS. BOWMAN:** But before we do a final vote, Mr. Hand does have a yellow card
4 in to speak on this matter.

5 **COMMISSIONER SKRMETTA:** Wait, we have somebody.

6 **MS. BOWMAN:** You can't -- we can't --

7 **CHAIRMAN CAMPBELL:** He's going to speak?

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

9 **CHAIRMAN CAMPBELL:** Come on up. You're for this right? [INAUDIBLE].

10 **MS. BOWMAN:** Foster, you need to use your mic, please.

11 **CHAIRMAN CAMPBELL:** You've gotten a religion today, huh?

12 **MS. BOWMAN:** Press the button. Is the green light on?

13 **COMMISSIONER SKRMETTA:** Mic's off. Push the button in the middle.
14 There you go.

15 **CHAIRMAN CAMPBELL:** I got you.

16 **MS. BOWMAN:** Thank you.

17 **MR. HAND:** Thank you. Thank you, Commissioners. Larry Hand with Entergy
18 Louisiana. I'm joined by Erin Murphy, who's counsel for Entergy Louisiana, not
19 to be confused with Brian Murphy. I did want to speak to what we're talking about
20 here today. I understand there's an MCO rule that's being contemplated, but what
21 we're talking about here today is whether or not the NextEra Energy Marketing
22 Power Supply Agreement is in the public interest. The PPA is regarding the solar
23 resource, we have no concern with those. Our concern with the NextEra Power

1 Supply Agreement is that it lacks a requirement for NextEra to provide any physical
2 capacity to support the load. NextEra's obligation under that agreement is purely
3 a financial one, which means NextEra will offer a price to the co-ops for capacity
4 and energy. It'll be priced in accordance with the agreement. And NextEra will
5 face MISO's market, capacity and energy, and they will settle up financially. I have
6 no doubt that NextEra Energy Marketing will stand behind its financial obligations.
7 That's what they do, they're a very large company. What concerns me is not for
8 Entergy Louisiana, and Commissioner Campbell, we, Entergy Louisiana, does not
9 serve the co-ops today as a wholesale supplier, they're served by Cleco Cajun. So
10 our interest here is not that we want to supply them and we're losing them, our
11 interest is resource adequacy for Louisiana. Resource adequacy, in its simplest
12 terms, is making sure at every hour of the year, there's an adequate amount of
13 electricity that can be generated, transmitted, and delivered to homes and businesses
14 in Louisiana. We have about 20,000 megawatts of load across the state. These
15 cooperatives, not just the three here today, but all of the cooperatives you regulate,
16 represent about 2,300 megawatts of peak winter load. We know today that, with
17 this last group of co-ops coming through, they are proposing to serve 2,300
18 megawatts of winter peak demand with a meager 400 megawatts of dispatchable
19 capacity, and that comes from Magnolia CCGT that you approved as part of the
20 1803 portfolio. You have to ask yourself the question, where does the rest of the
21 electricity come from? And we've heard over and over that there's a vast surplus
22 of capacity in the MISO market in Zone 9. When you first approved the 1803
23 Cooperative, they said, look, there's a vast surplus in Zone 9, no need to require

1 physical capacity. At that time, the Zone 9 surplus in MISO was 1,700 megawatts,
2 approximately. And that was January of 2022, when you approved 1803. Go ten
3 months later, in October of 2022 when you approved the DEMCO and JDEC
4 contracts, a similar arrangement as to the one here today. At that point in time, the
5 surplus in Zone 9 had fallen from 1,700 megawatts down to 1,000. So within that
6 one season, you had lost 1,700 megawatts of this vast surplus that allowed them to
7 rely on the market. As we sit here today, MISO changed to a seasonal construct,
8 but in the summer season, the MISO Zone 9 capacity market is no longer in a
9 surplus position. It's in a deficit position. So you have to be worried about where
10 is this electricity going to be generated? We also know, and you've heard this from
11 Entergy Louisiana, you've heard it from MISO, and now we're hearing it from their
12 own staff in their MCO report, the supply and demand of generating capacity in
13 Louisiana is dwindling. It's dwindling for a few reasons. One is load continues to
14 grow and we have a lot of growth opportunities ahead of the state, if we can provide
15 reliable and resource adequacy for the state. We also see that older generation,
16 whether it's a coal unit or just older legacy gas units, they are deactivating because
17 of their age. They're no longer economic to maintain and run. And lastly, the new
18 generation coming online, with the exception of the Magnolia CCGT, it's largely
19 proposed to be intermittent renewable resources, that you can't turn it on when the
20 sun's not shining. You can't turn it on at night when the sun's not shining. And
21 so, those things lead you to a shortfall of generation that is looming and your own
22 Staff and the MCO report did a survey of all the co-ops, IOUs, and Cleco Cajun to
23 assess what is the supply and demand of capacity in Louisiana, and they concluded

1 that as soon as the winter 2024/2025 season, that Louisiana will have a deficit of
2 capacity available, just looking at those factors. With regard to the summer season,
3 they said that could happen as soon as 2028 in the summer, or even sooner, much
4 sooner if Cleco Cajun decides to deactivate some of the units, so --

5 **COMMISSIONER SKRMETTA:** Larry?

6 **MR. HAND:** Yes?

7 **COMMISSIONER SKRMETTA:** Who was the Staff that wrote the report?

8 **MR. HAND:** Mr. Sisung.

9 **COMMISSIONER SKRMETTA:** Okay. Lane, would you come up when you
10 get a chance?

11 **VICE CHAIRMAN FRANCIS:** I'd like to also have the Pointe Coupee lawyer
12 come up, also.

13 **MR. HAND:** And, you know, one of the things that concerns us with the NextEra
14 Energy Marketing contract is NextEra, as a company, has affiliates that own
15 generation, but NextEra Energy Marketing, according to their sworn testimony at
16 the hearing, they own no generation, zero generation, in the United States, have no
17 plans to build generation in the United States. What I find just puzzling to me is
18 you look at NextEra's affiliate in Florida, Florida Power and Light, one of the
19 largest utilities in the United States. It has over 31,000 megawatts of identifiable
20 physical generated capacity in its portfolio to serve its customers in Florida. All of
21 it, 100 percent. And here, they have a contract that doesn't have any commitment
22 from them to provide a single megawatt of physical, identifiable capacity. And the
23 issue can be solved in the MCO. My worry is the issue is here today. The MCO

1 may never happen. It may, it may not. But the public interest, it's bigger than the
2 co-ops, it's bigger than Entergy Louisiana, it's bigger than Cleco Power. The
3 decisions you make on resource adequacy, it affects every single electric consumer
4 in Louisiana. That includes people of New Orleans, it includes municipally owned
5 utilities. So this is not a decision that a cooperative or its board should be able to
6 make by itself without understanding the repercussions across the state. And if
7 there should be another generation shortfall and MISO has to shed load, they don't
8 look to the co-op or the utility who failed to secure the right amount and type of
9 resources, they shed load across the state. So Entergy New Orleans will get cut,
10 even though they had nothing to do with this. They'll get their share. Entergy
11 Louisiana, Cleco Power, every cooperative. And think about 1803 Cooperative.
12 They're out there trying to do the right thing and acquire more physical capacity,
13 they have another application pending before you regarding a Calpine contract for
14 the Pine Bluff facility.

15 **CHAIRMAN CAMPBELL:** Could I ask a question?

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

17 **CHAIRMAN CAMPBELL:** Rearguing this case, basically, you're going through
18 all the reasons why this is a bad deal, when we've spent two months, two years.
19 Get to the point. I mean, I know you're not for it. You work for Entergy. And
20 you're a fine man and you do a good job. I know Entergy's not for this. Everybody
21 in this room knows Entergy's not for it. Y'all got beat. You got beat. Now, I don't
22 want to be -- I'm not going to be rude to you. Finish what you got to say. I got the
23 point you're not for it. Everybody in this room knows that you're not for this, it's

1 clear. But y'all have a problem today. There are some people who are for it. So
2 let's get to it. And I'm not trying to be rude to you, but you're refrying a case that
3 we've heard.

4 **MR. HAND:** I'll wrap it up, Commissioner. I wanted the opportunity to speak to
5 each of you so that you understood the resource adequacy implications that extend
6 across the entire state. It's broader than the single co-op. And as long as you go
7 into that eyes wide open, knowing the risks that are being undertaken here, that can
8 affect everybody. And the last time we had a load shed event, we were all on a
9 Zoom meeting and Entergy, Mr. Philip May, got excoriated because the lights went
10 out. Turned out, after the fact, we had the best performance of all the generation
11 across the state, and yet our customers were cut.

12 **CHAIRMAN CAMPBELL:** Y'all have done a fine job explaining your point,
13 you and Philip. I got it.

14 **COMMISSIONER SKRMETTA:** I have some questions.

15 **MR. HAND:** Thank you, Commissioner.

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

17 **VICE CHAIRMAN FRANCIS:** I got [INAUDIBLE].

18 **CHAIRMAN CAMPBELL:** Yes, sir. Mr. Skrmetta.

19 **COMMISSIONER SKRMETTA:** Actually, it's for Mr. Sisung.

20 **CHAIRMAN CAMPBELL:** Wait a minute. Hold on. I promised Mr. Francis.
21 I'm trying to be fair.

22 **COMMISSIONER SKRMETTA:** That's all right. You pointed at me, that's
23 why I stepped in.

1 **VICE CHAIRMAN FRANCIS:** I'd like to ask the Pointe Coupee attorney. My
2 customers support local generation, okay? And we're talking about possibly not
3 having that. Would you counter Entergy's position on that?

