

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON SEPTEMBER 20, 2023 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN FOSTER CAMPBELL, VICE CHAIRMAN MIKE FRANCIS, COMMISSIONER ERIC SKRMETTA, COMMISSIONER CRAIG GREENE, AND COMMISSIONER DAVANTE LEWIS.**

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1    **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**  
2    **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON SEPTEMBER**  
3    **20, 2023 IN BATON ROUGE, LOUISIANA.    PRESENT WERE:**  
4    **CHAIRMAN FOSTER CAMPBELL, VICE CHAIRMAN MIKE FRANCIS,**  
5    **COMMISSIONER ERIC SKRMETTA, COMMISSIONER CRAIG**  
6    **GREENE, AND COMMISSIONER DAVANTE LEWIS.**

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7    **CHAIRMAN FOSTER CAMPBELL:** It's 9:30 and it's my fault. I said that last  
8    time, but I apologize again. Okay. Mr. Greene, would you lead the prayer, and Mr.  
9    Francis, say the pledge.

10   **[COMMISSIONER CRAIG GREENE LEADS IN PRAYER]**

11   **[VICE CHAIRMAN MIKE FRANCIS LEADS IN THE PLEDGE]**

12   **CHAIRMAN CAMPBELL:** I wanted to start off by saying first of all I apologize.  
13   I apologized last week, but Brandon, please help me not ever make that mistake  
14   again. And I hope this Commission doesn't ever make a mistake again. It was my  
15   fault. We had a little lady that -- your witness last time, she sat through this whole  
16   ordeal, four hours, this one little lady and she didn't have much testimony, about  
17   10 minutes. That's ridiculous. So if you see these people come in here that are one  
18   issue people and they want to speak for five minutes, I apologize for letting that  
19   happen. And we ought to make a rule that if it's just real simple testimony to let  
20   these people come up and speak and get out of here because that poor woman sat  
21   here for four hours while we talked about stuff that she knew nothing about and  
22   was misery for her but that was my fault. So if you see somebody coming in here  
23   that just has one little issue, get them in here and let them speak because that was

1 ridiculous. I hope that doesn't happen again. I would like to take something out of  
2 order, not vote on it, but just talk about it. And I want it to come up in October,  
3 that's Mr. Skrmetta's -- down in your area next week. Next thing, while we're  
4 talking about that, Brandon, the December meeting in Natchitoches --

5 **EXECUTIVE SECRETARY BRANDON FREY:** Yes.

6 **CHAIRMAN CAMPBELL:** -- you got -- you got to pull it back. You got it on  
7 the 20<sup>th</sup>.

8 **SECRETARY FREY:** Okay.

9 **CHAIRMAN CAMPBELL:** That's before Christmas. Nobody's going to come  
10 four days before Christmas. So get it back up. The Christmas Light -- the parade  
11 is the first Saturday of December, so 20<sup>th</sup> of December is way too late to have a  
12 meeting. That's four days before Christmas. So if you can --

13 **SECRETARY FREY:** We can look at -- the prior Wednesday would be the 13<sup>th</sup>  
14 if everyone wants to look at their schedules and get back with us to make sure we  
15 can get it scheduled. I know last time we had it in Natchitoches, we had an issue  
16 getting hotel rooms close.

17 **CHAIRMAN CAMPBELL:** Yeah.

18 **SECRETARY FREY:** So I'd like to get it set as soon as possible.

19 **CHAIRMAN CAMPBELL:** I got you. But 20<sup>th</sup> of December everybody's getting  
20 ready for Christmas, and if you want a lot of participation --

21 **SECRETARY FREY:** Sure.

22 **CHAIRMAN CAMPBELL:** -- I don't think -- a lot of people are going out of  
23 town, things like that. Look at it, would you? I have a --

1    **SECRETARY FREY:** We have a -- you want to handle other announcements? I  
2    know we're going take your item up.

3    **CHAIRMAN CAMPBELL:** No. Do the announcements. I'm sorry. Go ahead.

4    **SECRETARY FREY:** Sure. Okay. Okay.

5    **MS. KATHRYN BOWMAN:** So Staff does have two announcements. The first  
6    is that the October B&E will be held at Copeland Towers. It will be on the same  
7    date, which is October 18<sup>th</sup>, but the October B&E is being moved to Copeland  
8    Towers. And then the second is a save the date for the attorneys in the room. The  
9    Public Utility section of the Louisiana Bar's annual CLE will be held on Friday,  
10   December 1<sup>st</sup> again at the City Club. More details to come on that, but just put that  
11   on you guys' calendars. Again, that's Friday, December 1<sup>st</sup> for the Public Utility  
12   section CLE. And that's all the announcements that Staff has.

13   **CHAIRMAN CAMPBELL:** Okay. Craig.

14   **COMMISSIONER GREENE:** Am I on?

15   **CHAIRMAN CAMPBELL:** Hold on. I'm turning everybody on. You can hardly  
16   see these little green lights. You are on now. Everybody is on. Okay.

17   **COMMISSIONER GREENE:** Good morning, everybody. I just wanted to  
18   comment that there's been news and media attention around the Commission's  
19   victory at the FERC requiring Entergy to refund \$550 million to its customers  
20   through its jurisdictions, 140 million of which would go to Entergy of Louisiana  
21   customers. And Entergy's refusal to adhere to these refunds and pay the customers  
22   what they're owed, I'd like to briefly make the public aware that the Commission's  
23   not going to stand for that and all the Commissioners up here are interested in ways

1 to ensure customers receive the millions of dollars that they're owed with interest.  
2 We have an executive session today to discuss various tools the Commission will  
3 utilize to compel payment. It's unfortunate we must do that considering Entergy's  
4 in the front of the Commission presently asking for more money from its customers,  
5 9.7 billion to replace the aging distribution infrastructure, 3 billion in local  
6 transmission funding, 440 million in rate increase for over 10 percent return to  
7 shareholders and funding for thousands of megawatts of solar. The list goes on.  
8 It's unfortunate the expectation is a one-way street, but -- for us to approve billions  
9 of dollars but customers can't rely on the company to follow through on FERC  
10 ordered refunds. I had a discussion with Entergy. They see it differently. So I just  
11 wanted to let y'all -- want the public to know that we feel strongly about the public  
12 getting just due funds if that's what FERC and the courts have decided. So thank  
13 you.

14 **CHAIRMAN CAMPBELL:** Mr. Lewis.

15 **COMMISSIONER DAVANTE LEWIS:** Thank you, Mr. Chairman. I want to  
16 take this time to introduce two new members that have joined my Staff in District  
17 3 recently. Torey Naquin, if you would raise your hand, has come on as my  
18 administrative coordinator who brings a depth of experience in state government  
19 coming from the Office of Technology Services and Louisiana State Police, so she  
20 will be a great addition to all of you who constantly send me emails to schedule  
21 meetings. Now we have someone to help navigate that. But then I would also like  
22 to introduce Annie Matthews, who will be joining my team as a senior legal policy  
23 fellow in partnership with the Environmental and Energy Law Impact Center of

1 New York University. They have a fellowship program that they offer that's  
2 traditionally been held for Attorney General's but they are starting to place them in  
3 Commission's offices and my office was selected as one of those sites, so Annie  
4 will be on my team for the next year. She is a graduate of Tulane University Law  
5 School and brings a depth of experience from working at the Southeast Louisiana  
6 Legal Services, the Office of General Counsel at the USDA in the Natural  
7 Resources and Environmental Division, and at the Gulf Coast Center for Law and  
8 Policy. So I want to welcome officially Torey and Annie to the District 3 team.  
9 Mr. Chairman, one thing also I would like to state. I would like to state my support  
10 today for a new federal program that could bring a hundred of million of dollars'  
11 worth of clean energy to Louisiana. The Solar for All is a competitive grant  
12 program created by the IRA, the Inflation Reduction Act, that is now taking  
13 applications. And the winner of that competition will build enough solar capacity  
14 to power millions of homes in the coming years. Now, despite huge cost declines,  
15 unfortunately solar is still thousand dollars away and a lot of Louisiana folks cannot  
16 afford to put solar in their home. That's why this program is targeted to low income  
17 and disadvantaged communities. It's a win-win for these households, lowering  
18 their bills, relieving the local grid, and spurring economic development in our  
19 communities in this state. I'm excited to see that the state energy office and  
20 Louisiana is underway in an application that could result in thousands of customers  
21 taking advantage of clean, low-cost energy here in Louisiana. There has been some  
22 regulatory challenges that may make our application difficult, but I want to state  
23 that I have been working with Staff to ensure that the Commission, we are doing



1 everything that we can to promote this effort with our state to prepare for these  
2 projects that it could provide. So I want to thank all of the folks in Louisiana who  
3 have been working on the Solar for All application and know that my office, and I  
4 hope the whole Commission, will do everything that we can to make sure that  
5 Louisiana can get every dollar from the IRA that we are eligible to get. So I just  
6 wanted to put that on the record, Mr. Chairman, and thank you.

7 **CHAIRMAN CAMPBELL:** Mr. Lewis, you might be -- you would be pleased to  
8 know that -- I don't want to say I did, but I mean, I supported, along with other  
9 people, rooftop solar is what you're talking about. And it's sort of ironic now, some  
10 of you big companies might not want to hear this but they were in the way. They  
11 didn't like a lot of rooftop solar. A lot of people said it wasn't going to work, this,  
12 that, and the other until it got pretty good then now, thank God all of the big  
13 companies are building renewable solar plants. So it's a good deal. Everybody  
14 knows it's good. It provides energy, it's clean, and it helps everybody. So  
15 hopefully, that we'll all work together with people who will put them on the roofs  
16 with companies that build these solar facilities. I looked at one the other day up in  
17 East Carol Parrish, 1,800 acres. It's a lot of -- going on in that across this country.  
18 And maybe we can all work together rather than big companies objecting to it  
19 because they're not going to be able to build it. I'm not going to say this because  
20 I've said it a bunch of times, but there were people who felt threatened about solar  
21 power and -- needlessly. It was a famous quote here and I won't go over it again  
22 because the guy might be here and might -- it'd embarrass him but anyway. It's  
23 not bad. It's good. And we're going to have to deal with it. We want it. Wind

1 power, solar power, we want it. We want it in Louisiana because if it's cheaper,  
2 we need it. It's good for the customers. Thank you. If it's okay with you, I would  
3 like to bring up something that I'm concerned about, and I know everybody here  
4 will be concerned about it. I put it on the supplemental agenda late and, Brandon,  
5 would you bring it up?

6 **SECRETARY FREY:** Sure. Yeah. This is Exhibit 18. Let me pull up the actual  
7 in re. It's update on the Project Cypress Direct Air Capture Hub located in  
8 Southwest Louisiana.

9 **CHAIRMAN CAMPBELL:** What number is it?

10 **SECRETARY FREY:** Exhibit 18.

11 **CHAIRMAN CAMPBELL:** As usual now, I don't have it in my book. Not as  
12 usual, just I don't have 18. But go ahead and read it. I got it. Don't worry about  
13 it. Don't worry about it.

14 **SECRETARY FREY:** Sure. So the in re was update on the Project Cypress Direct  
15 Air Capture Hub located in Southwest Louisiana, at the request of Chairman  
16 Campbell.

17 **CHAIRMAN CAMPBELL:** Okay. Read it.

18 **SECRETARY FREY:** Okay. Commissioner -- or Chairman Campbell has  
19 questions regarding this he'd like me to read out. So these are questions for Project  
20 Cypress and I think, as you mentioned earlier, he'd like someone to be present in  
21 October either from the State Energy Office or -- who can answer some of these  
22 questions.

1     **CHAIRMAN CAMPBELL:** Yeah. Let me explain what I'm doing. I heard --  
2     we heard a little bit about it last time. Just a little bit. And I've been digging in --  
3     nobody knows a lot about this. The government's going to spend \$600 million over  
4     in Calcasieu Parish, and I want to know about it, where's it going, how does it work.  
5     So read the questions now.

6     **SECRETARY FREY:** Okay. These are the questions.

7     **CHAIRMAN CAMPBELL:** And we're not voting on this today. I would like to  
8     move it to Mr. Skrmetta's meeting next month and have these questions answered.  
9     We're going to give them out.

10    **SECRETARY FREY:** Question one: How is the project being funded? Two:  
11    Who made the determination on the location or the parties involved? Three:  
12    Exactly where and on whose property is the project being located? Four: How  
13    much total government funding is being provided for the project? Five: Will  
14    charges or fees be levied on those using the facility? If so, will these be one-time  
15    charges, monthly charges, or use-based charges? And who receives these fees or  
16    charges? Six: Who are all the parties involved in the project? And seven: There  
17    are currently federal storage facilities in Southwest Louisiana. Has the government  
18    considered owning this facility rather than leasing it?

19    **CHAIRMAN CAMPBELL:** That's it.

20    **COMMISSIONER ERIC SKRMETTA:** I have one question to add if you don't  
21    mind. I want to add one question to the list, which is during the presentation from  
22    the state, they said it was going to be running on green energy, and I'd like to  
23    confirm that it's going to be running off of -- how they're going to run it off of

1 green energy, like, as a industrial facility or if it's also going to run off of just  
2 regular energy services from the grid? So -- because if it's going to be running off  
3 of traditional power that produces carbon dioxide, you know, what's the overall  
4 purpose associated with it? But I'm trying -- curious as how they were making the  
5 initial claim of it running just off of green energy and how that was actually going  
6 to take place.

7 **CHAIRMAN CAMPBELL:** There's a lot of questions unanswered. The federal  
8 government spending \$600 million on property. Who picked the property, who  
9 owns the property, how much money is involved? We have a facility. Y'all all  
10 know about where we store oil. It's not very far from there. Strategic oil reserve.  
11 Is that what they call it?

12 **SECRETARY FREY:** Strategic Petroleum Reserve, yes.

13 **CHAIRMAN CAMPBELL:** Okay. Strategic Petroleum Reserve. The federal  
14 government owns that. If this is such a good deal, and it might be, and I'm all for  
15 doing away with carbon dioxide in the air. If it's -- why don't we own it? Why  
16 doesn't the government own it and pay the taxpayers back? The taxpayers are  
17 fixing to put up \$600 million. Just like we own the oil reserves, why don't we own  
18 this and you can pay the taxpayers back when people or whoever the polluters are,  
19 whoever has this, when they dump in this waste facility or put it in the waste facility,  
20 they're going to pay a fee. Who gets the fee? Does the fee go to a guy or does it -  
21 - can it go back to the federal government that's putting up the 600 million? Looks  
22 like to me, if it is a disposal site, which it is, that's what you call it, it's going to be  
23 gathering all this carbon dioxide. The government's going to put out \$600 million

1 to build it, why don't we get them to pay the government back for the 600 million.  
2 That's all I want to ask. I've been contacted by, boy, you name it. My phone's  
3 been ringing off the wall about this, that, and the other. And I told them, the ones  
4 who -- well, I appreciate you passing that up. I said no, don't get -- we ain't --  
5 we're not passing up anything. We're just putting it off. We have questions and  
6 we would like for y'all to come down to Jefferson Parish or wherever we're going  
7 next month, Metairie, to answer the questions. So Brandon, send that to the  
8 Governor's Office, DOE, DEQ, all -- to get some questions answered because  
9 there's nobody that knows anything about this. And I want to know about it, I think  
10 everybody up here would want to know about it. If utilities use it on our side, if  
11 Entergy uses it, I don't know, if they do, there's going to be a fee charged. Well,  
12 that fee is going to go right on the consumer's bill. How much is that going to be?  
13 That's all I want to know. I think we all ought to know about this new facility, and  
14 everybody seems excited about it. And it's probably a good thing, but there's a lot  
15 of questions unanswered. That's all I have to say. That's all I have to say. That's  
16 it.

17 **MS. BOWMAN:** So no more announcements? We can move on?

18 **CHAIRMAN CAMPBELL:** Anybody else? [NONE HEARD]

19 **MS. BOWMAN:** All right. Moving on to Exhibit Number 2. It's Docket Number  
20 S-36714. This is DISH Wireless petition for designation as a Lifeline-Only eligible  
21 telecommunications carrier within Louisiana. It's a discussion possible vote on  
22 Staff report and recommendation. On March 21, 2023, DISH Wireless filed a  
23 petition seeking designation as an ETC solely to provide Lifeline services to

1 qualifying Louisiana customers. Notice of that request was published in the  
2 Commission’s Official Bulletin with no intervention or protests received. DISH is  
3 a Colorado limited liability company providing resold wireless telecommunication  
4 services operating in Louisiana and other states. DISH is designated as an ETC in  
5 three other jurisdictions and is authorized by the California Public Utilities  
6 Commission to provide California Lifeline service. In 2020, DISH Wireless  
7 entered the retail wireless business by acquiring Boost Mobile brand, in 2021,  
8 acquiring the Gen Mobile brand. Upon designation as a Lifeline-Only ETC, DISH  
9 will provide supported services, including serving low-income Louisiana  
10 customers, including those residing in Tribal lands, supplement the amount of  
11 support available to its current Affordable Connectivity Program customers and  
12 invite new, underserved customers to benefit from the Lifeline and other federal  
13 support programs. Pursuant to Section 214(e) of the Act, the State Commissions  
14 were given the authority to designate as ETCs common carriers that meet certain  
15 federal service requirements and whose designation would be consistent with the  
16 public interest, convenience, and necessity. And consistent with its authority under  
17 federal law, this Commission issued its ETC general order, which created a list of  
18 public interest criteria to be applied on a case-specific basis to all requests for ETC  
19 designation in areas served by the rural telephone carriers. On August 30, 2023,  
20 Staff filed its report and recommendation into the record which found that the  
21 company demonstrated it can comply with the requirements of the Act, applicable  
22 FCC regulations, and the ETC General Order. Staff also found that designation of  
23 the company as an ETC for the purpose of receiving Lifeline support is in the public

1 interest. Therefore, Staff recommends that the Commission accept the Staff report  
2 and recommendation filed into the record on August 30, 2023.

3 **COMMISSIONER GREENE:** Motion to accept Staff recommendation.

4 **CHAIRMAN CAMPBELL:** There's a motion to accept Staff recommendation.  
5 Any objection?

6 **COMMISSIONER SKRMETTA:** I have just a quick question. Who represents  
7 them?

8 **MS. BOWMAN:** I think it's an out-of-state company but -- oh, is someone here?  
9 Oh, great.

10 **CHAIRMAN CAMPBELL:** Would you come forward, please? Thank you.

11 **SECRETARY FREY:** Just hit the button and make the mic go green and sign  
12 your name on the --

13 **MS. BOWMAN:** Right here on the --

14 **SECRETARY FREY:** And sign your name on the sheet up there so we'll have it  
15 for the record.

16 **CHAIRMAN CAMPBELL:** Thank you for coming.

17 **MS. BOWMAN:** And you can fill the card out after. Yeah.

18 **MS. SOLA LEE:** Good morning, Commissioners.

19 **CHAIRMAN CAMPBELL:** Sit down. Make yourself comfortable.

20 **MS. LEE:** It's been a while since I've attended --

21 **CHAIRMAN CAMPBELL:** That's okay.

22 **MS. BOWMAN:** Oh, no. Press the button again. As long as the green light is on,  
23 it's on. There you go.

1 **MS. LEE:** It's been a while since I've attended, so bear with me. Thank you.

2 **CHAIRMAN CAMPBELL:** That's fine, that's fine.

3 **COMMISSIONER SKRMETTA:** My question is: I actually haven't interacted  
4 with you on this issue, so I'm going to have to ask for a roll call vote. And I'm  
5 going to vote no because I haven't had a discussion with you on this.

6 **MS. LEE:** Commissioner, I did reach out to your office and your EA via email,  
7 but maybe I should have arranged a phone call with you to have a further discussion.

8 **COMMISSIONER SKRMETTA:** Yep.

9 **MS. LEE:** And I apologize for that and we can definitely have a --

10 **COMMISSIONER SKRMETTA:** That's okay. No, it's just a --

11 **COMMISSIONER GREENE:** I'll give you his cell number.

12 **COMMISSIONER SKRMETTA:** You can have my cell number. That's widely  
13 available, but there's always a way to find us.

14 **MS. LEE:** Sure.

15 **COMMISSIONER SKRMETTA:** So but it's just a -- I wouldn't give you  
16 anymore slack than I give anybody else on this. I really -- in fact, we have the next  
17 item is a company that we deferred on this but, you know, I don't know how the  
18 other Commissioners feel about it, but I think it's important to discuss these issues  
19 because we actually were asking about who represented this company at the last  
20 meeting and it was an open discussion about this and I don't know if you were  
21 observing via the Internet but, you know, we were trying to have them get in touch  
22 with us and so we, you know, did not have anybody.

23 **MS. LEE:** I apologize.



1 **COMMISSIONER SKRMETTA:** That's okay. I just wanted to make sure you  
2 were aware of this.

3 **MS. LEE:** Okay. Sure. And I will definitely reach out to your office directly and  
4 arrange a time for us --

5 **COMMISSIONER SKRMETTA:** That's fine. It may seem perfunctory to you  
6 but it's important --

7 **MS. LEE:** Oh, absolutely, no.

8 **COMMISSIONER SKRMETTA:** -- to have the discussions about these issues  
9 so I understand the overall issue about this because I don't think these particular  
10 types of services need to be discussed, so. All right. Anyway, but that's it.

11 **MS. LEE:** All right. Thank you.

12 **MS. BOWMAN:** And I'm sorry. Can you also just identify yourself for the record,  
13 please? Thank you.

14 **MS. LEE:** Oh, sure. Sola Lee, counsel for DISH Wireless, LLC.

15 **CHAIRMAN CAMPBELL:** We have --

16 **MS. BOWMAN:** We have a motion by Commissioner Greene and opposition by  
17 Commissioner Skrmetta, but we need a second.

18 **CHAIRMAN CAMPBELL:** I'll second.

19 **MS. BOWMAN:** So second by the Chair, opposition by Commissioner Skrmetta,  
20 so roll call vote. Commissioner Skrmetta?

21 **COMMISSIONER SKRMETTA:** No.

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

23 **COMMISSIONER GREENE:** Yes.

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

2 **VICE CHAIRMAN FRANCIS:** Yes.

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

4 **COMMISSIONER LEWIS:** Yes.

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

6 **CHAIRMAN CAMPBELL:** Yes.

7 **MS. BOWMAN:** So the item passes.

8 **COMMISSIONER SKRMETTA:** Thank you.

9 **MS. LEE:** Thank you, Commissioners. Have a great day.

10 **MS. BOWMAN:** Thank you.

11 **COMMISSIONER SKRMETTA:** You can just give them your card.

12 **MS. BOWMAN:** Yeah. You can fill it out at your seat and just come give it to

13 him when you get done. Thank you. Exhibit Number 3 is Docket Number S-36673.

14 It's Chevron Phillips Chemical Pipeline Company application to increase rates for

15 transportation of petroleum on its ethylene system for Commission Tariff 9.5. It's

16 a discussion and possible vote on Staff's recommendation. This was Exhibit 4 last

17 month. Chevron filed its application with the Commission on February 3, 2023,

18 requesting authorization to increase its rates for transportation of ethylene and it is

19 a for-profit jurisdictional common carrier petroleum pipeline providing ethylene

20 from Napoleonville in Ascension Parish to The Americas Styrenics plant in St.

21 James Parish. The Americas Styrenics plant is CPChem's sole Louisiana pipeline

22 customer. CPChem claims that an increase is necessary due to a significant

23 reduction of throughput volume over the past five years with costs remaining

1 relatively consistent over the same period. The company's initial request was to  
2 increase its rates from 17.67 to 29.50 cents per 100 pounds. The customer was  
3 provided notice of the proposed rate change via email on August 29, 2022.  
4 Subsequent to the filing of the application, the company amended its tariff via the  
5 FERC recently updated annual index rate, which allowed the company to increase  
6 its rates from 17.6 cents to 20.02 cents per 100 pounds effective July 1, 2023. Thus,  
7 the company's rate request changed to increase its rates in cents from 20.02 to 29.50  
8 per 100 pounds. After a review of the five years of financial data from the company,  
9 the FERC annual index multipliers, and a formal set of data requests, Staff agrees  
10 that the increase is necessary and filed its recommendation on July 21, 2023,  
11 recommending that the company be allowed to increase its intrastate transportation  
12 rates from 20.02 cents to 29.50 cents per 100 pounds with the condition that if the  
13 customer volume increases over 400,500,000 pounds, Staff recommends that the  
14 company come back in to file with the Commission a reevaluation of its rates.  
15 Therefore, Staff recommends that the Commission approve the Staff report and  
16 recommendation filed into the record on July 21, 2023.

17 **CHAIRMAN CAMPBELL:** I have a -- is the people representing Chevron, will  
18 y'all come up? Thank you for coming today. Thank you. Have a seat. You're  
19 welcome. Thank you.

20 **MS. BOWMAN:** I'm sorry, Chairman. Real quick, so same thing, please identify  
21 yourselves. The button on the mics, when it's green, it's hot and please fill out the  
22 yellow card.

1 **MR. GARY GARVERICK:** Good morning. I'm Gary Garverick with Chevron  
2 Philips.

3 **MS. APRIL ANDREWS:** April Andrews with Chevron Philips.

4 **CHAIRMAN CAMPBELL:** Thank you. I have a few questions I'd like to ask.  
5 Okay. The price of oil today is 90 bucks a barrel. Is that correct? Thereabouts?

6 **MR. GARVERICK:** Roughly, yes.

7 **CHAIRMAN CAMPBELL:** Yeah. And would you say the higher the price is of  
8 oil, the more money you make; is that correct?

9 **MR. GARVERICK:** Well, Chevron Phillips is a downstream company. We're  
10 petrochemical --

11 **CHAIRMAN CAMPBELL:** I know but you're owned by Chevron.

12 **MR. GARVERICK:** Fifty percent owned by Chevron and 50 percent Phillips 66.