4 **MS. JENNIFER VOSBURG:** Yes, Commissioner. I mean, Entergy's argument
5 is not new. The MCO was the solution and the path forward that Staff and the
6 Commission has supported. Because we have been the last group of co-ops to go
7 through this, we have paid attention to the MCO, as this was an issue through
8 MISO, through FERC, and then at the Commission. This is an issue that has been
9 thoroughly briefed with our board, we have had numerous, in depth discussions
10 with NextEra about it. What we like about it is that we have the flexibility to
11 comply with the order, we have the flexibility to do the energy efficiency, the
12 demand response, build new generation, and we're doing it with a very known,
13 recognized counter-party in NextEra, as Mr. Hand admitted. I mean, they have
14 very large presence. You know my background. It is not unusual that a power
15 marketing group that works with a different utility does not, itself, own the
16 generation; it has contracts with people who do it. That's actually the same setup
17 that we had with NRG for 20 -- well, until 2019, until we sold it to Cleco Cajun.
18 The contract was with, you know, Louisiana Generating, it had certain units. They
19 also had contracts with NRG PMI and other units, so that's not an unusual situation.
20 Don't get fooled by that argument. We're going to comply, the power's going to
21 be there. The Staff's did a good job on the MCO report. We have submitted
22 comments on it, we have not objected to the amount, we have not asked for a
23 grandfathered amount. The power's going to be there, NextEra's going to provide

1 the power. From a cost perspective, we're talking about the capacity. That's one
2 portion. You have energy and you have capacity. This doesn't affect the energy
3 side of our power price at all. This is a portion of our capacity that we have planned
4 for and actually have the flexibility to be able to respond to to meet. And as Mr.
5 Murphy has agreed, NextEra has already agreed that they're going to provide the
6 power, meet the requirements of the MCO, because we briefed them with this. We
7 went through it toe-to-toe to make sure that they knew what they were signing up
8 for too and what our expectations were. So I have no concern that the lights are
9 going to go off because the NextEra's not going to show up with the power. And
10 it's a year and a half because it's April 2025, and we start '24 next year. So,
11 Commission, I think the lights are going to be on. I mean, I live right there in the
12 small rural communities, too. This is a good opportunity and a good opportunity
13 for us to be able to comply with a good partner on the other side.

14 **VICE CHAIRMAN FRANCIS:** So if their prices go up, though. We got the
15 electricity, but we're talking about the price, too. These board of directors of these
16 co-ops are going to -- y'all are the ones who are going to get roasted, not the Public
17 Service Commission. You understand that?

18 **MS. VOSBURG:** Well, Commissioner, just remember, again, it's a portion of the
19 price. Under our current contract, there's only a certain portion of it that's fixed
20 for capacity pricing now. So there's only a portion of it that would be going up.
21 We fully expect the market to move in response to the MCO rule or to the MISO
22 rules that are coming down; that's part of it. What we have is the flexibility to
23 respond. If we see that gas is down and we're able to lock in with a favorable

1 generator on the other side, we can do it for a longer period of time, we can wait,
2 but we're going to be complying with the MCO rules on the capacity. I don't want
3 it to sound like our rates are going to go through the roof because of the MCO. This
4 is a small portion. And if you think about it like capacity for Pointe Coupee
5 Electric, once we get the resolution with the solar contract that also does provide
6 us some capacity, which I think even Entergy acknowledged that, you know, we're
7 talking very small amounts of capacity that we're dealing with.

8 **COMMISSIONER FRANCIS:** You have something?

9 **CHAIRMAN CAMPBELL:** Wait a sec. Mr. Skrmetta.

10 **COMMISSIONER SKRMETTA:** Yeah, just a few different questions, for Mr.
11 Murphy, and then Lane. Mr. Murphy, the power resources you're getting through
12 your third-party contracting in other states, are you a de facto owner of those
13 facilities or are they true, third-party independent owners?

14 **MR. MURPHY:** Both.

15 **COMMISSIONER SKRMETTA:** You're both? So you actually are contracting
16 with yourself on some of these?

17 **MR. MURPHY:** Yes.

18 **COMMISSIONER SKRMETTA:** Okay. My question is, so you're going to be
19 taking power from these resources and delivering them to Louisiana. What were
20 these things delivering power to before you were going to deliver it to Louisiana?

21 **MR. MURPHY:** So currently we're in the process of --

22 **COMMISSIONER SKRMETTA:** You might have to speak up a little bit.

1 **MR. MURPHY:** Yeah, I'm sorry. I'll get closer to the mic. Currently, we're in
2 the process of determining who those parties would be, generators or other
3 marketers. So as I sit here today, we haven't solidified who those contractors would
4 be, so it's hard for me to answer that question, but I would say many of these
5 generators are looking for short-term deals, two years, three years. So they may
6 have been selling into Arkansas, they may have been selling into Louisiana, they
7 may have been selling into MISO North.

8 **COMMISSIONER SKRMETTA:** So you're telling the Commission today that
9 your plan is to contract with people to get power, but you actually don't have any
10 contracts for power at this time?

11 **MR. MURPHY:** We said the same thing in the DEMCO and JDEC proceeding.
12 Until the contract --

13 **COMMISSIONER SKRMETTA:** I'm just looking for a yes or no.

14 **MR. MURPHY:** I understand that and we're both good attorneys, but
15 [INAUDIBLE].

16 **COMMISSIONER SKRMETTA:** I'm not -- it ain't worth a damn, hoss. You
17 get paid the \$1,000 an hour, not me.

18 **MR. MURPHY:** So I'm not going to answer yes or no. As we said in the JDEC
19 and DEMCO proceeding, when the contract gets approved, that gives us the ability
20 to go out and actually start the negotiations or execute contracts for power supply.

21 **COMMISSIONER SKRMETTA:** Right. Well, let me ask you the big question.
22 What the hell is wrong with Louisiana, why you won't build resources in
23 Louisiana?

1 **MR. MURPHY:** I would differ with that statement and conclusion. Our testimony
2 is very clear that we see Louisiana as a state where we want to build a lot of
3 generation.

4 **COMMISSIONER SKRMETTA:** Well, I mean, you know, then my point is,
5 other co-ops are building generation here. Magnolia built a power plant, they're
6 building solar arrays, and all that. And, you know, the NextEra long-game seems
7 to be to reach out to the East and bring a lot of resources in from existing resources
8 that are currently serving other resources. So my question is, are they going to be
9 over-extended to where they're serving certain things? They're serving other things
10 when they come in to serve us. And my next question's going to be to Lane about
11 this because at some point, there's only so many different ways you can shoot an
12 electron when you start running short. So my particular thing is, if you're going to
13 get a contract with a co-op that's going to have a certain load and a certain desire,
14 I don't understand why you're not putting people to work in Louisiana, building
15 facilities in Louisiana, accomplishing a lot of what Mr. Hand had just said about
16 building resource adequacy in Louisiana. So we've put ourselves into a situation
17 of, you know, blackouts. I don't want to call it load shedding because that's a joke.
18 But I want to talk about blacking out power resources because we're going to rely
19 on potentially multi-directional consumed electricity in other states that might, at
20 the same time, have a hyper demand on it. So I just want to know why, if you're
21 going to have a contract and how long is your contract going to be, Mr. Russell?
22 How long is the contract for?

23 **MS. VOSBURG:** Jennifer Vosburg --

1 **COMMISSIONER SKRMETTA:** Jennifer knows, too?

2 **MS. VOSBURG:** It's for 10 years.

3 **COMMISSIONER SKRMETTA:** Okay. Well, if you're going to have a
4 contract, these solar arrays and stuff like that are only good for 20 years, so -- and
5 it'll probably got a renewal potential in your contract, so I don't understand why
6 you don't want to build in Louisiana. I mean, I'm just -- at that point, I'm just being
7 curious. But that tells me that if you're using identified resources in another state,
8 that they're already, built, right? Are they built or are you going to build them?

9 **MR. MURPHY:** I would say they're already built and I would also say the
10 resources are in Louisiana and potentially in other states.

11 **COMMISSIONER SKRMETTA:** Okay. So the resources in other states are
12 already built, right?

13 **MR. MURPHY:** They would have to be if we're going to use them in the next
14 two years.

15 **COMMISSIONER SKRMETTA:** Okay. So if they're in other states, people are
16 already taking power from them, correct?

17 **MR. MURPHY:** As I stated previously, we're in an area which is -- I don't have
18 that data because we haven't reached out and started to [INAUDIBLE] --

19 **COMMISSIONER SKRMETTA:** Well, I would say that they would be a really
20 bad operator if they created a power facility and didn't sell power. So, again, my
21 question becomes, you know, the multiple directional disbursement of electrons
22 does not ensure deliverability and reliability to Louisiana while you could be
23 building it here. So I'm going to leave it at that. But, Lane, what we heard from

1 Larry about the 2024/2025 differential of about 2,300 megawatts and a 400
2 megawatt, you know, I think that was the statement of being short into that cycle
3 for the winter peak. And a lot of people don't realize, the public doesn't realize
4 that winter demand is actually more aggressive on the grid than summer demand
5 because of amperage draw of heaters versus air conditioners. What do you -- have
6 you looked at and anticipated impact of potential like shortage because of sort of a
7 market based not having the actual, I guess, the resource security to deliver power
8 during that period?

9 **MR. SISUNG:** Well, I think the simplest way to answer that is that's what the
10 proposed rule that we have is all about. Yes, we've looked at the impact, it's what
11 [INAUDIBLE] --

12 **COMMISSIONER SKRMETTA:** The proposed Minimum Capacity Order?

13 **MR. SISUNG:** Yes.

14 **COMMISSIONER SKRMETTA:** Okay. I didn't know which rule you meant,
15 so.

16 **MR. SISUNG:** Yeah, yeah, no. I mean, this proposed rule gets at exactly that
17 issue and you point out winter. It's not just Staff's survey that shows the potential
18 deficit in winter in the near term. MISO did an OMS survey, it supports that same
19 theory. MISO just switched from an annual construct to a seasonal construct, which
20 allows you to pinpoint that winter risk.

21 **COMMISSIONER SKRMETTA:** And didn't we see that impact in the 1803
22 issue associated with solar? With the summer -- where we had to move to the
23 Calpine winter potential contracting?

1 **MR. SISUNG:** Well, what I can say about solar is that, especially at MISO, there
2 is a growing concern over how it's going to be accredited.

3 **COMMISSIONER SKRMETTA:** Right.

4 **MR. SISUNG:** This is all about the accreditation of a particular generator versus
5 a potential future load.

6 **COMMISSIONER SKRMETTA:** Right.

7 **MR. SISUNG:** And for winter, solar gets extremely low. It could be accredited
8 as low as zero, meaning that solar would provide next to nothing towards the
9 capacity requirement for the winter season.

10 **COMMISSIONER SKRMETTA:** Right. But what Larry was talking about was
11 the issue associated with shortage of resource adequacy by the end of '24 and '25.
12 Now how would you -- if that's correct, how will that impact availability of power?
13 How will that impact pricing in the state? Do you have some sort of -- because, I
14 mean look, you're the guru. How do you anticipate that really impacting
15 availability of power and pricing to ratepayers not just in one area, but throughout
16 the state?