13 **CHAIRMAN CAMPBELL:** Well, the higher price of oil means that your  
14 company makes more money. I'm just talking about Chevron in particular. Last  
15 year, Chevron sales last year was \$267 billion. Billion. And the second quarter of  
16 '23, this year, Chevron paid \$7.6 billion to the shareholders if you owned Chevron  
17 stock, 7.6 billion. Just to show you where we're at, Louisiana now is the poorest  
18 state in America. You're aware of that? And gasoline is going up. Y'all admit  
19 that? Higher price oil, gasoline goes up. This is an interesting statistic that I want  
20 you to think about. From '21 to '23, we had 532,000 people living in poverty. This  
21 is '21 to '23. This year 765,000 people live in poverty. So we went from 532 to  
22 765, or 44 percent increase in poverty. Now, y'all are coming today as a big  
23 company and I know you employ a lot of people. I got it. I mean, I know that. I'm

1 not going to tell you, you know, it's good that you have the refineries and all that  
2 and I understand it. And there's been a lot of discussion about pollution and all.  
3 I'm not blaming you for that. Although you deserve a lot of the blame, but I'm not  
4 -- that's not here. What I'm saying today is that you're asking us to increase the  
5 price that you can get or give y'all a rate increase when we have more people living  
6 in poverty than any other state in America. It's growing. Y'all are making record  
7 profits, but yet you want more at a terrible time. Ninety-one-dollar oil going this  
8 way. It's not going this way. And when it goes this way, it helps you and the  
9 people that work for you. It helps you but the little guy that's going to work every  
10 morning, that goes by the filling station to get him some unleaded gas to go to work,  
11 his family, it's killing him. So I can't -- I can't support this because I think it's ill-  
12 timed. It's a bad timing. I think your company is -- should have thought about this,  
13 but that's just me. That's just me. I know about oil companies. I know a little bit  
14 about natural gas production and stuff like that. But it's troubling to me that big  
15 companies would ask for a rate increase at this time in Louisiana when our poverty  
16 jumped up 44 percent and gasoline is going to approach \$4 and oil is \$91 a barrel.  
17 I know that's good for your stockholders because last year you paid them -- you  
18 paid your stockholders last quarter \$7 billion. I'm sure they're happy with your  
19 stock. And that's good. That's good. Makes your company healthy. I understand  
20 how many people you work. I got the picture. I'm just saying sometimes it's not  
21 good for big major companies asking for rate increases at a bad time, and that's all.  
22 So it's just me and I'm not for this. Somebody wants to take over. Mr. -- you pretty

1 much -- when I'm for something, you're against it, so let's have it. Go ahead, tell  
2 me how I'm wrong.

3 **VICE CHAIRMAN FRANCIS:** Well, apparently, I am against it. I spent my  
4 working life in the oil and gas industry, you know, and I worked with you guys for  
5 over 50 years. Okay. Thank God you're here to produce our oil and gas and  
6 produce the products that we do. And let me ask you this, talking about these big  
7 dividends, these stockholders, how do your dividends to stockholders compare to  
8 other companies across the world? Wouldn't you say you're probably about  
9 average with other oil companies? From what I see as I followed it for 50 years,  
10 that's what I've seen. Do you think your profits to your stockholders are exorbitant  
11 or that you should give some of them up to the public or to a Public Service  
12 Commissioner's wishes? Just yes or no, you don't have to get into detail.

13 **MR. GARVERICK:** I really can't speak for Chevron since I work for Chevron  
14 Phillips.

15 **MS. ANDREWS:** We are a separate entity.

16 **VICE CHAIRMAN FRANCIS:** Well, our Staff approved your request, and I'm  
17 going along with what our Staff did. I disagree with the Chairman as Vice  
18 Chairman. And I go along with the Staff, I'm going to vote yes to support you.  
19 And I think your dividends are in line and thank God you're here working Louisiana  
20 people. We'd like to see you add on to your corporation, so we're not going to run  
21 you out of town by making you give up profits for your stockholders. Thank you.

22 **MS. ANDREWS:** Thank you, sir.

23 **MR. GARVERICK:** Thank you, Commissioner.

1 **CHAIRMAN CAMPBELL:** Anybody else? Mr. Skrmetta.

2 **COMMISSIONER SKRMETTA:** Yeah. Thank y'all for coming today.

3 Actually, it was kind of interesting, you came to my office, and we had a long

4 discussion about this. And what I thought was interesting about your request for

5 your increase was sort of the reasons behind your rate increase. So your customer

6 is Americas Styrenics and your contract with them has been for how long? Your

7 service with them, how long has that been going on? Like years?

8 **MR. GARVERICK:** I mean, since our company formed, I think, in 2000. Well -

9 -

10 **COMMISSIONER SKRMETTA:** So about 20 something years, more or less?

11 **MS. ANDREWS:** Yes.

12 **MR. GARVERICK:** Yes.

13 **COMMISSIONER SKRMETTA:** I'm not going to go super specific with you

14 so, you know, but it's been a while. So -- and I recollect you told me that, you

15 know, the reason that you were coming forward is because Americas Styrenics

16 started buying ethylene through the spot market, going into the open market instead

17 of buying from you. And so the cost associated with you maintaining, utilizing

18 your pipeline, doing everything is still there and you're not making any money from

19 not selling your ethylene, but you still got to pay for the pipeline to be maintained

20 up to standards and I guess PHMSA standards or whatever there are. That's about

21 right. So I just thought it would -- the great analogy of this is that we had regulated

22 pipeline mechanism and sort of this function of the open market of like people

23 buying their styrene -- I mean ethylene off on the other element still shows the need

1 for infrastructure to be funded and taking care of so it doesn't get abandoned or run  
2 derelict and how that does impact costs associated with infrastructure and need to  
3 be serviced. And I think that creates an interesting allegory for all regulated utilities  
4 and how we have to look at that regulatory compact on how we function in this. So  
5 I just thought it was an interesting element. I'm supporting you in this. I think  
6 Staff's worked hard on it. I think that it's demonstrative of, you know, pipelines  
7 are a difficult animal to deal with in the first place. So I'm going to go ahead and  
8 support you on that. So thank you.

9 **MS. ANDREWS:** Thank you, sir.

10 **MR. GARVERICK:** Thank you.

11 **CHAIRMAN CAMPBELL:** You know, if I used the -- I'm not voting for it  
12 anyway, but if I used the Skrmetta rule, I would vote against you twice. Y'all didn't  
13 come see old Foster. I never heard from you. No big deal. But you know, his deal  
14 is if you don't come see him, he don't vote for you. Well, I wasn't voting for you  
15 anyway. I guess you -- you knew that, but you didn't even pick up the phone and  
16 try to explain anything. The first time I've ever seen you in my life was five minutes  
17 ago when you walked up to me and said that we got something up today. So I didn't  
18 use the Skrmetta rule. I used the Campbell rule. I think this is greedy, and you're  
19 very nice people. And I know your company is doing very well and I appreciate  
20 them being here. It's just philosophically I think this is a terrible time to do it.  
21 That's all. But you ought to call old Foster because he might surprise you one day.  
22 I might be even for you but you don't know that if you don't call. That's all.



1 **COMMISSIONER LEWIS:** Mr. Chairman, I have some questions. As I've been  
2 reviewing this, I just am curious to know as you mentioned in the testimony that it  
3 was -- this is declining sales, and so I'm just wondering what is your thought  
4 process around to keep sales up so you're not having to constantly ask for that rate  
5 increase. I know there's only one company within my district, and so I'm just  
6 wondering what is the conversations around reversing the trends that we've seen  
7 with the decline and especially with using a different provider for some of the  
8 chemicals in the district.

9 **MR. GARVERICK:** Yeah. So our commercial manager for ethylene has been  
10 reaching out to Americas Styrenics and trying to, you know, work with them to get  
11 volume to increase. So that's the direction we're headed. And, you know, that  
12 company is 50 percent owned by CPChem so we do have, you know, the best  
13 interest, you know, to improve that volume, so that's the direction we're headed  
14 hopefully.

15 **COMMISSIONER LEWIS:** Are there any concerns that a rate increase may  
16 contribute to further declines in sales and revenue over this pipeline?

17 **MS. ANDREWS:** No. Not that we know of.

18 **MR. GARVERICK:** Not that we know of.

19 **COMMISSIONER LEWIS:** And with the one sole customer, what have those  
20 conversations been about the future, I guess, of the pipeline?

21 **MR. GARVERICK:** Yeah. So they, you know, want to continue working with  
22 us. We feel like we're a good owner of the pipeline. We do have Chevron Pipeline  
23 Company that operates that pipeline and a very strong history of safety with the

1 pipeline operations, so we continue -- want to continue to work through with the  
2 company and be that provider of choice for them.

3 **COMMISSIONER LEWIS:** And can you elaborate further why you didn't go  
4 for the full, kind of, recovery amount that you could from the loss revenue sales?  
5 You went with a lower number, and I'm just kind of curious about what that  
6 determination was.

7 **MR. GARVERICK:** Sure. Well, we're hopeful that that volume will increase  
8 over time and that will eventually cover what we feel like is the expense on pipeline  
9 maintenance. We didn't want to be overly greedy, honestly, as a company. We  
10 felt like this rate increase was fair to Americas Styrenics, our sole customer, and  
11 like I said, we want to work with them in the future to increase that volume through  
12 the pipeline.

13 **COMMISSIONER LEWIS:** Thank you. And I share some of the broader  
14 concerns that Chairman Campbell answered, so can you -- and I know we had a  
15 conversation about this in my office yesterday -- can you enlighten us on what your  
16 sustainability metrics are as a company to kind of improve the environment from  
17 what we've seen from CO2 emissions over the last 50 years?

18 **MR. GARVERICK:** Certainly. You know, Chevron Phillips as a company is  
19 very focused on sustainability. We do have a group dedicated to sustainability  
20 efforts over the last couple years. We've grown that group to 13 people in the  
21 organization just focused on sustainability. We issue out a sustainability report  
22 every year that talks about that information, and I'm happy to share that. It's public  
23 information out on the website. We are involved in CCS efforts working as well

1 with other companies. We do have an involvement with the Alliance to End Plastic  
2 Waste, and we are one of the main companies focused on contributing to that  
3 organization to help globally ending plastic waste in society. We also are very  
4 interested in climate change as well. We have a goal of 15 percent reduction in  
5 carbon intensity by 2030 as well as other efforts within improving our technology  
6 at our facilities to use more sustainable technologies to reduce CO2 emissions.

7 **COMMISSIONER LEWIS:** Thank you.

8 **CHAIRMAN CAMPBELL:** Is there any further questions? [HEARING NONE]

9 So since an objection, I guess you have to call the role.

10 **MS. BOWMAN:** We need a motion first.

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

12 **COMMISSIONER GREENE:** Second.

13 **VICE CHAIRMAN FRANCIS:** Second.

14 **MS. BOWMAN:** Motion back Commissioner Skrmetta, seconded by  
15 Commissioner Francis, objection by Chairman.

16 **CHAIRMAN CAMPBELL:** Yeah.

17 **MS. BOWMAN:** So we'll call vote. Commissioner Lewis?

18 **COMMISSIONER LEWIS:** Yes.

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

20 **VICE CHAIRMAN FRANCIS:** Yes.

21 **MS. BOWMAN:** Commissioner Greene?

22 **COMMISSIONER GREENE:** Yes.

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

1    **COMMISSIONER SKRMETTA:** Yes.

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

3    **CHAIRMAN CAMPBELL:** No.

4    **MS. BOWMAN:** So item passes.

5    **MS. ANDREWS:** Thank you for your time.

6    **MR. GARVERICK:** Thank you, Commissioners.

7    **MS. BOWMAN:** So Exhibit Number 4 -- Exhibit Number 4 is Docket Number R-

8    30479. This is the Commission's development of a funding mechanism for

9    jurisdictional gas utilities for research and development programs. It's a discussion

10   and possible vote on Staff's report and recommendation. In General Order dated

11   October 28, 2008, the Commission authorized the creation of the Louisiana

12   Research and Development Committee which is a coalition of representatives from

13   Commission Staff and all Group I gas utility companies. The RDC is tasked with

14   reviewing proposals for R&D projects and selecting projects that have a reasonable

15   chance to benefit Louisiana gas utility customers within a reasonable amount of

16   time. The selected projects are funded through the UTD and OTD, as applicable,

17   by an R&D charge of \$1.00 per meter per year. The R&D charge is submitted by

18   the Group I gas utilities to the UTD and to the OTD, and Group I gas utilities may

19   recover this charge through their respective rates or via other recovery mechanisms

20   at the discretion of the utility. General Order dated October 28, 2008 also

21   establishes that the R&D charge is for a three-year period and at which time the

22   RDC was required to review the results of the charge and determine if it should be

23   continue or whether it should be cancelled. The provisions of the General Order

1 were renewed in 2011, 2014, 2017, and 2020. Since the last renewal, the RDC has  
2 held annual meetings to review the general progress of the natural gas R&D  
3 programs both directly funded by the RDC and to which the RDC members have  
4 access. At the '23 meeting, the RDC members agreed that the program sufficiently  
5 proved its value and should be authorized to continue for another three years. Staff  
6 has attended the meetings and reviewed the positions of the member  
7 representatives. Staff filed its report and recommendation on August 29, 2023,  
8 wherein it found that the benefits created by the charge have remained consistent  
9 since the charge was first authorized, and that the RDC has functioned efficiently  
10 and effectively and should be renewed for another three terms, subject to  
11 conditions. Therefore, Staff recommends that the Commission accept its report and  
12 recommendation filed into the record on August 29, 2023.