17 **MR. SISUNG:** Sure. So I mean, the goal -- I'm trying to reconcile, but the goal
18 of the order is to not let that happen. If it happened, the impact is an outage. It is
19 that if you don't have enough capacity to meet the winter peak, then you would
20 have, you know, MISO would issue notices to turn off the power. That would
21 impact every ratepayer across this in the MISO region, if it happened in MISO, and
22 in the SPP region, if it happened in SPP. The way that they issue these orders for
23 the utilities to cut the power is based on load ratio shared, not based on the entities

1 who do provide capacity and who don't provide capacity. So you're asking what
2 would happen if we don't adequately plan for resource adequacy, it puts all of the
3 state's ratepayers and utility customers at a higher risk of actually receiving
4 outages.

5 **COMMISSIONER SKRMETTA:** So the solution to minimizing that risk, is
6 actually to increase the construction of generation resources within the state.

7 **MR. SISUNG:** That is absolutely one way you could do it. I mean, there is an
8 accreditation process that exists, where a generator gets an amount of accredited
9 capacity and you accumulate enough accredited capacity to meet your load. The
10 accredited capacity doesn't necessarily have to come from the state, but there are
11 transmission constraints and there are different constraints that would require -- that
12 would incentivize local generation, especially in the load pockets, in the industrial
13 load pockets we have in Louisiana. The more generation that we can get in those
14 load pockets, the more secure the capacity is.

15 **COMMISSIONER SKRMETTA:** In your analysis, did you take into
16 consideration the issue of NextEra's resources in other states being currently used
17 by or distributing electrons in other directions and being like impacted by having
18 multiple contracts for distributing power and how that may cause an impact on the
19 distribution of power into the co-ops?

20 **MR. SISUNG:** No. We approached it from the other angle by requiring that the
21 accredited capacity be delivered. So the MCO, no -- to answer your question, no.

1 **COMMISSIONER SKRMETTA:** So is there any prohibition from the
2 designated resource in another state from selling to non-contracted parties to
3 potentially place a risk on deliverability?

4 **MR. SISUNG:** I don't believe there is a prohibition in that, no.

5 **COMMISSIONER SKRMETTA:** Well, that would concern me because of the
6 potential is the risk of deliverability of power from effectively far away on multiple
7 contract parties. So I think that I don't know if that can be corrected in the MCO,
8 but if there's going to be a designation of power supply to the state, particularly
9 from far away resources, because I know when you looked at the MCO Order that
10 you looked at availability from other places. But I think that when I look it, I look
11 at the traditional sort of range of where power has come from in the past, which is
12 not super far away, but, you know, through Mississippi, Arkansas, Texas,
13 Louisiana, through that circle of where we've gotten power, and I think that's a
14 reasonable sort of area of accumulating electrons, right? So I don't want to say
15 well, we should look at be getting it from them, you know, South Carolina, or
16 whatever, you know. So there's a bridge too far at some point, right? But at some
17 point, I do think we have to look at when Mr. Murphy's discussion of like self-
18 dealing of contracting, so he says some of these resources are their own. So are
19 they bumping price if they contract with themselves, right? If they are contracting
20 with third-party contractors to do other issues. But again, if they're designated
21 power resources for the co-op, that's fine. But if they are potential power supply
22 facilities that can go in multiple directions, I don't see how that secures the power

1 resource for the co-op and I just think that needs to be a concern for your analysis
2 --

3 **MR. SISUNG:** Sure. And to be --

4 **COMMISSIONER SKRMETTA:** -- for the MCO Order.

5 **CHAIRMAN CAMPBELL:** Hold on a second. Hold on one second.

6 **MS. BOWMAN:** Commissioner, your mic, please.

7 **CHAIRMAN CAMPBELL:** What?

8 **MS. BOWMAN:** Your mic.

9 **CHAIRMAN CAMPBELL:** I just said hold up for a second. You about through?

10 **COMMISSIONER SKRMETTA:** I was just about through when you stopped.

11 **CHAIRMAN CAMPBELL:** Yeah. Well, I've been -- you've been at it about 20
12 minutes.

13 **COMMISSIONER SKRMETTA:** There's no time limit on a Commissioner's
14 questions.

15 **CHAIRMAN CAMPBELL:** Well, I know, but you've been talking about 20
16 minutes so let's wrap this up [INAUDIBLE] --

17 **COMMISSIONER SKRMETTA:** It's not been 20 minutes, Commissioner.

18 **CHAIRMAN CAMPBELL:** I'm going to give you five more -- I'm going to give
19 you three more minutes [INAUDIBLE] --

20 **COMMISSIONER SKRMETTA:** You can look at that watch all you can.

21 **CHAIRMAN CAMPBELL:** Three minutes. Let's go.

22 **COMMISSIONER SKRMETTA:** Well, how about this? This is a poorly
23 thought out power resource mechanism that the co-ops, God bless them, they want

1 to get something that costs less and I don't blame them. But I do not trust someone
2 who says we're going to get a contract, we're going to make a deal, we're going to
3 find resources and it ain't going to be in Louisiana. And if you're going to go for
4 that, you go ahead and go for it. But until we get an MCO Order that defines what
5 we need, what the power's going to be, and they're going to assure it, they're going
6 to have a deal, that's fine. Otherwise, you know what a pig in a poke is and that's
7 what this is. And I'd rather just abstain or not do it, but I'll vote against it until we
8 get the MCO Order out. Once we get the MCO Order out and Lane Sisung and the
9 Staff say they can meet it, well then, I'll vote for it, but until then I'm not. So now
10 I'm done.

11 **CHAIRMAN CAMPBELL:** Commissioner Lewis.

12 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. Mr. Hand, some
13 questions for you. You laid out a case, but is it not true, didn't you compete in the
14 RFP process to offer load to the co-ops?

15 **MR. HAND:** We did.

16 **COMMISSIONER LEWIS:** Did you offer any new generation in that RFP?

17 **MR. HAND:** Effectively, yes. We offered them a slice of system of our generation
18 because we have about 10,000 megawatts of load, we have about 11,000 megawatts
19 of generation. By definition, we would need to factor in in the future planning for
20 new generation, new capacity resources, any additional wholesale load we would
21 be serving to customers. So what you do is a slice of system. We serve our
22 customers, we plan for physical generation to meet our peak plus reserves and it

1 would include, if we were selected, it would include the co-op load as a wholesale
2 customer.

3 **COMMISSIONER LEWIS:** Well, I get that, but it kind of flies in the face of
4 your comments about the tightening and decreasing future capacity. So if you are
5 worried about future capacity, why did you then bid?

6 **MR. HAND:** Because we would add supply, we would add new generation if we
7 were selected to make sure there was an adequate amount of physical generation to
8 meet our load and theirs.

9 **COMMISSIONER LEWIS:** So do you believe these contracts diminish resource
10 adequacy?

11 **MR. HAND:** To be clear, only the NextEra Energy Marketing Power Supply
12 Agreement, not talking about the PPAs. But I do believe, because there's no
13 physical obligation to provide a physical resource, it diminishes resource adequacy
14 for all of Louisiana.

15 **COMMISSIONER LEWIS:** So you don't believe this is freeing up existing
16 generation?

17 **MR. HAND:** I lost the first part, I'm sorry.

18 **COMMISSIONER LEWIS:** I said you do not believe this is freeing up future --
19 or excuse me, freeing up existing generation under these contracts?

20 **MR. HAND:** I don't understand the question.

21 **COMMISSIONER LEWIS:** I mean, you're talking about and you keep making
22 an argumentation that capacity is tight, but to my appreciation, I do not believe
23 these contracts are diminishing resource adequacy. Instead, in fact, I think they are

1 freeing up existing generation. So I'm asking you, do you disagree with my
2 analysis?

3 **MR. HAND:** If your question is inferring that it frees up the Cleco Cajun
4 generation because that contract is expiring and they're not contracting for that,
5 sure. That generation exists today, but that generation as it exists today for Cleco
6 Cajun, you may call it freed up, it's not contracted to the co-ops, but it's in the
7 supply and demand mix. It's in that capacity market that MISO is looking at, that
8 we're looking at, and that Staff looked at. So the Cleco Cajun megawatts are in
9 that mix so supply and demand is dwindling. I don't know what you meant by freed
10 up, but it's there, it exists today, but it's still not enough.

11 **COMMISSIONER LEWIS:** Okay. You, in your testimony and even in your
12 comments today, pointed to the coal retirements; is that correct? Or potential coal
13 retirements?

14 **MR. HAND:** Yes.

15 **COMMISSIONER LEWIS:** But has your integrated resource plan been accepted
16 yet?

17 **MR. HAND:** You're talking about Entergy's resource plan?

18 **COMMISSIONER LEWIS:** Yes.

19 **MR. HAND:** We've had multiple integrated resources plans go to the
20 Commission, have been accepted. The current one has not yet been accepted by
21 the Commission.

22 **COMMISSIONER LEWIS:** Okay. Thank you. Because I mean, I would say
23 based off of the comments, I don't think that's a sufficient grounds to affect this

1 deal. I mean I've heard you mention it, but looking at that, I think that is also
2 challenging. You further went on to talk about Florida and I do have some
3 questions about kind of the comments that you made there. You did go into an
4 agreement with Magnolia; is that correct?

5 **MR. HAND:** Who did?

6 **COMMISSIONER LEWIS:** You, Entergy, with Magnolia Power. I'm just
7 talking generically, I'm not talking about this particular deal. You have an
8 agreement to provide transmission with Magnolia Power that's in my district.

9 **MR. HAND:** Magnolia, the CCGT, --

10 **COMMISSIONER LEWIS:** Yes.

11 **MR. HAND:** -- would be connected to the Entergy transmission grid. That is
12 correct.

13 **COMMISSIONER LEWIS:** Yes, yes. And so, the reason I brought that up is
14 because you brought up Florida and I'm kind of troubled by some of your
15 comments because is it not correct that they just had to file an audit based off of
16 kind of you jerking around over pricing?

17 **MR. HAND:** An audit?

18 **COMMISSIONER LEWIS:** Did they not file an audit of the pricing that you
19 have been kind of not -- jerking around is the word I want to use, because they are
20 trying to connect, right?

21 **MR. HAND:** I think what you're referring to is the interconnection estimates that
22 are given when they're in the queue.

23 **COMMISSIONER LEWIS:** Yes.

1 **MR. HAND:** They provide Class 5, Class 3 --

2 **COMMISSIONER LEWIS:** Did they not request an audit?

3 **MR. HAND:** I know they requested information about the actual cost, but whether

4 it was a formal audit, I don't know.