13 **CHAIRMAN CAMPBELL:** There's a -- is there a motion?

14 **COMMISSIONER LEWIS:** Mr. Chairman, I have some questions.

15 **COMMISSIONER SKRMETTA:** Second.

16 **CHAIRMAN CAMPBELL:** A motion by Mr. Lewis.

17 **COMMISSIONER LEWIS:** No, I have some questions.

18 **COMMISSIONER SKRMETTA:** Oh [INAUDIBLE] --

19 **CHAIRMAN CAMPBELL:** Oh, you got questions?

20 **COMMISSIONER LEWIS:** Yeah, just a few. Just a few.

21 **CHAIRMAN CAMPBELL:** Okay. Mr. Lewis, you got a question you want

22 [INAUDIBLE] --

1 **COMMISSIONER LEWIS:** Just simply because this is my first time, I just --  
2 some clarifying questions just for me to kind of understand and know exactly what  
3 is happening. So can we -- somebody tell me with the total annual funding for the  
4 program based on the \$1 meter charge is? That may be -- I'm sorry if that's too  
5 specific.

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

7 **COMMISSIONER LEWIS:** Or just a ballpark, more of an estimate.

8 **MS. EVANS:** That's a number I don't have, but that I can get to you easily.

9 **COMMISSIONER LEWIS:** Thank you. And do we know what is the Louisiana  
10 share of that --

11 **MS. EVANS:** Okay. Commissioner, I'm sorry, I have Jessica Kayuha here from  
12 our Utilities Division and she has a guesstimate for you.

13 **COMMISSIONER LEWIS:** Okay. Perfect.

14 **MS. JESSICA KAYUHA:** Hi. Jessica Kayuha on behalf of Staff. So it's \$1 per  
15 meter for every single customer, no matter what size you are, if you're commercial  
16 or residential. And there's about 379,000 natural gas customers in the state, so  
17 about \$379,000. And so, I mean, it gets leveraged though, so from that \$379,000  
18 it gets leveraged into millions of dollars.

19 **COMMISSIONER LEWIS:** Perfect. Thank you. And do we know how many  
20 projects did the Louisiana RDC request that have been approved by national  
21 groups? Is that -- is there anybody who can speak to that from the gas utilities?

22 **MS. EVANS:** So I actually have a representative from GTI, Mr. Bob Morris, here  
23 but I can tell you -- I mean, I don't have the exact number of projects but I've got

1 the types of projects and that was listed in Staff's report but I can go ahead and list  
2 them off for you if you'd like.

3 **COMMISSIONER LEWIS:** Perfect. Just a few.

4 **MS. EVANS:** Sure. So we've got customer safety ones and that's residential  
5 methane detectors that are commercially available and recommended by the  
6 National Transportation Safety Board. We've got vacuum system during purge  
7 operations developed to commission new or repair pipes venting gas to the  
8 atmosphere. We've got evaluation of performance of advanced mobile leak  
9 detectors and remote methane leak detectors that are commercially available. And  
10 then we've also got all kinds of end-use stuff, heat pump water heaters, mitigating  
11 methane emissions from end-use equipment, and the list goes on and on.

12 **COMMISSIONER LEWIS:** Thank you. And I guess the last question that I have,  
13 and it may be for you or one of the gas utilities is: Is any shareholder funding  
14 contributing to the R&D budgets or is this solely just the \$1 customer per meter  
15 going into this project?

16 **MS. EVANS:** This is just the \$1 customer meter.

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

18 **VICE CHAIRMAN FRANCIS:** Is the gentleman here that's -- you said the  
19 gentleman's here? I'd like to ask him some questions if you don't mind coming  
20 up.

21 **MS. EVANS:** Sure.

22 **VICE CHAIRMAN FRANCIS:** Thank you for coming today.

1 **MS. BOWMAN:** And, Mr. Morris, same drill. Please fill out a yellow card and  
2 press the button, when the light's green, you're hot, and introduce yourself for the  
3 record.

4 **MR. BOB MORRIS:** Good morning, Commissioners. I'm Bob Morris with GTI  
5 Energy.

6 **VICE CHAIRMAN FRANCIS:** Bob, I'm -- spent my life in the oil and gas  
7 industry. I'm real prejudiced to natural gas. I'm looking for ways to make it better.  
8 And your -- your program is to recommend ways that we can do it safer and more  
9 wisely, right? Do you work all over the country or just Louisiana?

10 **MR. MORRIS:** We work nationwide. Actually, we have members also in Canada  
11 and in Europe, in Paris, France. So how the collaborative works is the customers  
12 in Louisiana pay their dollar per year per meter which is -- this is an incredible  
13 value. Don't want to get preachy on that one, but those dollars are leveraged up to  
14 about 14 million just in the US on OTD projects. That's contributed from about 90  
15 percent of the utilities across the country. So they're -- so the CenterPoint, Atmos,  
16 and Entergy are joined by all of the major utilities, gas utilities in the US and also  
17 Enbridge in Canada and FortisBC in Canada as well. So their dollars, as they put  
18 their dollar into the pot, all of the other utilities, some larger, some smaller, put their  
19 dollar into that R&D pot as well. And then our folks are excellent at working with  
20 federal government, with California Energy Commission, Department of Energy,  
21 PHMSA on safe, reliable delivery and all those activities involved in our pipeline  
22 protection system. So we've -- we will fund on a -- we call it co-funding basis,  
23 perhaps OTD or UTD for that matter or Department of Energy project may put in



1 \$100,000 on a \$2 million plus project. So the small commitment from the  
2 ratepayers here in Louisiana are leveraged tremendously in the R&D space.

3 **VICE CHAIRMAN FRANCIS:** Are our customers paying the same rate that,  
4 say, other states are paying for safety?

5 **MR. MORRIS:** Yes.

6 **VICE CHAIRMAN FRANCIS:** So it's across the board?

7 **MR. MORRIS:** Across the board.

8 **VICE CHAIRMAN FRANCIS:** How is our safety rating here Louisiana versus  
9 other states? Because you're looking at that also, right?

10 **MR. MORRIS:** Yes, yes. Very good and the participants here, Entergy, Atmos,  
11 and CenterPoint are very active with us. We have a board members, several are  
12 here, past and present are here in this session. And we also have a technical project  
13 committee. These are the folks that are very active in understanding, learning, the  
14 projects, and their goal is to oversee those -- is select, fund, and oversee those  
15 projects. So GTI Energy, we act as the R&D service company. We are led by our  
16 utilities, by their needs, by all of the projects mentioned there, from Lauren and  
17 from Jessica are brought to us primarily from -- either from government agencies  
18 or from the utilities themselves. So we are their contractor. We do their work in  
19 the R&D space.

20 **VICE CHAIRMAN FRANCIS:** Well, the utilities, they know if they've got some  
21 bad lines that need replaced and how fast they should do it.

22 **MR. MORRIS:** Yes.

1 **VICE CHAIRMAN FRANCIS:** Wouldn't you think the utilities that are handling  
2 it know more than the government knows about how fast we need to replace? And  
3 you're watching the safety side. In your opinion, are we changing out these old  
4 lines in Louisiana as rapidly and spending enough money to get it done?

5 **MR. MORRIS:** Yes.

6 **VICE CHAIRMAN FRANCIS:** So you're satisfied we're moving --

7 **MR. MORRIS:** Yes.

8 **VICE CHAIRMAN FRANCIS:** Okay. All right. Well, all right. Good. That's  
9 all I have.

10 **MR. MORRIS:** Sure. Thank you. Any other questions? [NONE HEARD] Well,  
11 thank you. And I will just mention, too, that we report once a year. We reported  
12 August 2<sup>nd</sup>. It's open to Commissioners and Staff and others join us, usually we're  
13 right here in this room. I've been doing this job for about 12 years, so I've been  
14 here a number of times and I appreciate it very much.

15 **CHAIRMAN CAMPBELL:** Thank you.

16 **VICE CHAIRMAN FRANCIS:** Thank you for your service.

17 **CHAIRMAN CAMPBELL:** Anybody else? Any other comments? [NONE  
18 HEARD] Is there a motion?

19 **MS. BOWMAN:** There's a motion by Commissioner Skrmetta, but we'll entertain  
20 a second.

21 **VICE CHAIRMAN FRANCIS:** Second.

22 **CHAIRMAN CAMPBELL:** There's a motion and a second, no objections. It's  
23 passed. Okay. Next item.

1 **MS. BOWMAN:** Exhibit Number 5 is Docket Number R-31106. This is the  
2 Commission's rulemaking to study the possible development of financial  
3 incentives for the promotion of energy efficiency by jurisdictional electric and gas  
4 utilities. It's a discussion and possible vote on a budget increase for J. Kennedy &  
5 Associates. During the development of Phase II rules for energy efficiency, Atmos  
6 and CenterPoint Energy both filed applications to participate in the Commission's  
7 Quick Start Program. Atmos' application was filed December 2021 and  
8 CenterPoint's application was filed July of this year. These applications were not  
9 contemplated in J. Kennedy's budget approved by the Commission in December  
10 2020. Further, pursuant to the Commission's Quick Start rules, Plan Years 7 and 8  
11 are now complete and need to be audited. J. Kennedy has performed audits for  
12 each of the three IOUs, Cleco, Entergy, and SWEPCO for Plan Years 1 through 6,  
13 with the last two years recently approved by the Commission. Further, Atmos now  
14 being part of the Quick Start rules will also need to be audited for Plan Year 8.  
15 Given these unanticipated changes in scope, J. Kennedy submitted a proposed  
16 budget to address Atmos and CenterPoint's Quick Start applications for 29,000 in  
17 fees, as well as the next two years of audits for the three IOUs and Atmos for  
18 110,000 in fees. J. Kennedy also included a proposed monthly cap of \$25,000 to  
19 either assist in Phase II implementation until the Commission can retain a third-  
20 party administrator or for continued work on Phase II rules beyond 2023. Given  
21 the unanticipated change in scope, and the need for audits of the last two years of  
22 Quick Start plans, Staff recommends the Commission approve the budget increase  
23 of J. Kennedy for 139,000 in fees. Staff makes no formal recommendation on J.

1 Kennedy's proposal for the monthly cap of \$25,000 in fees to assist in either the  
2 Phase II implementation or continued work on Phase II rules beyond 2023.

3 **COMMISSIONER GREENE:** I motion to reject the budget expansion, and I  
4 think the Commission should put out audits out for bid separately. I think the  
5 Commission is within the grasp of finishing the rules, and I think Kathryn can  
6 handle that if Phil doesn't want to help her.

7 **CHAIRMAN CAMPBELL:** Let me ask you a question. Mr. Greene, explain that  
8 completely. Go back -- let's -- tell me, you have items you want to talk about?

9 **COMMISSIONER GREENE:** No. It's just he's been paid \$591,000 and \$750  
10 since the inception of the docket. And we've paid him to do the EE audits of the  
11 Quick Start programs and to produce a rule that Commissioners agree with. I feel  
12 like he's kind of rubberstamped the audits and then despite Commissioner  
13 involvement and for communication what's wanted, he's failed to produce an  
14 actionable rule to be voted on. In fact, sometimes even more hampering the  
15 resolution of this docket. So I think after 13 years, it's -- we can probably get it  
16 across the finish line our self or put it out to bid.

17 **CHAIRMAN CAMPBELL:** Is he here, the gentleman -- Mr. Hayet, is that his  
18 name?

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

20 **CHAIRMAN CAMPBELL:** Is he here? Go ahead. Why don't you -- there's  
21 been some pretty good accusations made, so it's your time.

22 **MR. PHIL HAYET:** Yes. Commissioners, thank you for having me up here to  
23 address these concerns. And I understand the concerns that the Commissioner has

1 expressed, and we agree that it has gone on for a long time. We agree for that. We  
2 have worked on audits for up to Plan Years 1, 2, 3, 4, 5, and 6, and we proposed to  
3 work on 7 and 8. That has been -- our budget request, that has required a good part  
4 of the budget so we have spent each time. With regard to the concerns about getting  
5 this over the hump with the rule, we have written four drafts of the rule, and we're  
6 actually working on a fifth draft. The rule has gone from a utility led approach to  
7 explore other alternative approaches, including what's been referred to as a  
8 Commission led third-party administrator approach in which utilities would not be  
9 in charge of operating and running the programs, but a third party would be brought  
10 into the state. We've examined how that works in other states. There are a few  
11 states in the country in which a third-party administrator approach works. We've  
12 looked at that throughout and looked at what it would take to bring that into the  
13 state of Louisiana. We provided reports that have been addressed. We've worked  
14 closely with Commissioner Greene and his Staff in providing reports on that and  
15 there at this point seems to be a strong desire to move towards the third-party  
16 approach. We've explored, again, questions about the third-party approach and  
17 examined a utility led approach. But it appears that it is the desire of the  
18 Commission to move towards the third-party. There are other issues that have come  
19 up along the way, things such as the public entities program issues, desires on the  
20 part of the Commission to have this be Staff led approach, more along the lines of  
21 strictly a public entities approach. We've examined all these things and that's why  
22 we're at the point we are now hoping to complete the rule. We've got a path  
23 forward to finish. Our goal is to finish by December of this year. Not everything

1 is in our control. So for that reason, we've also addressed an issue if the rulemaking  
2 continues into January 2024. But again, we're hoping to serve at the pleasure of  
3 the Commission, to try to complete this project, get the -- a vote by the Commission  
4 at the end of December and to complete audits, two more years for the audits and  
5 also bring CenterPoint into the Quick Start fold.