5 **COMMISSIONER LEWIS:** You don't know? Because I believe they have

6 requested an audit that you've been unresponsive to. So the reason I brought that

7 up is because I cannot accept these arguments that you're making about Florida,

8 when you're doing the complete opposite. And so, I think if you're going to present

9 comments, you should be full and holistic in the operations of your institution and

10 your corporation and not using another state as an example when you yourself are

11 not even following the example you're trying to use. And so, that's why I just

12 wanted to clear up some of the comments that you made, because I felt like some

13 of this is just not kind of necessary and these reasonings have been rejected time

14 and time again by our Staff and these are not considerations here from any PSC

15 ruling or MISO framework. And so, I just wanted to -- there were some things that

16 you said that I think just needed to be clear up. So thank you, Mr. Chairman.

17 **CHAIRMAN CAMPBELL:** Mr. Francis.

18 **VICE CHAIRMAN FRANCIS:** I don't have anything.

19 **CHAIRMAN CAMPBELL:** No further questions? [NONE HEARD] I'd

20 entertain a motion right now. This is on Concordia.

21 **MS. BOWMAN:** Yes, sir. We already have a motion by Commissioner Francis,

22 a second by Commissioner Lewis, and opposition by Commissioner Skrmetta so

23 we would need a roll call vote.

1 **CHAIRMAN CAMPBELL:** I didn't understand a word you said.

2 **MS. BOWMAN:** We already have motion and a second.

3 **CHAIRMAN CAMPBELL:** You know what, you can help me a little bit if you
4 would talk a little bit slower.

5 **MS. BOWMAN:** I can do that.

6 **CHAIRMAN CAMPBELL:** Jesus.

7 **MS. BOWMAN:** We have a motion by Commissioner Francis, a second by
8 Commissioner Lewis, opposition from Commissioner Skrmetta.

9 **CHAIRMAN CAMPBELL:** I got that. Thank you.

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

11 **CHAIRMAN CAMPBELL:** Let's have a vote. You have to vote. Would you
12 please call the roll?

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

14 **CHAIRMAN CAMPBELL:** You get that?

15 **MS. BOWMAN:** I got that. So we'll start with Commissioner Skrmetta.

16 **COMMISSIONER SKRMETTA:** No, with reasons previously assigned.

17 **MS. BOWMAN:** And Commissioner Lewis.

18 **COMMISSIONER LEWIS:** Yes.

19 **MS. BOWMAN:** Commissioner Francis.

20 **CHAIRMAN CAMPBELL:** Yes.

21 **MS. BOWMAN:** Chair. Chairman Campbell.

22 **CHAIRMAN CAMPBELL:** That's me.

23 **MS. BOWMAN:** That's you.

1 **CHAIRMAN CAMPBELL:** Oh, you said Mr. Francis. Okay. I'm for this.

2 **MS. BOWMAN:** Okay.

3 **CHAIRMAN CAMPBELL:** I misunderstood you.

4 **MS. BOWMAN:** So the item passes three to one.

5 **CHAIRMAN CAMPBELL:** All right. The next one, please.

6 **MS. BOWMAN:** And just for the record, I think everyone is comfortable saying

7 that all the discussion we just had, also applies to 8 and 9. Commissioner Skrmetta,

8 I recognize you still have some particular questions.

9 **COMMISSIONER SKRMETTA:** Why do you say that?

10 **MS. BOWMAN:** Well, because you said you had questions.

11 **COMMISSIONER SKRMETTA:** Well, no. But why do you say all the

12 discussion remains the same? I mean, it's different -- or, actually --

13 **MS. BOWMAN:** Well, or similar, because I mean Ms. Vosburg spoke on

14 Concordia.

15 **COMMISSIONER SKRMETTA:** Oh, I didn't know. But, you know, I will tell

16 you that probably I'll be able to resolve the issues with NextEra by getting them to

17 just adopt his previous questions and answers, but I'll have to talk the co-op. If

18 that'll work for everybody.

19 **MS. BOWMAN:** I think that'd be fine. So we will move on to Exhibit Number

20 8, which is Docket Number U-36515. It's Pointe Coupee Electric Membership

21 Corporation, NextEra Energy Marketing, and Mondu Solar's joint application for

22 approval of long-term power supply agreements. It's a discussion and possible vote

23 on an ALJ recommendation. In this proceeding, Point Coupee seeks to replace its

1 LaGen PSSA with a full requirements wholesale Power Supply and Service
2 Agreement with NextEra for a period of 9.75 years to begin on April 1, 2025, and
3 the Mondu Solar project, which is a 150 megawatts solar generating resource
4 owned by NextEra affiliate, Mondu Solar, to be located in Point Coupee Parish,
5 and from which, Point Coupee will purchase 25 megawatt capacity and energy
6 through a 25-year power purchase agreement. Cleco Cajun and Entergy Louisiana
7 timely intervened in the proceeding with ALEC and EP2 Consulting requesting
8 interested party status. There was a joint hearing held in this matter on May 30th
9 through June 1, 2023, with nearly identical proceedings in Docket Numbers U-
10 36514 and U-36516, filed by Concordia Electric Cooperative and Southwest
11 Louisiana Electric Membership Cooperation. Based on the evidence and testimony
12 presented in the proceeding, the Administrative Law Judge recommends that the
13 Commission adopt the final recommendation of the ALJ and draft order issued on
14 October 6, 2023, containing the following ordering language: PC Electric has
15 complied with and met the requirements under the Commission’s MBM Order. The
16 NextEra PSA serves the public convenience and necessity, and should, therefore,
17 be certified as prudent, in accordance with the Commission’s 1983 General Order,
18 subject to the following conditions: The joint applicant’s accept all risk of changes
19 in Commission’s rules, specifically including a potential requirement for owned
20 and/or contracted for generation being procured to meet future capacity needs
21 without the benefit of grandfathering; joint applicants acknowledge and agree that
22 any future changes made to the NextEra PSA based on changing regulations is
23 subject to the Commission review and approval, including without limitation: At

1 the conclusion of Docket Number R-36263, the joint applicants will make a filing
2 with the Commission so that the Commission may consider the impacts of its
3 decision in that docket on its decision in this docket, on the PSA and whether or not
4 any amendments are required, including but not limited to, changes to the PSA,
5 changes affecting the pricing mechanism for the sale of the capacity and/or energy
6 and/or deliverability or reporting requirements, so that the Commission may take
7 any action it deems appropriate. Joint applicants retain the obligation to prudently
8 manage the NextEra PSA. Joint applicants agree to annually report to the
9 Commission information related to all decisions made to the price and/or procure
10 capacity to meet the cooperative's future load needs, including the information
11 outlined in the pre-filed direct testimony of Staff witness, Mr. Sisung, HPS
12 confidential version on Pages 55 through 58. All prudently incurred costs incurred
13 with the NextEra PSA are deemed eligible for rate recovery by the cooperative
14 subject to Commission review and further determination at a later date in a
15 separately-docketed rate proceeding with the expiration of and removal from rates
16 of the costs associated with the current power supplier. And that the Mondu Solar
17 PPA is not approved at this time. However, the Commission may determine that
18 the Mondu Solar PPA serves the public convenience and necessity, and should
19 therefore be certified as prudent, in accordance with the Commission's 1983
20 General Order, upon review of a filing by the joint applicants within 60 days of the
21 issuance of this order, which contains the following: A quantification of effects of
22 the price increases and/or decreases discussed in finding of Fact Number 22; an
23 assessment of the potential savings associated with the Inflation Reduction Act; and

1 a proposal for flowing any identified savings to the cooperative. And I think we
2 have folks from the co-op there.

3 **COMMISSIONER SKRMETTA:** I have some questions, Mr. Vice Chair. Just
4 make this quick. Mr. Murphy, you went through a series of questions in our last
5 round. Would you agree to adopt our questions and your answers as part of the
6 record?

7 **MR. MURPHY:** Yes.

8 **COMMISSIONER SKRMETTA:** Okay. Staff is satisfied with that?

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

10 **COMMISSIONER SKRMETTA:** Okay. And, Myron, I'd like to ask you to be
11 excused so you can go ahead about your personal business. I think we can take
12 care of this Ms. Vosburg. That's okay. I know Myron has some personal business
13 to attend to.

14 **MS. VOSBURG:** Thank you, Commissioner.

15 **COMMISSIONER SKRMETTA:** I just was informed. Myron, you can actually
16 head on home. Is he riding with somebody? Myron, you can go ahead and go
17 buddy. Jennifer, you've heard the series of question that we've asked before.

18 **MS. VOSBURG:** Yes, Commissioner.

19 **COMMISSIONER SKRMETTA:** And, you know, the concerns that I have about
20 this are that you're entering into this contract on behalf of your client with a full
21 and open understanding that the MCO Order not being complete and that you're
22 subjected to the change, whatever it may be. And if there are increased costs

1 associated with it, an increased potential, that you understand that there could be
2 impact to the members of the co-op as you face this?

3 **MS. VOSBURG:** Yes, Commissioner. That was an issue that we have briefed
4 thoroughly with our board, we have talked about it with our consultants. Again, as
5 I mentioned earlier, we have been watching and briefing our board on the MCO
6 since its initial discussions at the MISO level, so this is something that we're aware
7 of. We have worked with our consultants to understand any type of price impact
8 potential and we're ready to comply with it and understand the risk.

9 **COMMISSIONER SKRMETTA:** And you assume all the risks of potential
10 change as we move forward into the analysis of the MCO Order, correct?

11 **MS. VOSBURG:** We understand that there is the risk that there is a rate increase
12 that potentially can come from the MCO, so yes, Commissioner.

13 **COMMISSIONER SKRMETTA:** And you would assume the risk?

14 **MS. VOSBURG:** Yes, sir, Commissioner.

15 **COMMISSIONER SKRMETTA:** Okay. I'm done. Thank you. I will say,
16 you've heard the previous discussion with Concordia and you would adopt their
17 questions and answers as part of your own?

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

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

20 **CHAIRMAN CAMPBELL:** Any further questions?

21 **MS. BOWMAN:** We do have Mr. Hand again, who supplied a yellow card. I'm
22 not sure if he just wants to adopt his same statements from Exhibit 8. Mr. Hand?

23 **COMMISSIONER SKRMETTA:** Larry, do you want put anything in? Okay.

1 **MS. BOWMAN:** Do you just adopt everything you said in Exhibit 8? **[NO**
2 **AUDIBLE RESPONSE]** Mr. Hand says yes, for the record.
3 **COMMISSIONER SKRMETTA:** Okay.
4 **CHAIRMAN CAMPBELL:** He didn't want to speak?
5 **MS. BOWMAN:** No, sir.
6 **CHAIRMAN CAMPBELL:** Any further questions?
7 **COMMISSIONER SKRMETTA:** Move to roll call vote with my opposition, as
8 previously stated.
9 **MS. BOWMAN:** We do need to entertain a motion and a second, first.
10 **COMMISSIONER LEWIS:** I motion to approve.
11 **CHAIRMAN CAMPBELL:** We have a motion to do what?
12 **MS. BOWMAN:** We have a motion to accept the final recommendation of the
13 ALJ. We have a motion to approve.
14 **CHAIRMAN CAMPBELL:** Okay. That's good.
15 **VICE CHAIRMAN FRANCIS:** I'll second.
16 **CHAIRMAN CAMPBELL:** I don't have my hearing aid today you can tell.
17 That's why you've got to talk slow. We have a motion to approve. Does anybody
18 got an objection?
19 **COMMISSIONER SKRMETTA:** Yes.
20 **COMMISSIONER LEWIS:** Skrmetta did.
21 **CHAIRMAN CAMPBELL:** Mr. Skrmetta. You second?
22 **VICE CHAIRMAN FRANCIS:** Yes.
23 **CHAIRMAN CAMPBELL:** I got it. Let's go. You want to call the roll?

1 **MS. BOWMAN:** So we will start with Commissioner Lewis.

2 **COMMISSIONER LEWIS:** Yes.

3 **MS. BOWMAN:** Commissioner Francis.

4 **VICE CHAIRMAN FRANCIS:** Yes.

5 **MS. BOWMAN:** Commissioner Skrmetta.

6 **COMMISSIONER SKRMETTA:** No, with adopting my previous comments for
7 reasons for opposing.

8 **MS. BOWMAN:** And, Chairman Campbell.

9 **CHAIRMAN CAMPBELL:** Yes.

10 **MS. BOWMAN:** Yes.

11 **CHAIRMAN CAMPBELL:** Number 10.

12 **MS. BOWMAN:** Number 9. Exhibit Number 9 is Docket Number U-36516.

13 **CHAIRMAN CAMPBELL:** Oh, Number 9, excuse me.

14 **MS. BOWMAN:** This is Southwest Louisiana Electric Membership Corporation,
15 NextEra Energy Marketing, and Beauregard Solar's joint application for approval
16 of a long-term power supply agreement. It's a discussion and possible vote on an
17 ALJ recommendation. In this proceeding, SLEMCO seeks to replace the LaGen
18 PSSA with a full-requirements wholesale Power Supply and Service Agreement
19 with NextEra Energy Marketing for a period of 9.75 years to begin April 1, 2025,
20 and the Beauregard Solar project, which is a 200 megawatts solar generating
21 resource owned by NextEra's affiliate, Beauregard Solar, to be located in
22 Beauregard Parish and from which SLEMCO will purchase 100 percent of the
23 capacity and energy through a 25-year Purchase Power Agreement. Cleco Cajun

1 and Entergy Louisiana timely intervened in the proceeding with ALEC and EP2
2 Consulting requesting interested party status. A joint hearing was held in this
3 matter on May 30th through June 1, 2023 with nearly identical proceedings in
4 Docket Numbers U-36514 and U-36515, filed by Concordia Electric and Pointe
5 Coupee Electric Membership Corporations. Based on the evidence and testimony
6 presented in the proceeding, the Administrative Law Judge recommends that the
7 Commission adopt the final recommendation of the ALJ and draft order issued
8 October 6, 2023, containing the following ordering language: SLEMCO has
9 complied with and met the requirements under the Commission’s MBM Order. The
10 NextEra PSA serves the public convenience and necessity, and should, therefore,
11 be certified as prudent, in accordance with the Commission’s 1983 General Order,
12 subject of the following conditions: Joint applicant’s accept all risk of changes in
13 the Commission’s rules, specifically including a potential requirement for owned
14 and/or contracted-for generation being procured to meet future capacity needs
15 without the benefit of grandfathering; joint applicants acknowledge and agree that
16 any future changes made to the NextEra PSA based on changing regulations is
17 subject to the Commission review and approval, including without limitation: At
18 the conclusion of Docket Number R-36263, the joint applicants will make a filing
19 with the Commission so that the Commission may consider the impacts of its
20 decisions in that docket on its decisions in this docket, on the PSA and whether or
21 not any amendment is required, including but not limited to, changes to the PSA,
22 changes affecting the pricing mechanism for the sale of capacity and/or energy
23 and/or deliverability or reporting requirements, so that the Commission may take

1 any action it deems appropriate. Joint applicants retain the obligation to prudently
2 manage the NextEra PSA. Joint applicants agree to annually report to the
3 Commission information related to all decisions made to price and/or procure
4 capacity to meet the cooperative's future load needs, including information outlined
5 in the pre-filed direct testimony of Staff witness, Mr. Sisung, HSPM confidential
6 version on Page 55 through 58. All prudently incurred costs associated with the
7 NextEra PSA are deemed eligible for rate recovery by the cooperative subject to
8 Commission review and further determination at a later date in a separately-
9 docketed rate proceeding with the expiration of and removal from rates of the costs
10 associated with the current power supplier. And that the Beauregard Solar PPA is
11 not approved at this time. However, the Commission may determine that the
12 Beauregard Solar PPA serve the public convenience and necessity, and should
13 therefore be certified as prudent, in accordance with the Commission's '83 General
14 Order, upon review of filing by the applicants within 60 days of the issuance of this
15 order, which contains the following: A quantification of the effects of price
16 increases and/or decreases discussed in finding of Fact Number 22; an assessment
17 of the potential savings associated with the Inflation Reduction Act; and a proposal
18 for the flowing of any identified savings to the cooperative.

19 **COMMISSIONER SKRMETTA:** Some questions --

20 **VICE CHAIRMAN FRANCIS:** Accept --

21 **CHAIRMAN CAMPBELL:** Mr. Francis.

22 **VICE CHAIRMAN FRANCIS:** Accept the Staff recommendation on Exhibit 9.

23 **CHAIRMAN CAMPBELL:** Wait a minute. Mr. Skrmetta.

1 **COMMISSIONER SKRMETTA:** You can put the motion on it.

2 **CHAIRMAN CAMPBELL:** Make a motion.

3 **VICE CHAIRMAN FRANCIS:** That was a motion, yes.

4 **CHAIRMAN CAMPBELL:** And I'll second it. Now, Mr. Skrmetta.

5 **COMMISSIONER SKRMETTA:** Yeah. Mr. Murphy, would like to adopt your
6 previous testimony and questions associated with this particular co-op as your own?

7 **MR. MURPHY:** Yes, thank you.

8 **COMMISSIONER SKRMETTA:** Staff satisfied?

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

10 **COMMISSIONER SKRMETTA:** Okay. And, Glenn, like to adopt your
11 previous testimony as directed at this particular co-op as your testimony previously
12 and apply it to this co-op as your own?

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

14 **COMMISSIONER SKRMETTA:** Staff satisfied?

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

16 **COMMISSIONER SKRMETTA:** Okay. And, ma'am, would you state your
17 name for the record?

18 **MS. KATHERINE DOMINGUE:** Yes. Katherine Domingue, interim CEO of
19 SLEMCO.

20 **COMMISSIONER SKRMETTA:** And, Katherine, to you is, you've heard the
21 previous discussions that we've had for prior co-op, and do you understand the
22 discussion that we've been having associated with the Minimum Capacity Order as
23 the future potential impact it may have on your co-op?

1 **MS. DOMINGUE:** Yes, Commissioner, we do.

2 **COMMISSIONER SKRMETTA:** Okay. And do you unconditionally accept all
3 the risk of potential change that may occur in the MCO and how it may impact your
4 particular co-op contract?

5 **MS. DOMINGUE:** Yes. As discussed earlier, we are willing and able to apply
6 and comply with any LPSC order on the MCO docket.

7 **COMMISSIONER SKRMETTA:** So do you accept the risk for your co-op?

8 **MS. DOMINGUE:** Yes, we do.

9 **COMMISSIONER SKRMETTA:** Good. I have no further questions.

10 **MS. BOWMAN:** We do have one yellow card again for Mr. Hand. He just accepts
11 his testimony from Exhibit 7? **[NO AUDIBLE RESPONSE]** For the record, he
12 does.

13 **VICE CHAIRMAN FRANCIS:** Got a question for NextEra.

14 **CHAIRMAN CAMPBELL:** Mr. Francis.

15 **VICE CHAIRMAN FRANCIS:** Well, first to say, thank you for coming into our
16 state and offering some competition. It's good for business. That's what we're
17 supposed to do at the Public Service Commission. Did you take over operations in
18 Toledo Bend? The generators on Toledo Bend?

19 **MR. MURPHY:** Did we take over operations of --

20 **VICE CHAIRMAN FRANCIS:** Yes, there's about a 60 megawatt generator in
21 Toledo Bend.

22 **MR. MURPHY:** Oh, yes, we did.

1 **VICE CHAIRMAN FRANCIS:** So you've come into the state and you are
2 operating. So you're actually selling electricity into Louisiana from a Louisiana
3 asset, right?

4 **MR. MURPHY:** Yes, we are contracting to do that. Yes.

5 **VICE CHAIRMAN FRANCIS:** Okay. Just wanted that for the record to let the
6 people know.

7 **MR. MURPHY:** Thank you.

8 **CHAIRMAN CAMPBELL:** Any further questions? [NONE HEARD] There's
9 not any further questions. Does anybody got a motion?

10 **COMMISSIONER SKRMETTA:** Opposition roll call vote requested.

11 **CHAIRMAN CAMPBELL:** Roll call.

12 **MS. BOWMAN:** There was a motion by Vice Chair, second by --

13 **CHAIRMAN CAMPBELL:** Let's go.

14 **MS. BOWMAN:** Roll call. Commissioner Skrmetta.

15 **COMMISSIONER SKRMETTA:** No, based on my previous comments.

16 **MS. BOWMAN:** Commissioner Lewis.

17 **COMMISSIONER LEWIS:** Yes.

18 **MS. BOWMAN:** Commissioner Francis.

19 **VICE CHAIRMAN FRANCIS:** Yes.

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

21 **CHAIRMAN CAMPBELL:** Yes.