6 **CHAIRMAN CAMPBELL:** Are you saying you can finish it by December?

7 **MR. HAYET:** The goal is to get a vote by December, yes.

8 **CHAIRMAN CAMPBELL:** Well, the goal -- is it achievable or is it just a goal?

9 **MR. HAYET:** It's achievable because we do have the -- we have a rule. We're  
10 going to present the rule as we have, we're going to try to meet with Commissioners  
11 to talk about it between now and when we present this to the Commission. We  
12 think that it's achievable because we have a very -- a draft, which is far along the  
13 line and we think that we can get this done if the Commission is willing to move  
14 forward with an approach. There's no guarantee that the approach that we present  
15 will be adopted, but we're going to try to meet with the Commissioners ahead to  
16 make sure that we have support by the Commissioners and there can be a vote. If  
17 we can, then yes, December is achievable.

18 **CHAIRMAN CAMPBELL:** How much more money do you want?

19 **MR. HAYET:** We are not asking for any more money to complete the rulemaking  
20 between now and December. If it goes beyond that and we have not worked -- we  
21 have also not worked and charged Commissioners for -- the Commission for any  
22 time throughout basically the last year of our working on this project. So  
23 essentially, we've worked at no cost to this Commission for the past year. We are

1 going to continue that through December. After December, and we believe it's  
2 achievable to get this done by the end of December and have a vote at the December  
3 B&E.

4 **CHAIRMAN CAMPBELL:** So you don't need any money now but after  
5 December if you don't get it completed you'll need some money; is that correct?

6 **MR. HAYET:** Regarding the rulemaking, we're not asking for any money.  
7 Regarding the next set of audits, which have not been funded, we're asking for --  
8 so that we can begin [INAUDIBLE] Years 7 and 8, the audits of Years 7 and 8.  
9 We've done Years 1 through 6 already. And 7 and 8, we're asking for --

10 **CHAIRMAN CAMPBELL:** And you're asking for \$28,000; is that it?

11 **MR. HAYET:** For that we're asking \$110,000.

12 **CHAIRMAN CAMPBELL:** 110,000.

13 **MR. HAYET:** For work that we do on the CenterPoint application, which is a new  
14 request, we're asking for \$20,000. And we're also seeking recovery of costs that  
15 were never part of any budget that we requested that have contributed to our going  
16 over budget of 9,000 for Atmos, all of which have been supported by Staff.

17 **COMMISSIONER GREENE:** So my question, Phil, is it seems like we had this  
18 discussion in 2020 and then we had a goal set for you, September/October. And  
19 my other concern is it seems like you've somewhat disregarded Commissioners  
20 input on the way we want this to head. What are your thoughts on that?

21 **MR. HAYET:** Yeah. I appreciate that and I don't exactly see it that way. My  
22 thoughts are that yes, we had a directive working with you and your Staff on doing  
23 a certain direction and we wanted to have full support of the Commission to know

1 that once that direction -- once we go forward with that, that's the only plan. So  
2 our goal was this: We did research, we presented that. Then we did a very detailed  
3 rule on the basis of that research and on the basis and we did a probably a 40-page  
4 rule on what we would call Commission led statewide TPA approach. The  
5 comments back on that were difficult, not in favor.

6 **COMMISSIONER GREENE:** From the utilities?

7 **MR. HAYET:** From the utilities.

8 **COMMISSIONER GREENE:** Well, that's not surprising, right?

9 **MR. HAYET:** That's not surprising. The other problem with that rule was that  
10 when we did research in multiple states that do have these and there are only about  
11 four states in the country that have it, and actually two have gone away from this  
12 approach. The difficulty that we had with it was that the states that have it have  
13 buy-in from throughout their state and they have -- they also have these entities  
14 such as what we call a fiscal agent and an energy manager. So when we developed  
15 that rule, not only was it opposed by the utilities but it also had aspects about it that  
16 made it more complex and led to higher administrative costs. So at that point, what  
17 we proposed to do was to do what we would call a term sheet and try to get the  
18 approval on a term sheet that led to either a TPA or a utility led. And when we did  
19 the term sheet, we've simplified the TPA, we took out complexities that were  
20 causing administrative cost. At that point, we'd then moved forward to about April.  
21 We then were asked, there was the discussion at the Commission that said we want  
22 to go out for comments on rules. And at that point, it was asked us to take the TPA  
23 rule, go out for comments, which we did, and then we presented those comments



1 to the Commission. That was in at approximately August. Again, I think you're  
2 aware of what the comments said, we summarized them. We serve at the pleasure  
3 of the Commission and if the Commission would prefer to have a rule written in  
4 one direction, we are happy to do that. We have that rule. I would say that that  
5 rule is 90 percent done. I think issues in the rule that have to be dealt with, and we  
6 have an approach for it, are things like how the public entity will be treated. That  
7 the TPA issue, we have that addressed. And one of the -- the issue of LCFC, which  
8 has been a complexity and we're planning to go forward in that direction. So yes,  
9 we serve at the pleasure of the Commission and we'll do what the Commission  
10 wants and we'll provide the rule that you would like to see, Commissioner. And in  
11 fact, ninety percent --

12 **COMMISSIONER GREENE:** Cause four out of the five us say let's move in the  
13 direction of the Commission-led TPA and it seems like you just didn't go in that  
14 direction.

15 **MR. HAYET:** As I said, we've got a very detailed rule written. We want to make  
16 sure that it's on the table and everybody is aware of all the issues. And when we  
17 received the comments, we received a lot of comments including issues of legal  
18 matters that we have addressed -- that Commission Staff has addressed. And like I  
19 said, we are happy to continue to work. If you choose to go in another direction,  
20 we totally understand but we're happy to get this done, we'd like to get this done,  
21 and would like to get a vote for December.

22 **COMMISSIONER GREENE:** Can you assure this is the last budget increase  
23 over 13 years?

1 **MR. HAYET:** I will do my darnedest to make sure it's absolute because we don't  
2 want to continue, trust me.

3 **COMMISSIONER GREENE:** And look, if it passes, I welcome your help and  
4 support. It just it feels stagnant and not in the direction that we had intended. So  
5 maybe if this is just a jumpstart maybe, you know.

6 **MR. HAYET:** Commissioner Greene, I respect you more than you will ever know  
7 and I think that you do an excellent job and I truly am glad I get to -- and I'm not  
8 just saying that. I've appreciated working with you and David Zito on this project.

9 **COMMISSIONER GREENE:** I feel a but coming.

10 **MR. HAYET:** I just wanted the opportunity to say that. If I had the chance to  
11 shake your hand before the meeting, I would've said that.

12 **COMMISSIONER GREENE:** Well I appreciate the work you've done. I've just  
13 felt frustrated with not getting it across cause I think it's a big deal and we need  
14 people's help to get it right. And so -- go ahead.

15 **MR. HAYET:** If you allow us to continue to work, our intention is to try to meet  
16 with the Commissioners, to try to go through. We've wanted to be clear what we're  
17 doing with public entities. Public entities is being absorbed within the program in  
18 a way that we want to talk to you about. We want to discuss the LCFC and the  
19 treatment that we are proposing for that. We want to talk about where we're going  
20 on performance incentives. So we want the opportunity to make sure that when we  
21 come to the Commission and have a vote, it's clear what's in the rule.

1 **COMMISSIONER GREENE:** Sure. Well I think I could support the budget  
2 increase if it's the last one. Meaning, if it goes beyond that, it's kind of on your  
3 time. And if it's in the direction of the Commission-led TPA.

4 **MR. HAYET:** We're also seeking budget for implementation. When we worked  
5 on the Quick Start, once the Quick Start was done, there was a technical conference,  
6 everybody had to be familiar with the rule. It was a process of developing rate  
7 rider. We worked with people, so we also present to you with that. Again, if you  
8 prefer to go out for, you know, hiring, we would be very [INAUDIBLE].

9 **COMMISSIONER GREENE:** Well I'd rather not have someone come in in the  
10 middle of a bad joke, so you know. But I needed to hear from you that you're  
11 committed to getting this across the finish line and not -- I mean 13 years, we can't  
12 call it Quick Start anymore.

13 **MR. HAYET:** It's not a Quick Start, it's a slow start.

14 **COMMISSIONER GREENE:** And are you clear on the Commission-led third-  
15 party?

16 **MR. HAYET:** I am clear on the Commission-led third-party and that will be the  
17 only thing that you'll see.

18 **COMMISSIONER GREENE:** Okay. And I'll probably not vote for more budget  
19 increases because I think that if we're 90-95 percent there, this is enough to get it  
20 across.

21 **MR. HAYET:** Okay. So again, the budget proposal has a few parts. I think  
22 everybody should be very clear.

23 **COMMISSIONER GREENE:** Two separates.

1 **MR. HAYET:** Okay. It's to work on CenterPoint, it was in Atmos, it was the fact  
2 that we're seeking the audits. And if we're asked to continue to work in January  
3 on rulemaking, we've got a portion on the budget for that. And also, if we're asked  
4 to work on implementation matters that after the Commission approves, there's a  
5 component in the budget request for that.

6 **COMMISSIONER GREENE:** I understand. I think we're on the same page now.

7 **CHAIRMAN CAMPBELL:** Mr. Lewis?

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

9 **CHAIRMAN CAMPBELL:** Yeah, you got two questions, Mr. Lewis.

10 **COMMISSIONER GREENE:** Just one clarification. After that discussion, I  
11 withdraw my motion to --

12 **MS. BOWMAN:** To reject?

13 **COMMISSIONER GREENE:** Yeah. And I motion to accept, given the  
14 comments that we've had.

15 **MR. HAYET:** Thank you.

16 **MS. BOWMAN:** Can we clarify -- I'm sorry. Can we clarify what is the motion  
17 to accept? Just the additional budget for the audits and the work to be completed  
18 and the monthly cap or one?

19 **COMMISSIONER GREENE:** I think both.

20 **MS. BOWMAN:** Both. Okay. I just want to make clear on the record what the  
21 motion was for.

22 **COMMISSIONER GREENE:** Because I think we covered both in our discussion  
23 right now.

1 **MR. HAYET:** I did, yes. Or well, I mean, I think I did with you.

2 **CHAIRMAN CAMPBELL:** Mr. Lewis?

3 **COMMISSIONER LEWIS:** Thank you. And, Kathryn and Phil, you can correct

4 me if I'm wrong. So I just want to make sure I'm clear. So the two requests that

5 you have is the first request is 29,000 for work that was done with adding Atmos

6 and CenterPoint?

7 **MR. HAYET:** No, so its --

8 **COMMISSIONER LEWIS:** Well, a portion of that first request that you've

9 made.

10 **MR. HAYET:** -- 9,000 is Atmos.

11 **COMMISSIONER LEWIS:** And then the 20 --

12 **MR. HAYET:** 20,000 is audits.

13 **COMMISSIONER LEWIS:** And then the other 110,000 --

14 **MR. HAYET:** I'm sorry. 20,000 is CenterPoint and the 110,000 is for the audit

15 work.

16 **COMMISSIONER LEWIS:** Okay. And so you are requesting this for the Year

17 7 and 8 of the audit. So that 110 is for these up two coming audits?

18 **MR. HAYET:** Yes.

19 **COMMISSIONER LEWIS:** And then the 29,000 would be from work that was

20 not originally included when Atmos and CenterPoint joined the Quick Start

21 program?

22 **MR. HAYET:** Correct.

1 **COMMISSIONER LEWIS:** And then you are also recommending -- or asking  
2 that if the work of the Phase II rules go beyond December, then there is a \$25,000  
3 cap per month?

4 **MR. HAYET:** That's right. We don't think it'll be there. Commission needs to  
5 have certainty on what a cost will be. We do not think it'll be at that, but that's a  
6 cap that we've presented to you and we will stick to. It would possibly only be a  
7 few thousand in the month of January and the vote happens in January and it's over.  
8 At that point, we'd like to offer you that we would continue to work to do the kinds  
9 of tasks that we did when the -- that we're very familiar with, that happened during  
10 the implementation phase of the Quick Start and those same tasks are going to have  
11 to happen until the hiring of the public administrator takes place.

12 **COMMISSIONER LEWIS:** Exactly. And the reason I'm asking this is because,  
13 as I mentioned earlier, in the IRA there is an energy efficiency grant program and  
14 I think our process needs to be aware that there's a lot of money on the table that  
15 can come to Louisiana if we do not wrap this up that we could lose. And so that  
16 means we can do bigger, stronger projects that builds a more weatherized system  
17 and a more energy efficient system in our state. And so I wanted to stress the  
18 importance of the timeline here being matched with where the federal program is  
19 going because we know there's going to be a significant amount of work that the  
20 federal government is going to look at what we have done, whether or not we  
21 continue with the utility-led program or move to a TPA. And I mean, I've read all  
22 the comments and I've looked at all of that and I mean, I'll tell you I was, and they  
23 know this, very disappointed in four of the five IOUs who decided to derail the

1 process, in my opinion, by going back to a draft rule that was 2019 instead of  
2 commenting on the draft rule that we published, I want to say, in our earlier  
3 meetings. And so I just want to be cautious that I'm not sure everyone's playing  
4 fair with us here and we should not use that as a reason to slow down this process  
5 because I think there is an incentive to -- oddly enough to use that word, to ensure  
6 that we don't get to a resolution on this. And so looking at that federal timeline,  
7 that is my push, that I hope in this conversation that we just had with the  
8 Commission Greene and today that we really try to stick to this timeline so we can  
9 complement the federal dollars that will flow in energy efficiency. Thank you, Mr.  
10 Chairman. I'm done.

11 **VICE CHAIRMAN FRANCIS:** Okay. Ms. Bowman?

12 **CHAIRMAN CAMPBELL:** Mr. Francis.

13 **VICE CHAIRMAN FRANCIS:** Ms. Bowman?

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

15 **VICE CHAIRMAN FRANCIS:** The Staff recommends budget increase of  
16 139,000 --

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

18 **VICE CHAIRMAN FRANCIS:** -- driven by -- what is this? Given by  
19 unanticipated change in the scope.

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

21 **VICE CHAIRMAN FRANCIS:** Whose idea was it to change the scope?

22 **MS. BOWMAN:** Well, so the change in scope was Atmos and CenterPoint Energy  
23 wanting to join in the Quick Start program. Since right now the Quick Start is

1 voluntary, the utilities can elect to opt in and conduct their own energy efficiency  
2 programs or not. Atmos and CenterPoint have decided they now want to join and  
3 so in that process, the rule's Staff and Phil, as our consultant, looks at their  
4 applications, makes sure it complies with our Quick Start rules, makes sure that the  
5 energy efficiency programs they want to implement are in fact following the  
6 standards we have in place. So that takes some effort. So those filings were not  
7 anticipated when the last higher-end budget increase was given since the budget  
8 increase was in 2020 and their filings occurred after 2020.

9 **VICE CHAIRMAN FRANCIS:** What was the cost? Do you remember the cost  
10 before this ask? How much money was spent on the electric side? Do you  
11 remember?

12 **MS. BOWMAN:** Cost on what? J. Kennedy's budget?

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

14 **MS. BOWMAN:** It's a little over \$500,000 total but that's since 2010.

15 **VICE CHAIRMAN FRANCIS:** So we're going -- but the gas companies are  
16 going to get involved in this now --

17 **MS. BOWMAN:** Correct.

18 **VICE CHAIRMAN FRANCIS:** -- and we need 139,000 more to continue the  
19 same process.

20 **MS. BOWMAN:** Well, we need about 29,000 for the gas companies to get  
21 involved and for us to look at their plans and then the other 110 is to conduct the  
22 audits for the last two years of Quick Start that have occurred already. So our rules  
23 say every two years, Staff does an audit of the participating utilities' programs to



1 make sure they are actually doing energy savings and the benefits are there. And  
2 J. Kennedy has conducted those since the beginning of Quick Start. And so, given  
3 that those two years are now done, it made sense for J. Kennedy to continue those  
4 audits and to get the increase for the 110.

5 **VICE CHAIRMAN FRANCIS:** Okay. Good. Thank you.

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

7 **CHAIRMAN CAMPBELL:** Mr. Skrmetta?

8 **COMMISSIONER SKRMETTA:** You know, Phil, I mean I don't have a  
9 problem with your budget, but I'd give you \$10,000 an hour for every minute you  
10 spent in my office talking to me about this program because you haven't been there  
11 once. And you've decided that this discussion about this whole program is going  
12 to involve one Commissioner and one executive assistant. And it's just  
13 unacceptable to me, so I expect you to be in my office. I don't care if it's an hour,  
14 a day, or a week to go through this, because you've come to some decision with  
15 one or two people deciding how this program's going to be. And you're, you know,  
16 stating it into this microphone that, you know, Commission approval and  
17 Commission agreement, Staff agreement. But, you know, you're going to make  
18 this reveal down the road about something that's a big package, that's making  
19 bigger government. And to me, I'm just not happy about how you've approached  
20 this. And I'm glad, you know, you want to shake the hand of Commission Greene,  
21 I'm glad you want to go shake the hand of Mr. Zito, and I don't care if you ever  
22 want to shake my hand. But my problem is, you know, the focus of how this has  
23 been and turn this into a one man show when this is five Commissioners. And you

1 know, I'm disappointed in the fact that this is how that this has transpired, you  
2 know. And I've had my problems with this simply because of seeing money that  
3 can go to work for the citizens of Louisiana being focused on dedicating it to  
4 government positions and management positions when they're highly unnecessary  
5 in my viewpoint. When it could be put to work and spending money for the citizens,  
6 whether it's through the public entities program or through the utility programs to  
7 get it out and get it into the field to make it work instead of paying people a salary  
8 or paying contract work. But the fact is I don't really know what your program is.  
9 I don't know what it is, I don't know how it is, I don't know the details and I am  
10 the king of minutia. And I would love to sit down and go through this with you,  
11 but I don't know what the hell you've got. You know, you're sitting here waxing  
12 poetic about this, but I do not know what you have. I do not know if you're going  
13 to allow the, you know, utility recoup. I don't know what your overall plan is. I  
14 don't know how much the budgeting you're all going to allow for these managers.  
15 I don't know if you're going to allow -- when you said Staff-led public entity  
16 program, what that means. If you're going to, you know, exclude the  
17 Commissioners from their participation. I don't know what any of this means  
18 because you're not engaging with -- certainly not engaging with me and my office,  
19 you know. And I had, you know, Staff come in with me and they said they could  
20 get you on the phone. It's not going to work for me, Phil and I'm going to go ahead  
21 and vote for you to give you your money, but I expect you to be in my office or I  
22 will personally make sure that I make the right argument that you don't ever get  
23 another contract at the Commission. Because if you're not going to engage with

1 each Commissioner on this basis, and you're only going to focus on one  
2 Commissioner, you're not worth your salt. This is not a one man show. You  
3 understand what I'm saying?

4 **MR. HAYET:** I understand what you're saying. We will do our best,  
5 Commissioner.

6 **COMMISSIONER SKRMETTA:** There's no doing your best. You get paid to  
7 go and do the job. If your best involves getting your rear end on a plane and using  
8 your expense money to come down and do the job, you do your job, you know. My  
9 best is getting up and showing up here at the meetings. It's not I'll do my best and  
10 maybe I won't come or maybe I won't show up and engage with you. That's not  
11 the answer. The answer is you get up and you do it. You made a commitment to  
12 the public to take the contract and engage with us and do the job, right? You know,  
13 you accept the job, right?

14 **MR. HAYET:** That is correct.

15 **COMMISSIONER SKRMETTA:** So you're going to come and you're going to  
16 do it, you know. Whether you like it, whether you don't like the flavor of the bottled  
17 water in, you know, Metairie, Louisiana. That's your problem but you're going to  
18 come down, you're going to sit with me, you're going to sit with Staff attorneys,  
19 and we're going to go over it. And it's not just going to be me. We're going to  
20 have some real conversations and I want documents to look at in advance of this so  
21 we can highlight it, redline it, go through it. But I just don't want to have this show  
22 up, and lackadaisical, and kick back, and throw a vote. And oh, Skrmetta's not  
23 going to vote for it, we'll get everybody else to vote for it. And you know, we'll

1 just better get that old Republican in the corner and we'll chew him up. That's crap  
2 because this is an important thing. And we got rid of this manage program years  
3 ago when Clear Result was getting a \$14 million fee and taking that money back to  
4 Austin, Texas. And we converted that into the public entities program, which put  
5 \$14 million a year back into the public to where the benefit -- citizens of the state  
6 of Louisiana through government programs to help reduce the cost of government  
7 across the state. And it's been successful, and it doesn't have a manager, and it  
8 really didn't have anything to do. And then it was a question of well, maybe those  
9 advices aren't working. Well if United Laboratories and the other certification  
10 programs of all these devices are not telling the truth, then you got a bigger problem  
11 than you ever had before than on other issues, okay? So these are other issues that  
12 I want to talk to you about. About how you're going to do these things, or how  
13 you're going to certify this, and how you're going to look at performance-based  
14 issues. I want to know about this stuff, but I want to know about the minutia, and  
15 I want to know about the details, and I just don't want to know are you going to  
16 vote for it, okay? So I want to get you there, but I want you to earn your money.  
17 And I know you've probably earned your money and you've been taking care of  
18 whatever you've got to do. But not showing up and saying well, I could make a  
19 phone call, that ain't going to work for me, alright? So I need you to get there, and  
20 I need you to talk to Kathryn, and I need y'all to work out to come in. And I don't  
21 care if it takes us a day, or two days, or a week, or however long it's going to take  
22 to sit in my office and go over this. I will be there until it's done and I know I'm a  
23 part-time job Commissioner but I'm going to take a full-time focus on getting

1 through this thing and see where it can work and where it can't work. But if it's  
2 going to just do a bigger government and create patronage and do something that's  
3 not in the best interest of the citizens of Louisiana, I'm going to make sure  
4 everybody understands that. But it's got to work, it's got to make a difference, and  
5 it's got to be of value to the public and that's what I want to make sure you come  
6 up with. And I just want to make sure that we've put as much money into the field  
7 as possible, we have every Commissioner up here retain their authority, and we're  
8 not passing it off to a third-party, you don't expose the Commission to issues  
9 associated with the legislative auditor, you don't expose the Commission to  
10 monetary, you know, risk. I want to make sure all those things are in there. And  
11 you know what I don't know? I don't know any of that because you're not engaging  
12 with me. You want to be a contractor for the Commission? You better start  
13 stepping up with all the Commissioners. You can put me on the top of your list,  
14 you can put me on the bottom of your list, but you better come see me before  
15 October 1<sup>st</sup>. So you find your way there and there's an airport ten miles away from  
16 my office.

17 **MR. HAYET:** Will do.

18 **COMMISSIONER SKRMETTA:** So thank you very much.

19 **COMMISSIONER GREENE:** And just to add to that, I know this has been  
20 something I've been very passionate about, but I would really love a lot of input  
21 from all of the Commissioners because I think that's why we got elected. I mean,  
22 the comments that you get from the utilities is because the common voters or  
23 ratepayers they're not going to go to these things. We are their representation, we

1 are their voice. And so, I would love input from all of the Commissioners to get  
2 the most refined answer possible moving forward, so.

3 **MR. HAYET:** We will do our best to reach out to the Commissioners.

4 **CHAIRMAN CAMPBELL:** You know, I'd like to help you. That was pretty  
5 strong words but it's okay. But I hadn't talked to you either but that's no big deal.  
6 But this ought to be what Mr. Skrmetta said, a lot of you guys ought to be here and  
7 -- because a lot of you don't here. Sometimes, you know, maybe hard to catch up  
8 with or whatever, but it ought to be -- we all ought to know what's going on. Just  
9 like the last deal with the Chevron people, I never saw them. They didn't explain  
10 anything to me. I saw them when I walked into the room. The woman walked up  
11 and told me who she was and said hello. You know, I guess you know who's not  
12 going to vote for it, or who's not going to be friendly, or whatever, but you still  
13 ought to make some kind of motion. You don't have to travel 400 miles up to my  
14 house because and back it's more than 500 miles and I know y'all charge everybody  
15 for every inch you make. But if you just call or something and try to work out --  
16 communicate better, everybody.

17 **MR. HAYET:** It is our intention to reach out to each and every one of you, whether  
18 it's a call or a visit.

19 **CHAIRMAN CAMPBELL:** Yeah. Well that's good. And some of us, it's  
20 probably my fault that I didn't have the time, or whatever, or didn't take the time,  
21 but you should've had the time.

22 **MR. HAYET:** We did reach out and try to offer to meet with each of you already,  
23 but we know we're going to need to do that before the final vote.

1 **CHAIRMAN CAMPBELL:** Okay. All right. Anybody else have anything to  
2 say?

3 **VICE CHAIRMAN FRANCIS:** Let me ask you, Mr. Skrmetta, you want to put  
4 this off for the next meeting?

5 **COMMISSIONER SKRMETTA:** I'm okay with -- go ahead and give them the  
6 money. I mean at this point, in for a penny, in for a pound. But I want to go start  
7 getting through this and I want to sift with a fine screen.

8 **VICE CHAIRMAN FRANCIS:** All right.

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

10 **COMMISSIONER LEWIS:** Mr. Chairman, real quick. Kathryn, can you explain  
11 to us where we are at the process right now in the draft rule? Just so we know  
12 exactly what period we are in this discussion.