22 **MS. BOWMAN:** Motion passes, three-one. Moving to Exhibit Number 10,
23 Docket Number U-36970. This is Magnolia Water Utility Operating Company's

1 2022 formula rate plan annual report, request for adjustment of water and sewage
2 rates, including modification of commercial wastewater rate design, adjustment of
3 the system acquisition regulatory asset, and implementation of service charges. It's
4 a discussion and possible vote on a joint report and draft order. On May 1, 2023,
5 Magnolia filed its annual report for test year ending December 31, 2022, in
6 compliance with Commission Order Number U-35822. Notice was published in
7 the Commission's Official Bulletin and there were no interventions. Pursuant to
8 Commission Order Number U-35822, Magnolia's FRP utilizes an earnings
9 bandwidth based on a calculated return on equity band of 9 to 10 percent, with a
10 midpoint of 9.50. If earnings fall within the calculated ROE bandwidth, then no
11 rate change would be necessary, with rate changes if the ROE was outside of the
12 band. In its 2022 FRP filing, Magnolia reported a consolidated ROE of 5.30
13 percent. This deficiency in earnings would require an increase in Magnolia's
14 revenue requirement of \$2,497,548, with \$619,000 allocated to water and
15 approximately 1.8 million allocated to sewer. Due to the acquisition of several Tier
16 3 water systems, Magnolia also requested authority to implement new flow-through
17 charges for customers under its Tier 3 rate structure that receive water purchased
18 from outside utilities. All flow-through charges are dollar-for-dollar and are shown
19 on customers' bills as a separate item. Additionally, Magnolia requested to include
20 a grinder pump service or repair charge, as well as a grinder pump replacement
21 charge in its current tariff for customers located in the Rigolets Estates. Finally,
22 Magnolia requested that the Commission approve its adjustment of the system
23 acquisition regulatory asset created for purpose of recording operating losses

1 accrued to acquired systems upon acquisition of 4,000 or more customers. This
2 approved amount will be amortized for ratemaking purposes over ten years. On
3 September 5, 2023, Staff filed its amended staff report and recommendation
4 confirming that the filing complied with Order Number U-35822. On September
5 25th, Magnolia filed its response, which it indicated concurrence with Staff's report
6 and October 5th, Staff and Magnolia filed the joint report and draft order. As there
7 are no unresolved issues, Staff and Magnolia respectfully request that the
8 Commission accept the joint report and issue the draft order, both filed into the
9 record on October 5, 2023.

10 **COMMISSIONER SKRMETTA:** Move to accept Staff recommendation.

11 **VICE CHAIRMAN FRANCIS:** Second.

12 **CHAIRMAN CAMPBELL:** No objections? [NONE HEARD]
13 Recommendation is passed.

14 **MS. BOWMAN:** Exhibit Number 11 is reports, resolutions, discussions. The first
15 item under this exhibit is a report regarding recent SWEPCO weather related
16 outages. So I guess if folks, representatives from SWEPCO would walk up.

17 **SECRETARY FREY:** Yeah. And I'll say I'll start. I've got some information.
18 Commissioner Campbell asked me --

19 **CHAIRMAN CAMPBELL:** Wait. Let's get the SWEPCO people up here.

20 **SECRETARY FREY:** Sure.

21 **MS. BOWMAN:** SWEPCO? Oh, there they are.

1 **SECRETARY FREY:** And, Commissioner, I've got some information on the
2 numbers if you want me to -- and then I know they've got a response to it, but I
3 figured I'd give this first.

4 **CHAIRMAN CAMPBELL:** Okay. That's good.

5 **SECRETARY FREY:** So, you know, we looked into it over the summer. You
6 had concern with the frequency of outages. So SWEPCO reports to us when they
7 have in excess of 10,000 out for a particular event. So I got with my Staff, Jessica,
8 who deals with GOHSEP and that, and there were 6 different events during the
9 summer where we had north of 10,000 outages. That was on June 11th, 12,000;
10 June 16th, 147,000; July 16th, 40,000; August 28th, 20,000; September 8th, 20,000;
11 and September 25th, 22,000. These were all rough estimates.

12 **CHAIRMAN CAMPBELL:** How many outages is that?

13 **SECRETARY FREY:** Total over the time, spit balling it, Colby usually does that
14 quick math, but I'm thinking about 250,000.

15 **CHAIRMAN CAMPBELL:** No, no. I'm talking about how many occurrences?

16 **SECRETARY FREY:** Six.

17 **CHAIRMAN CAMPBELL:** Six occurrences.

18 **SECRETARY FREY:** Six occurrences between --

19 **CHAIRMAN CAMPBELL:** And what's the time period.

20 **SECRETARY FREY:** From June 11th, was the first one, and the last one was
21 September 25th.

22 **CHAIRMAN CAMPBELL:** June 11th of this year?

23 **SECRETARY FREY:** Yes.

1 **CHAIRMAN CAMPBELL:** 2022?

2 **SECRETARY FREY:** Yes.

3 **CHAIRMAN CAMPBELL:** When was the last one?

4 **SECRETARY FREY:** September 25th. So there were six occasions in that three
5 -- well, four month period where we saw north of 10,000 outages from a weather -
6 -

7 **CHAIRMAN CAMPBELL:** And how many people were out all together?

8 **SECRETARY FREY:** About 250,000 if my math is right. The bulk of that was
9 on the outage on June 16th, that was right at 150,000.

10 **CHAIRMAN CAMPBELL:** Hey listen, these people are all our friends and all,
11 but this is -- we're the Public Service Commission. I can't stand being out of
12 electricity six times from July to September. I can't stand that, people can't stand
13 that. They're calling me, they're calling me. And just when you got one done or
14 you get everything settled, you have another one out. Six outages in three months.
15 How do you explain that? I know you're going to tell me about the wind and we
16 got the numbers on the wind there. Now, don't y'all expose yourself on this wind
17 too much because the proof's in the pudding. He's got the numbers and every time
18 you have a wind 60 miles an hour, doesn't mean everybody's got to go out of
19 electricity. Tell them about the wind there.

20 **SECRETARY FREY:** Okay. So what I did is, and look, I know people have
21 weather stations and you've got smaller stuff, but the historical data and the go-to
22 is the National Weather Service. Each weather service has several forecast offices
23 so I got the Shreveport Airport, which is where the National Weather Service office

1 is in your area. There's also one in Monroe, Alexandria, Baton Rouge, Lake
2 Charles, Slidell, and New Orleans. So I got the Shreveport numbers, but I also
3 wanted to look and see if we could see some consistency, so I pulled the numbers
4 from Alexandria, Baton Rouge, Lake Charles, and Monroe as well.

5 **CHAIRMAN CAMPBELL:** So you're comparing apples to apples?

6 **SECRETARY FREY:** Correct. So, you know, and I know we could say there
7 might've been higher somewhere else or lower, but we're going to see the same
8 thing in these other ones. I mean, the Lake Charles Airport might've had higher
9 than outside or vice versa.

10 **CHAIRMAN CAMPBELL:** I got it. Let's have it.

11 **SECRETARY FREY:** So in Alexandria, and this is over that same four month
12 period, the peak gust we saw in Alexandria was 64 miles an hour.

13 **CHAIRMAN CAMPBELL:** How much?

14 **SECRETARY FREY:** Sixty-four. That was on June 10th. The peak gust we saw
15 in Baton Rouge was on June 17th, that was 66 miles an hour. The peak gust we saw
16 in Lake Charles was 70 miles an hour on August 27th. The peak gust in Monroe
17 was 59 on June 10th. And the peak gust in Shreveport was 70 on June 16th. Looking
18 at those particular dates where I gave you those numbers, on the 12th -- I'm sorry,
19 on June 11th, the peak gust reported at the airport was 38 miles an hour. The day
20 that they had 147,000, the peak gust was 70. On July 16th, it was 40,000 out, that
21 was a 54 mile an hour gust. On August 28th --

22 **CHAIRMAN CAMPBELL:** How much? Fifty-four?

23 **SECRETARY FREY:** Fifty-four.

1 **CHAIRMAN CAMPBELL:** And how many people it have out?

2 **SECRETARY FREY:** Forty thousand. On August 28th, there were 20,000 out,
3 the peak gust was 50. On September 8th, 20,000 out, the peak gust was 47. And on
4 September 25th, 22,000 out, the peak gust was 66.

5 **CHAIRMAN CAMPBELL:** So we've got to do something. All I can hear, and
6 don't take this personal, but that's what y'all tell me. We got wind, wind, wind,
7 wind, wind. Everybody's got wind, but you're having people out when it's 47 miles
8 an hour. Everybody has 47 an hour. You've had six outages. People are driving
9 me wild and they should be. There is no reason. And you used to talk about how
10 bad Valley was, but Valley hadn't been having the outages. We've been having it
11 in Downtown Shreveport and all the areas. So whatever y'all got to do, you better
12 do something because this is not working. I don't know exactly. You want to --
13 you have something, Mr. Francis?

14 **COMMISSIONER SKRMETTA:** I've got questions.

15 **VICE CHAIRMAN FRANCIS:** Yeah. I wanted to ask just briefly. Yeah. We
16 allow so much vegetation dollars per miles of line, right?

17 **MR. TOM BRICE:** Yes, [INAUDIBLE].

18 **VICE CHAIRMAN FRANCIS:** Do we give you any allowance for -- your area
19 has more trees on it than any other place in Louisiana and compared to my land
20 with I've got the rice, and the sugarcane, and you've got the pine trees, you know?
21 Do you get any extra allocation for having more dense forestation per line or is it
22 about the same? What I'm getting at is do you need more money to keep the trees
23 trimmed? You know, it's a simple question, you know.

1 **MS. BOWMAN:** Tom.

2 **SECRETARY FREY:** Tom, make sure your mic is on.

3 **MS. BOWMAN:** Press the button.

4 **VICE CHAIRMAN FRANCIS:** No, push the button. [INAUDIBLE].

5 **MS. BOWMAN:** There's a button in the middle. Green light should come on. In

6 the middle, on the top. There you go.

7 **MR. BRICE:** Thank you. Tom Brice, Southwestern Energy Power Company.

8 Commissioner Francis, thank you for your question. So we do have a certain

9 amount of money that we spend on vegetation each and every year, but we have

10 actually surpassed that the last two years. In our rates, we've had about \$18 million

11 for vegetation management, but the last 2 years we've spent 25 and 28 million as

12 part of our proactive efforts to address reliability to ensure that customers get the

13 service that we expect and they demand. We've also been proactive and we've

14 removed about 50,000 danger trees throughout the state and we've ramped up our

15 pole inspections. So we've done a lot of great work, but to answer your question

16 directly, and sorry I didn't answer it right off the bat, yes, we could use more money

17 for vegetation management.

18 **CHAIRMAN CAMPBELL:** Let me say this before we get started there. You

19 ain't asked me for one dime. So let's just fess up, mind you everybody's going to

20 preach a little bit today. If you need money, I'm the guy that you need to see.

21 **VICE CHAIRMAN FRANCIS:** Yeah, yeah.

22 **CHAIRMAN CAMPBELL:** You ain't asked for the money, so it's real hard to

23 read y'all's mind and I have given you everything you've ever wanted for 20 years.

1 I'm almost wearing a SWEPCO t-shirt and I'm sick of people calling me. Don't
2 sit up here and tell them you need more money. You've got to tell me, Foster,
3 we've got to have more money. And I have helped and I've helped and I've helped,
4 but the proof's not in the pudding. You got people going out of electricity at 50
5 miles an hour. All I can hear out of y'all is the wind's too high, the wind's too high,
6 but everybody's not doing that. But the truth is now, when they took on trees is
7 when they took on Valley Rural Electric, but they're not having troubles in Valley
8 Rural Electric like they are Downtown Shreveport. That's the facts, so anyway, I
9 hear you. Tell me how much would it take to fill y'all up? How many millions
10 would it take to fill you up where you could get all the trees trimmed and this, that,
11 and the other? I hear you, but you've got to talk to me about it. All I hear is people
12 talking to me about the damn electricity going off. That's what I'm hearing. I ain't
13 hearing it from you. Hey, we've got to cut all these trees. Y'all are doing tree
14 trimming, but, you know, you've got to make yourself known. Give me a plan.
15 We can stop it, but there's no plan for electricity going out at 47 miles an hour when
16 it doesn't go out at Entergy and it doesn't go out in Cleco.

17 **COMMISSIONER SKRMETTA:** I got a question, Commissioner. Foster, I got
18 a question.

19 **CHAIRMAN CAMPBELL:** Yeah. I'm sorry, I didn't even hear you.

20 **COMMISSIONER SKRMETTA:** That's all right. I know you don't have your
21 hearing aid in. Question to y'all guys: When you looked at your outages, were they
22 more in the rural area or were they in the city? I mean, as far as the triggers of
23 where the trees were coming down?

1 **MR. BRICE:** Commissioner Skrmetta, the outages that we've had this year from
2 weather events has been primarily more in the cities, not the rural area of our service
3 territory, Valley. Many of the storms that have come through have really hit
4 Shreveport, Bossier. And I can speak to my own personal experience. I've lived
5 in my home for 13 years and the first 12 I had one tree that has fallen due to severe
6 weather. This summer I've had five over four or five different events. So it's been
7 an extreme year from a weather standpoint in 2023. I can tell you that the number
8 of events where we had more than 20,000 customers out due to weather in 2023
9 was 7. The average the past 5 years was 1.6.

10 **COMMISSIONER SKRMETTA:** Let me ask you a question, because I know
11 when you go out on the rural roads you've got like, what is it, an 18 foot cutback
12 or something. So you don't really lose a lot of the rural lines unless it's an unusual
13 experience. Do you find you get impact from like mayors or council people about
14 aggressively trimming inside the cities? Does that seem to be one of the major
15 problems?

16 **MR. BRICE:** Yes, sir. And many of the cities and the populated areas, particularly
17 the older parts of town where the trees have -- they're very old and they've been
18 there a long time. Customers love the trees. They don't like to see those trimmed.
19 So during these events, those can cause significant problems.

20 **COMMISSIONER SKRMETTA:** Do you think those old-growth trees that are
21 sort of the protected trees are the ones that are sort of the triggers of these outages?

22 **MR. BRICE:** Particularly in '23, that's been what we've seen. Yes, sir.

1 **COMMISSIONER SKRMETTA:** Well, you might want to work with
2 Commissioner Campbell and the council to see about dealing with those old trees
3 that are in the cities. Because it's the same problem here in Metairie and in New
4 Orleans, where you get the beautiful trees and, you know, there's a lot of complaints
5 about outages, but at the same time, no one wants to adequately trim the trees
6 properly. And so, it's a balancing act of restoration and protecting the trees, but I
7 think there can be a medium found of properly trimming and care for the trees and
8 protecting the system. It actually benefits trees to properly trim them and, you
9 know, prevents further -- longer life to do it properly. So you know, I find the same
10 problem down here is that we don't have the big outages out in the countryside in
11 my district, but we do have them is in the cities where we have the older,
12 particularly the oak tree growths. And it doesn't have to even have a wind. You'd
13 be driving down the road and a dead branch will fall from whether its termites or
14 some other rot and it'll hit it and trigger an outage. As long as it connects that top
15 wire to the bottom wire, something's going to pop out. So, you know, I suggest
16 that you work with Commissioner Campbell and get with the local government and
17 see what y'all can do about getting a little bit more aggressive on the interior tree
18 trimming because that'll help solve a lot of problems, so.

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

20 **CHAIRMAN CAMPBELL:** Thank you. Mr. Francis.

21 **VICE CHAIRMAN FRANCIS:** Did you say you had six storms, basically with
22 storm damage this year?

1 **MR. BRICE:** Commissioner Francis, two stats I'd like to give you. So what our
2 data tells us is that for weather events where we had more than 8,000 customers out
3 in 2023, we had 16 of those events. The average for the past five years was six. So
4 two and a half times. And as I said earlier, for those events where we lost more
5 than 20,000 customers, the number for 2023 year-to-date is 7, yet the average for
6 the prior 5 years was 1.6.

7 **VICE CHAIRMAN FRANCIS:** Do you know what it cost for the storm damage?
8 What the cost was?

9 **MR. BRICE:** It certainly is related to wind. The other statistic that we saw for
10 this year, which is startling, the number of minutes of outages caused by lightning
11 increased by 525 percent, compared to the past 3-year average. The amount of
12 lightning strikes that we experienced in our service territory, this particular summer
13 and spring was extraordinary. It's unlike anything we've seen.

14 **VICE CHAIRMAN FRANCIS:** Normally, Southeast Louisiana gets all the
15 lightning. Did y'all compare them? Did y'all have more lightning than Southeast
16 Louisiana? Do you know?

17 **MR. BRICE:** I'm sorry, Commissioner. Could you --

18 **VICE CHAIRMAN FRANCIS:** Southeast Louisiana, they have the most
19 lightning strikes. Did y'all have more than them this year?

20 **MR. BRICE:** Yes, sir. In particular, Northwest Louisiana was --

21 **VICE CHAIRMAN FRANCIS:** And so, all of your storm damage, it comes right
22 out of your bandwidth money, right? It's not -- you don't get paid any extra for
23 that?

1 **MR. BOBBY GILLIAM:** Correct. Correct.

2 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman. I appreciate this
3 conversation and I want to just concur with my colleague, Commissioner Campbell.
4 I have family up in North Louisiana and they are -- especially in Shreveport, and
5 they're frustrated. They're extremely upset and I look at your SAIFI, SAIDI scores;
6 they're horrible. I mean they were so bad you got penalized. And so, I really need
7 to see a plan from you all how you plan to improve that, because while we are
8 talking weather, I mean, we're looking at multitude of data that is not just weather
9 related, that showcased there is a systematic problem that is not being addressed.
10 And I mean if you were getting a fine for your SAIFI, SAIDI scores that tells me
11 there is something really wrong that you need to work on. And so, I'm really
12 interested and I want to see a plan how you plan to improve those scores and what
13 that looks like because I think that's a definite challenge for you.

14 **MR. BRICE:** Commissioner Lewis, thank you for your comments. And the
15 company and our entire team, our focus and dedication is on providing reliable and
16 safe service to our customers. So that is our priority and it certainly is upsetting to
17 us when our customers experience service interruptions due to weather or other
18 unforeseen events. No one within the company wants that to occur, but there will
19 be times where we have these unforeseen events. So in terms of the plan to address
20 SAIDI and SAIFI, we talked a little bit about some of that earlier. There are four
21 areas that we focus on. Number one is to remove danger trees wherever we possibly
22 can. We removed over 50,000 danger trees in recent years. Number two, we try to
23 increase our vegetation management spend whenever we can. We currently, in our

1 service quality improvement plan, we're required to spend about 18 million. The
2 last 2 years we spent 26 million and 28 million, respectively, to help address the
3 issues with vegetation. The third point I'd like to make is a pole replacement
4 program. We've aggressively done the inspections and pursued that pole
5 replacement plan. And then finally, our grid modernization program. That's been
6 critically important to us and one of the things that the Commission recently
7 approved to help address the grid modernization program is the automated metering
8 system that you approved, I believe, last month. The implementation and
9 deployment of those meters will go a long way in helping the service reliability and
10 those performance metrics that you cited earlier. So those are some things that
11 we're currently doing and we'll continue to do those activities and increase those
12 as we move forward.

13 **COMMISSIONER LEWIS:** Thank you. And I'm really looking forward to
14 seeing how you, especially with the meters, handle that customer satisfaction and
15 that customer engagement. I'm going to be very interested in that proceeding
16 upcoming.

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

18 **MR. GILLIAM:** And in fact, I'll say some of the meters, they're starting today.
19 They're being installed as we sit here today.

20 **CHAIRMAN CAMPBELL:** Thank you. Thank you, Tom.

21 **MR. BRICE:** Thank you, Mr. Chairman.

22 **CHAIRMAN CAMPBELL:** I still love both of y'all, but I've got a bunch of
23 people up there that don't love you.

1 **MS. BOWMAN:** Commissioner, your mic, please.

2 **CHAIRMAN CAMPBELL:** I said, I've got a bunch of people up there that
3 doesn't love him. I love him, but they don't love him. Anyway, reminded me of a
4 famous song, but I won't tell you about it. It's too good to tell in here. All right.
5 You want me to tell you about it? Davante, you ever heard of Johnny Hooker?
6 He's before your time, but he's a famous black, blues singer so it reminded me of
7 what I said. He said, well, the mule jumped the fence. He didn't say that, but what
8 he said was he was a young man and he liked all the women. Then he fell around
9 and he fell in love and then his girlfriend said now, Johnny, you in love with me,
10 but I ain't in love with you. That's a tough spot now. I'm in love with y'all, but
11 those people ain't in love with y'all up there. They want y'all to do something. So
12 I hear you. I know you're going to try. Let's do something. If you need some
13 money, tell me what you've got to have. Give me a plan. I'll come down here and
14 I think we'll help you.

15 **MR. BRICE:** Yes, sir, Mr. Chairman.