13 **MS. BOWMAN:** Sure. So per a directive at the Commission's, I believe, August  
14 -- excuse me, April B&E, we put out a draft. It was more of a strawman draft  
15 related to a third-party administrator rule. We received comments on that, that's  
16 the comments that you referenced earlier that you were not satisfied with. So where  
17 Staff is now is we have looked through all those comments. We are trying to put  
18 together a more robust rule based on some of the comments, obviously not all of  
19 the comments because some of the comments were just anti-third-party  
20 administrator. We did look at the legal issues that were raised. So where Staff is  
21 right now is we've been going back and forth on a draft trying to put a more robust  
22 rule together. Once we think we have that, that will be filed into the record for  
23 another public comment period. We will consider that a proposed final rule at that

1 point. Comments will be received. Then after those comments, it would be turned  
2 into a final rule with the goal of having that final rule considered by the Commission  
3 in December.

4 **COMMISSIONER LEWIS:** Gotcha. Thank you. So we're still in the  
5 development draft stage of this rule?

6 **MS. BOWMAN:** We are still in the development, yes.

7 **COMMISSIONER LEWIS:** Thank you.

8 **MS. BOWMAN:** If that's all you wanted, I could've said that.

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

10 **MS. BOWMAN:** There is a motion by Commissioner Greene.

11 **COMMISSIONER GREENE:** To accept.

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

13 **CHAIRMAN CAMPBELL:** Okay. There's a motion by Mr. Greene, second by  
14 Mr. Lewis. Any objection? [HEARING NONE] Hearing no objections, accepted.

15 Let me say something. I want to apologize to Mr. Shyne. I said a while ago I  
16 couldn't find my deal. The reason I couldn't find it, because we got it at the last  
17 minute so I didn't mean to embarrass you. He does a good job but when I'm wrong,  
18 I don't mind saying I'm wrong, okay? So I embarrassed you -- I didn't embarrass  
19 you but I said as usual, that's not true. He usually does a great job but I didn't have  
20 this. So it's my fault, not his fault, so I'm apologizing. I don't want to hear about  
21 it on the way home, okay? So it's --

22 **MR. JOE SHYNE:** You're making me blush, Foster.



1 **COMMISSIONER LEWIS:** Joe, I think you can get a lunch out of this, is what  
2 I'm hearing.

3 **CHAIRMAN CAMPBELL:** So this is an all-time first when I apologize or we  
4 apologize to our aide or whatever we call them, the aides. So I apologize but do  
5 not bring it up on the way home. I don't want to hear about it, okay?

6 **COMMISSIONER LEWIS:** I think he needs a piece of cake, Mr. Chairman, for  
7 lunch. Give him some [INAUDIBLE].

8 **COMMISSIONER GREENE:** Foster, I'm not sure Joe can be embarrassed but I  
9 haven't seen it yet.

10 **CHAIRMAN CAMPBELL:** Okay. Thanks a lot. Next issue.

11 **MR. HAYET:** Thank you very much, Commissioners.

12 **MS. BOWMAN:** Thank you, Phil. So Exhibit Number 6 is Docket Number R-  
13 35423. It's the Commission's rulemaking to study renewable energy tariff options  
14 with a focus on bringing new renewable resources into Louisiana. It's a discussion  
15 and possible vote on Staff's recommendation. Pursuant to an unopposed directive,  
16 this matter was opened to study renewable energy tariff options with a focus on  
17 bringing new renewable resources into Louisiana and interventions were received.  
18 On August 26, 2022, Staff filed its initial report and provided intervenors an  
19 opportunity to comment. Intervenors did file comments but no additional  
20 substantive action has been taken in the docket since that time. On August 29, 2023  
21 Commission Staff filed its Phase I report in another rulemaking docket, Docket  
22 Number R-35462, which was opened to research and evaluate customer centered  
23 options for all electric customer classes as well as other regulatory environments.

1 In that Phase I report, Staff indicated that in previous dockets Staff consultants  
2 suggested that there be a requirement for all utilities to develop Green Tariff options  
3 for the benefit of the customers. And the Phase I report ultimately recommended  
4 that in order to avoid duplicate rules on the same issues, the Commission should  
5 close Docket Number R-35423, the renewable tariff docket, and consider  
6 recommendations regarding Green Tariffs in Docket R-35462, the customer  
7 centered options docket, with all intervenors in the Green Tariff docket being  
8 accepted into the customer centered options docket upon filing a request.  
9 Therefore, Staff recommends that the Commission accepts Staff's recommendation  
10 included in the Phase I report filed into the record of Docket Number R-35462 on  
11 August 29, 2023, thereby closing this Docket Number R-35423.

12 **COMMISSIONER GREENE:** Mr. Chairman, I have a motion to accept and I  
13 want to make sure a few things are clear before taking action here. First, for the  
14 record, when I say Green Tariff, I'm referring to Docket R-35423 and I when I say  
15 CCO, I'm referring to Docket R-35462. Given that renewable options such as  
16 different forms of PPAs, Green Tariffs, etcetera are options that engaged customers  
17 and allow customers to take part in resource procurement, there's an overlap from  
18 the Green Tariff docket and the customer centered options docket. It was Staff's  
19 recommendation to finish the Green Tariff discussion in the CCO docket, which I  
20 agree with, but finishing something doesn't mean neglecting the start of it. This  
21 decision was never meant to ignore the resources the Commission and the  
22 stakeholders put towards the Green Tariff docket. Though for various reasons the  
23 Green Tariff docket has not come to final Commission vote, there was robust

1 discussion, and analysis, and a robust Staff report in that Green Tariff docket. I'm  
2 only comfortable closing this docket if the entire record and the Staff report, the  
3 stakeholder comments, etcetera are included in CCO as we make our final decision.  
4 If closing the Green Tariff docket is an act of rejecting that work, I'm against that  
5 and would prefer Staff structure their final report in such form that it can be voted  
6 on in that docket.

7 **CHAIRMAN CAMPBELL:** Let me ask, what's not included? What -- you said  
8 some of it's being withheld?

9 **COMMISSIONER GREENE:** No, no, it's -- I want everything that has been up  
10 to this point to go in. It's okay merging them. It's simplifying and streamlining.  
11 But I just don't want any part of what the work that's already been done being left  
12 out as it gets transitioned.

13 **MS. LAUREN EVANS:** And, Commissioner Greene, Lauren Evans on behalf of  
14 Staff. And it is Staff's intention to move the report and all of the comments that  
15 were filed in response to the report in the Green Tariff docket into CCO.

16 **COMMISSIONER GREENE:** Thank you.

17 **MS. EVANS:** So it is not Staff's intention to abandon that work.

18 **COMMISSIONER GREENE:** Okay. Thank you.

19 **CHAIRMAN CAMPBELL:** Anybody have any other questions?

20 **VICE CHAIRMAN FRANCIS:** Yeah, I got a question for you.

21 **CHAIRMAN CAMPBELL:** Mr. Greene?

22 **VICE CHAIRMAN FRANCIS:** Who is that?

23 **CHAIRMAN CAMPBELL:** I'm not -- Mr. --

1 **VICE CHAIRMAN FRANCIS:** Francis.

2 **CHAIRMAN CAMPBELL:** Francis.

3 **VICE CHAIRMAN FRANCIS:** You in charge of this project? Does this include

4 those --

5 **CHAIRMAN CAMPBELL:** I was trying to help you on some age there, brother.

6 Mr. Greene.

7 **VICE CHAIRMAN FRANCIS:** We had talked about also using some natural gas

8 generators at some of these locations. Is this under the same docket? I mean, this

9 is a Green Tariff, you know?

10 **MS. EVANS:** Correct. So was that concluded in --

11 **COMMISSIONER GREENE:** I think he's referring to distributor generation; is

12 that right?

13 **MS. EVANS:** Are you talking about the distributed sun proposal?

14 **VICE CHAIRMAN FRANCIS:** Yeah, I think you got this. Two different

15 dockets.

16 **MS. EVANS:** Okay. Thank you. Yes, that is included in the CCO docket. It was

17 not in the Green Tariff docket, but it was in Staff's report filed in the CCO docket

18 and it is open for comment from the stakeholders in that docket.

19 **VICE CHAIRMAN FRANCIS:** Is that what Commissioner Greene was talking

20 about?

21 **COMMISSIONER GREENE:** Yeah, I think this is just a motion to simplify and

22 streamline two separate efforts into one.

1 **VICE CHAIRMAN FRANCIS:** Yeah, they're very similar in action. And when  
2 you say Green Tariff, and you got a natural gas generator at a church or a Walmart,  
3 I don't think that's a Green Tariff anymore, you know? So it is two different and  
4 that's what you were saying is we got to separate that.

5 **COMMISSIONER GREENE:** We can address how to handle Green Tariffs  
6 within the CCO docket.

7 **VICE CHAIRMAN FRANCIS:** Okay. All right. I'm through.

8 **CHAIRMAN CAMPBELL:** Anybody have any other comments?

9 **COMMISSIONER GREENE:** I have a motion to accept so is there a second?

10 **COMMISSIONER LEWIS:** Second.

11 **CHAIRMAN CAMPBELL:** There's been a motion and a second. Any  
12 objections? Mr. Greene made the motion, Mr. Lewis made the second. Is there  
13 any objections? [HEARING NONE] Hearing none, it's passed.

14 **MS. BOWMAN:** Exhibit Number 7 is Docket Number R-36830. This is the  
15 Commission's possible amendments to General Order dated January 12, 1976 as it  
16 pertains to intrastate insurance filings for motor carriers. It's a discussion and  
17 possible vote to amend that General Order relating to the insurance filings for motor  
18 carriers. The purpose of this rulemaking is to amend the General Order to allow  
19 for initial, renewal, and cancellation insurance filings to be submitted by mail,  
20 email, or in the Tyler Insurance Filing system, or any other state approved online  
21 filing system. This rulemaking also intends to codify the Commission's current  
22 practices regarding formal requirements for insurance filings and the Commission's  
23 ability to seek cancellation of motor carrier authority. Notice of the rulemaking

1 along with the proposed rule was published in the Commission's Official Bulletin  
2 and no parties intervened nor provided comments on the proposed rule. Notice of  
3 Staff's final recommendation was filed into the record on September 7, 2023. Staff  
4 recommends that the Commission accept Staff's final recommendation and amend  
5 and supersede General Order dated January 12, 1976, consistent with Staff's  
6 recommendation filed September 7, 2023.

7 **VICE CHAIRMAN FRANCIS:** I got a question for Ms. Burl.

8 **CHAIRMAN CAMPBELL:** Let me ask her what -- so how do you -- this is  
9 people getting rid of their insurance or cancelling their insurance. How do you --  
10 this lets you do it by email or whatever? How they have to do it now?

11 **MR. FREY:** I would defer to Tammy on that one.

12 **MS. TAMMY BURL:** Good morning, Commissioners. Tammy Burl on behalf  
13 of Commission Staff. So currently --

14 **CHAIRMAN CAMPBELL:** Say a motor carrier is going down the road we  
15 regulate. They have insurance --

16 **MS. BURL:** The ones that we regulate.

17 **CHAIRMAN CAMPBELL:** -- and he gets out of business or whatever and he  
18 wants to cancel. How they cancel it now? Or he sells the truck or whatever.

19 **MS. BURL:** The underwriter that filed the initial filing while they were registered  
20 or during their registration process files what we call a Form K, which is a  
21 cancelation notice. And some documents have an expiration date in them  
22 depending on the type of insurance. In the past, we did not have a means of  
23 electronic filings for insurance and this will definitely benefit the motor carrier

1 when they're changing policies, renewing policies, or canceling policies, that we  
2 can put them all in the electronic filing system if the underwriters choose to do so.

3 **CHAIRMAN CAMPBELL:** Yeah, that makes sense. Okay.

4 **VICE CHAIRMAN FRANCIS:** All right. Ms. Burl, let me ask you; is this a  
5 motor user friendly operation for the business people? Is that -- would you say yes?

6 **MS. BURL:** It's definitely more user-friendly for both the insurance industry and  
7 Commission Staff. It also expedites filings so in part, if a motor carrier cancels  
8 their insurance but is illegally operating over the highways of this state, the  
9 Commission can get that notice quicker and get that rectified to ensure we don't  
10 have motor carriers operating without insurance over our highways.

11 **VICE CHAIRMAN FRANCIS:** You had this coming from the motor carriers or  
12 from your office?

13 **MS. BURL:** Actually, the request came from the electronic filing system. They  
14 have been expanding to a lot of states. We've been using them since, I believe,  
15 2000, if I'm not mistaken. They've been trying to get more insurance underwriters  
16 into this electronic filing. We have some that only do it by mail and as you know  
17 the mail is not near as reliable as it has been. We've seen a lot of filings that get  
18 missed and we don't get them. So they're trying to get more underwriters to file  
19 electronically, but we found the benefit not only for the underwriters to file, but for  
20 us to make sure that those motor carriers' insurance is continuously on file.

21 **VICE CHAIRMAN FRANCIS:** So it's just an upgrade because of modern  
22 technology changes. Okay.

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

1 **VICE CHAIRMAN FRANCIS:** Thank you.

2 **CHAIRMAN CAMPBELL:** Any further questions? Is there a motion to accept

3 Staff --

4 **COMMISSIONER GREENE:** Motion to accept.

5 **CHAIRMAN CAMPBELL:** There is a motion?

6 **COMMISSIONER GREENE:** Yeah, I motion to accept.

7 **CHAIRMAN CAMPBELL:** I second. There's a motion by Mr. Greene, second

8 by me, Foster, whatever.