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

17 **CHAIRMAN CAMPBELL:** You got anything to say [INAUDIBLE]?

18 **MR. GILLIAM:** Commissioner, I just had one thing a little bit lighter. These
19 linemen and all when they go out and get on these jobs, people don't realize how
20 hard they work. They really don't. And also, it's dangerous, you know, you got a
21 tree falling on the line and all that. You're trying to deal with it. And one of them
22 sent me a text and it's got a photograph on it of a pole and a transformer, all this
23 stuff. He said the best linemen are not in the NFL.

1 **CHAIRMAN CAMPBELL:** [INAUDIBLE].

2 **MR. GILLIAM:** Are not in the NFL. I thought that was pretty good.

3 **CHAIRMAN CAMPBELL:** Yeah. I know they're good. And by the way, I got

4 somebody I want y'all to hire. I'm just kidding. I'm kidding. Forget about it. All

5 right.

6 **VICE CHAIRMAN FRANCIS:** Make a motion to adjourn.

7 **SECRETARY FREY:** No, we still have --

8 **CHAIRMAN CAMPBELL:** We've got [INAUDIBLE].

9 **COMMISSIONER SKRMETTA:** We've got a few more things.

10 **SECRETARY FREY:** We still have some directives and an executive session.

11 **MS. BOWMAN:** Yeah. So we have two directives under Exhibit Number 11.

12 The first is a directive to Staff regarding Docket Number U-36959, Entergy

13 Louisiana's pending rate case at the request of Commissioner Lewis. Regarding

14 Entergy Louisiana's rate case currently pending before the Commission, I have the

15 following directives for Staff: One, I understand that Entergy Louisiana has a

16 number of automatic pass-through riders under which it collects about half its

17 revenues. In its review of Entergy Louisiana's rate case, Staff should determine

18 whether these automatic riders provide benefits to consumers; whether these

19 mechanisms reduce Entergy's risk so as to reduce the rate of return requirement,

20 particularly in light of the securitization of storm damage cost and reserves; whether

21 these mechanisms are otherwise necessary; and make recommendations to the

22 Commission. Number two, the Staff should examine whether Entergy Louisiana

23 has excluded liability accumulated deferred income tax items from rate base, and

1 determine whether the exclusion is reasonable based upon regulatory orders or
2 settlements, and make recommendations to the Commission. And number three, in
3 recommending a fair rate of return on equity, Staff should consider the extent to
4 which Entergy Louisiana, its parents, and affiliates have complied with this
5 Commission's orders and FERC regulatory orders as applicable to Louisiana rates,
6 and make a recommendation accordingly.

7 **COMMISSIONER SKRMETTA:** I'd ask --

8 **MS. BOWMAN:** Your mic, please.

9 **CHAIRMAN CAMPBELL:** Mr. Chairman.

10 **COMMISSIONER SKRMETTA:** Mic's on. I'd ask that Commission Lewis
11 defer this to November as Entergy and Staff are actually entering into discussions
12 I think tomorrow about this particular issue, and request just a deferral for one
13 month.

14 **COMMISSIONER LEWIS:** Thank you, Commissioner. And I have had those
15 conversations. The only reason I will not entertain that is because this is mostly
16 directed at their proceeding rate case and not under the negotiations and
17 conversations that they would have pending other matters. And so, we made sure
18 and I worked with Staff and Entergy on switching some of the original language
19 that was more geared towards the item that you were mentioning. And so, we made
20 it broader, took that direct language out. But I have gotten numerous, numerous,
21 numerous calls after Entergy's press release about their rate case of customers,
22 consumers wanting to know about their riders, wanting to know about this
23 information. And so, this is the pledge that I made to my constituents, that as now,

1 we are entering those proceedings, I would make sure that some of these questions
2 that they've asked me and that I have interest in, would be submitted into the record.
3 But I do appreciate the point and I'm interested to see what Staff comes from those
4 other conversations. But I think they've kind of been divorced from each other at
5 this point in this language that I've now presented.

6 **COMMISSIONER SKRMETTA:** Okay. Well, I'm going to oppose the
7 directive, but if, you know, depending I'd be glad to hear it again next month.

8 **CHAIRMAN CAMPBELL:** He opposes. He doesn't drop it. Let's have a vote.

9 **MS. BOWMAN:** So, Commissioner Skrmetta.

10 **COMMISSIONER SKRMETTA:** No.

11 **VICE CHAIRMAN FRANCIS:** I got a question.

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

13 **VICE CHAIRMAN FRANCIS:** Staff and Entergy have agreed to this directive;
14 is that right?

15 **MS. BOWMAN:** Staff has helped Commissioner Lewis craft it. I don't want to
16 speak for Entergy on whether or not they agree with it.

17 **VICE CHAIRMAN FRANCIS:** And Entergy -- you're saying Entergy is okay
18 with your directive

19 **COMMISSIONER LEWIS:** I have no [INAUDIBLE]. That's what I said. I
20 don't know if they're okay with it. I mean you can bring them up to the table and
21 ask them.

22 **VICE CHAIRMAN FRANCIS:** Okay.

23 **MS. BOWMAN:** Okay.

1 **CHAIRMAN CAMPBELL:** Let me tell you they're not okay with it. So let's
2 vote. How about it [INAUDIBLE] --

3 **MS. BOWMAN:** So Commissioner Skrmetta votes no. Commissioner Lewis.

4 **COMMISSIONER LEWIS:** Yes.

5 **MS. BOWMAN:** Commissioner Francis.

6 **VICE CHAIRMAN FRANCIS:** No.

7 **MS. BOWMAN:** Commissioner Campbell.

8 **CHAIRMAN CAMPBELL:** Yes.

9 **MS. BOWMAN:** So the directive fails as a two-two vote.

10 **COMMISSIONER SKRMETTA:** I'm glad to hear it next month, Commissioner
11 Lewis. [INAUDIBLE].

12 **CHAIRMAN CAMPBELL:** Is that all of the directives? You got another one,
13 don't you?

14 **MS. BOWMAN:** Yes, sir. There's another --

15 **CHAIRMAN CAMPBELL:** Come on.

16 **MS. BOWMAN:** -- directive to electric utilities on federal funding opportunities
17 at the request of Commissioner Lewis. Previously, I have encouraged our
18 jurisdictional electric utilities to review the opportunities for federal grant funding
19 opportunities that are available through the Inflation Reduction Act and the
20 Infrastructure Investment and Jobs Act. Currently, we are aware that three of our
21 electric cooperatives, DEMCO, JDEC, and SLECA, have a pending application
22 seeking funding from the Grid Resilience and Innovation Program, or GRIP. And
23 that Entergy Louisiana has a pending application to receive competitive funds

1 through the Hubs for Energy Resilience portion of GRIP funding. While these
2 grants are in the review process and decisions on both may come at any time, there
3 are additional funding opportunities that have been made available including, but
4 not limited to, Homes Heat Rebate Programs; EPA Greenhouse Gas Reduction
5 Fund; Louisiana Clean Energy Fund; EPA Low Emissions and Electricity Program;
6 DOA Powering Affordable Clean Energy Program; DOA Empowering Rural
7 America Program; DOE Renewable Energy Production Tax Credit and Investment
8 Tax Credit including domestic content, energy communities, and low-income
9 communities provisions; DOE Transmission Siting and Economic Development;
10 DOE Transmission Facility Financing Program; DOE Energy Infrastructure
11 Reinvestment Financing Program; DOE Commercial Distributed Energy
12 Resources; and GRIP Round Two. I am also aware that our Staff is directly
13 involved in the interagency working groups that are assessing federal funding
14 opportunities and their applicability in Louisiana. Given the potential beneficial
15 impacts these grants or fundings could have on the ratepayers of our utilities, it is
16 incumbent that utilities maximize potential funding opportunities and that we are
17 updated on the utilities' efforts to apply for and possibly secure this funding.
18 Accordingly, I direct the electric utilities to provide an update at our November
19 B&E as to the status of grant and/or funding opportunities for which they have
20 applied or will apply. While best efforts should be made to give a comprehensive
21 public overview of current activities, additionally, utilities may elect to convey the
22 nature of ongoing conversations with relevant federal offices and/or the details of

1 their applications or negotiations in confidential reports. And that is the end of the
2 directive. Any questions?

3 **CHAIRMAN CAMPBELL:** Any objections? [NONE HEARD] No objections,
4 it's passed. Thank you. Let me just say this, I appreciate all y'all coming. It was
5 a lengthy meeting today. A lot of stuff passed that was real important to a lot of
6 people, but thanks for coming.

7 **MS. BOWMAN:** Wait, we have one more exhibit item.

8 **CHAIRMAN CAMPBELL:** Do what?

9 **MS. BOWMAN:** We have on more item.

10 **CHAIRMAN CAMPBELL:** What is it?

11 **MS. BOWMAN:** It's Exhibit 12, which is a FERC Docket EL21-56. It's the
12 Commission versus System Energy Resources. It's a possible executive session to
13 discuss litigation strategy pursuant to Louisiana Revised Statute 42:16 at the
14 request of Commissioner Skrmetta. I will entertain a motion to go into executive
15 session before everyone leaves the room, please.

16 **CHAIRMAN CAMPBELL:** That'll be fine.

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

18 **MS. BOWMAN:** A motion by --

19 **CHAIRMAN CAMPBELL:** If everybody would leave the room. We have an
20 executive session. It's not going to last long.

21 **[OFF THE RECORD]**

22 **[BACK ON THE RECORD]**

1 **MS. BOWMAN:** Okay. We're ready. We'll entertain a motion to come out of
2 executive session.

3 **COMMISSIONER SKRMETTA:** Come out of executive session.

4 **MS. BOWMAN:** A second?

5 **COMMISSIONER SKRMETTA:** Somebody going to second that?

6 **COMMISSIONER FRANCIS:** Second.

7 **MS. BOWMAN:** A motion by Commissioner Skrmetta, a second by
8 Commissioner Francis.

9 **COMMISSIONER SKRMETTA:** [INAUDIBLE] hearing none. Back in --

10 **VICE CHAIRMAN FRANCIS:** Motion to adjourn.

11 **COMMISSIONER SKRMETTA:** Second.

12 **VICE CHAIRMAN FRANCIS:** Adjourned.

13

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

15

1 I certify that the forgoing pages 1 through 111 are true and correct to the best
2 of my knowledge of the Open Session of the Business and Executive Meeting
3 held on October 18, 2023 in Metairie, Louisiana.

4 *****

5 **Rough Draft prepared by:**

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7 Clarisa Findley, Date
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