9 **VICE CHAIRMAN FRANCIS:** Chairman.

10 **CHAIRMAN CAMPBELL:** Chairman. Yeah, there you go. No objections?

11 [HEARING NONE] No objections. Passed.

12 **MS. BOWMAN:** So the next exhibit is Exhibit Number 8 and this is Docket

13 Numbers U-29203, U-30981, U-32764, U-35991, and U-36350. This is Legacy

14 Entergy Gulf States, Legacy Entergy Louisiana, and then Entergy Louisiana

15 currently, applications for recovery of interim and permanent recovery in rates for

16 costs related to Hurricanes Katrina and Rita; Hurricanes Gustav and Ike; Hurricane

17 Isaac; Hurricanes Laura, Delta, Zeta; Winter Storm Uri; and for Hurricane Ida. It's

18 a discussion and possible vote to accept and approve the annual report of the

19 Louisiana Utilities Restoration Corporation to the Commission for the fiscal year

20 2023 dated August 23, 2023, including the annual operating budget for fiscal year

21 2024, and the interim and annual compiled financial statements for year 2023. As

22 required by Order Numbers U-29203, U-30981, U-32764, U-35991, and U-36350,

23 as well as the Restoration Law now codified as Revised Statutes 45:1311-1343, the



1 Board of Directors of the Louisiana Utilities Restoration Corporation submitted its  
2 fiscal year 2023 annual report to the Commission on August 23, 2023. Overall,  
3 they ran their board report on the following topics: Status of and ongoing  
4 compliance activities related to the associated storms named and their bond  
5 securitizations; status of Entergy New Orleans's storm reserve fund securitization;  
6 status of Entergy Louisiana's Hurricane Ida securitization; status of reports from  
7 and submissions to the Louisiana Legislative Auditor; ongoing activities required  
8 to maintain LURC's corporate status; and matters reported to the LURC's board of  
9 directors during the fiscal year ending June 30, 2023. Staff recommends acceptance  
10 and approval of the fiscal year 2023 annual report of the LURC to the Commission,  
11 including the operating budget for fiscal year ending June 30, 2024, and interim  
12 and compiled annual financial statements for the fiscal year ending June 30, 2023  
13 submitted therewith.

14 **CHAIRMAN CAMPBELL:** Who's handling this for the Staff?

15 **MS. BOWMAN:** Well the Staff, it's -- yeah.

16 **MR. FREY:** That's -- it's me. I sit as the Commission's representative on LURC  
17 and then Jamie Watts is our special counsel.

18 **CHAIRMAN CAMPBELL:** So why don't -- tell me exactly what you're doing  
19 here.

20 **MR. FREY:** Sure, Commissioner. So when LURC was established as the conduit  
21 issuer --

22 **CHAIRMAN CAMPBELL:** There you go with those damn deals again, man.  
23 Come on.

1 **MR. FREY:** It's Louisiana Utility Restoration Corporation.

2 **CHAIRMAN CAMPBELL:** Come on. Come on.

3 **MR. FREY:** It's one of the ways that the utilities can securitize storm debt.

4 **CHAIRMAN CAMPBELL:** I got it but it sure would -- you know, I must be the  
5 only one in here that doesn't understand all these acronyms y'all use and y'all use  
6 them all the time. All the time.

7 **MR. FREY:** We're going to blame the legislator for this one. They created it.

8 **CHAIRMAN CAMPBELL:** Yeah. Stop using it. Tell us what it is.

9 **VICE CHAIRMAN FRANCIS:** Can we get Jamie to come up and explain? I'd  
10 like to -- I want to make a motion to accept it but I'd like her --

11 **CHAIRMAN CAMPBELL:** Just a minute, I want to --

12 **VICE CHAIRMAN FRANCIS:** -- in better words, you know?

13 **CHAIRMAN CAMPBELL:** I'm going to recognize you in just a second. Okay.  
14 Now, Mr. Francis?

15 **VICE CHAIRMAN FRANCIS:** I'm sorry. I'm sorry I got ahead of you --

16 **CHAIRMAN CAMPBELL:** That's okay. Go ahead.

17 **VICE CHAIRMAN FRANCIS:** -- Mr. Chairman.

18 **MS. JAMIE WATTS:** Commissioner, Jamie Watts on behalf of Louisiana  
19 Utilities Restoration Corporation. Happy to answer any questions you may have.

20 **CHAIRMAN CAMPBELL:** What do y'all do?

21 **MS. WATTS:** The LURC works as the conduit issuer for certain storm  
22 securitization matters that this Commission approves. So if a utility sustained

1 significant damage to their infrastructure resulting from natural disaster, it will seek  
2 permission from this Commission to recover a certain amount.

3 **CHAIRMAN CAMPBELL:** That's about all of it. I mean what -- certain amount;  
4 what do you mean?

5 **MS. WATTS:** Well, the Commission conducts a review of the prudence of the  
6 cost and ultimately the Commission decides how much the utility can recover for  
7 whatever storm or event --

8 **CHAIRMAN CAMPBELL:** Is LURC a state agency?

9 **MS. WATTS:** It is a political-owned, a public instrumentality of the state.

10 **CHAIRMAN CAMPBELL:** And who pays for the salaries, etcetera, all these --

11 **MS. WATTS:** There are no employees of the LURC. They hire professional  
12 service vendors such as Long Law Firm as counsel. And there's accountants --

13 **CHAIRMAN CAMPBELL:** That's where you come in?

14 **MS. WATTS:** That's correct. Yes, sir.

15 **CHAIRMAN CAMPBELL:** So they hired y'all --

16 **MS. WATTS:** And the costs are paid through the transactions.

17 **CHAIRMAN CAMPBELL:** They hired y'all to grade the papers of all the big  
18 companies that come to you and say this is how much we lost and they give it to  
19 you.

20 **MS. WATTS:** Actually, sir, the Commission does that. The LURC is just a party  
21 to the transactions.

22 **CHAIRMAN CAMPBELL:** So what do you do? Look over the numbers and see  
23 if it's correct?

1 **MS. WATTS:** If for -- we do two things. So we maintain the entity's status as a  
2 corporation, so everything that goes along with a normal corporations such as  
3 budget, financials, Secretary of State annual reports, reporting to this Commission  
4 because this Commission is the regulator of the LURC. And then when there is a  
5 specific transaction, the LURC serves as the actual borrower and so we participate  
6 in the development of the transaction documents and in that process as well.

7 **CHAIRMAN CAMPBELL:** Your law firm gets paid but not LURC? LURC  
8 doesn't pay you, the law firm -- for the services you -- you get paid to grade the  
9 papers, right basically?

10 **MS. WATTS:** I get paid to represent the entity. Yes, sir.

11 **MR. FREY:** And, Commissioner, there was a series of similar questions, I guess,  
12 what about four or five years ago at one of the LURC meetings, from one of the  
13 board members. And I think it was the way it was described, that the entire LURC  
14 lives in a box. There are no employees, there's no location. It's this instrument  
15 that was created by legislator to perform these functions Jamie's talking about. And  
16 we've got -- there's a representative of the House, the Senate, the Treasurer's office,  
17 and the City Counsel of New Orleans, as well as myself, and then one at-large  
18 member who's actually served, we were joking, I think through three or four  
19 Governors now, the same guy has been appointed. But we meet at least once  
20 annually to go over these papers as you said and make sure all the financial  
21 statements are correct from the utilities. And then we have emergency meetings as  
22 necessary if there's some additional issuance that needs to be done.

1 **CHAIRMAN CAMPBELL:** So basically, you really have -- when utility  
2 companies give you the bill, they're giving you the bill to be paid on basically?  
3 Their damages.

4 **MR. FREY:** So -- well, to Jamie's point, the Commission has approved all those  
5 numbers so once that number gets approved, whatever the dollar figure is, the bonds  
6 are sold, LURC is the conduit issuer and that's so there's certain tax benefits that  
7 can flow back to the ratepayers. But then -- yeah. So let's say we say it's a billion  
8 dollars, that billion dollars is going to flow through over so many years and that's  
9 where the audits are. Making sure the proper amount's being collected, the proper  
10 amount's being remitted. And that's why, if you notice, this goes all the way back  
11 to Katrina, Rita. So you still have some money flowing back to ratepayers as  
12 benefits from that storm and that's one of the functions LURC provides as well.  
13 Our different experts that are performing that work for us.

14 **COMMISSIONER SKRMETTA:** Foster, can I call up Emory Belton? Cause I  
15 know he's involved in the statutory element of this. Is Emory here? Yeah. Could  
16 you come up just to, you know, throw your two cents in for us?

17 **MS. WATTS:** And, Commissioner, if I --

18 **CHAIRMAN CAMPBELL:** Are you -- Go ahead. Go ahead.

19 **MS. WATTS:** If I may, what's on the agenda and before this Commission today  
20 is acceptance and approval of an annual compliance report. This only reports on  
21 the activities of the entity in general as a corporation and specifically with respect  
22 to the different transactions that either this Commission, or with respect to the  
23 Entergy New Orleans transaction, the City Council has approved. This is not a new

1 transaction. This is not asking for any money. This is simply reporting to the  
2 Commission as our regulator on the activities that the LURC entity has  
3 accomplished over the last year.

4 **CHAIRMAN CAMPBELL:** I got you. That's what he was talking about, once a  
5 year?

6 **MR. FREY:** Yes, correct.

7 **MS. BOWMAN:** Yes, sir. You can think of it kind of like a compliance filing.  
8 Yes, sir.

9 **CHAIRMAN CAMPBELL:** Do what?

10 **MS. BOWMAN:** It's kind of like a compliance filing. It's them complying with  
11 the order.

12 **CHAIRMAN CAMPBELL:** I got it. I'm with you. Go ahead, Mr. Belton.

13 **MR. EMORY BELTON:** Good morning, Commissioner and chairman members.  
14 Yeah, I'm probably one of the --

15 **MS. WATTS:** Say your name.

16 **MR. BELTON:** Oh, Emory Belton. I'm here representing I'm not sure who. I  
17 guess history. History, I'm a history professor. There are a few of us grey hairs in  
18 the room I guess here around when this law was passed, not too many of us are left.  
19 As was mentioned, this law was passed in the wake of Hurricane Katrina to provide  
20 a lower cost mechanism to fund storm recovery. Prior to the creation of this  
21 mechanism, the way storm recoveries are typically gotten back by the utilities is  
22 they pay for the restoration, the Commission looks at the expenditures, determines  
23 whether they are prudent in the amount. For instance, if the utility spent, you know,

1 1.5 billion, the Commission may look at it and say well, you know, you really only  
2 should've spent 1.2. So they're allowed to recover through rates over the course of  
3 30 years the \$1.2 billion. Now of course that 30 year recovery comes with it their  
4 approved return on equity, which you know is typically in the range of 10 percent.  
5 Okay. So when you add it all up over the cost of those 30 years, you're looking at  
6 some very significant interest payments on the recovery of this money. So what  
7 the LURC did in order to mitigate rate shock -- or what this securitization did in  
8 order to mitigate rate shock was some very smart tax lawyers, a lot smarter than  
9 me, came up with a mechanism that if you could interpose a quasi-public entity, the  
10 Louisiana Utility Regulatory Commission, to in effect go into the public bond  
11 markets and borrow money and then use that money to reimburse the utility  
12 companies for what they had spent, then the product of that would be the savings  
13 to the utility customers of the 30 years' worth of interest rates that they would've  
14 otherwise been legally obligated to pay. In the case of Katrina and of every storm  
15 since then, but particularly in the case of Katrina, the savings to Entergy customers,  
16 for instance, was \$500 million over which they would've otherwise had to pay.

17 **CHAIRMAN CAMPBELL:** Over the years. Yeah.

18 **MR. BELTON:** Yes, correct. So now the yin and the yang of it, I guess, is that,  
19 you know, you may ask yourself well, why would Entergy want to give up that 30  
20 years' worth of income? Well because under the LURC process, Entergy gets  
21 reimbursed immediately. They get the money back immediately. Okay?

22 **CHAIRMAN CAMPBELL:** That's when they got a \$5 billion check.

1 **MR. BELTON:** Right. But you're really not giving them anything as much as  
2 you're giving them the money to build back their facilities that were destroyed  
3 anyway. So on a net basis they're not really coming out ahead. They are coming  
4 out ahead in not having to wait for the money. The customers come out ahead  
5 because the Commission is able to use this quasi-public entity to handle, I guess,  
6 IRS rules that would've otherwise come into play. So, you know, that's the pro  
7 and the con of that. You've heard a lot of terms here today, you know. For what  
8 it's worth -- and, Commissioner Campbell, you'll probably -- may appreciate this.  
9 The legislation to create this LURC was 50 pages long. When they handed us that  
10 bill and asked us to pass it they said here's a 50 page bill --

11 **CHAIRMAN CAMPBELL:** Don't amend it.

12 **MR. BELTON:** -- we're not accepting any amendments.

13 **CHAIRMAN CAMPBELL:** Well that's wonderful.

14 **MR. BELTON:** So anyway -- but I think --

15 **CHAIRMAN CAMPBELL:** Who wrote the bill?

16 **MR. BELTON:** It was primarily drafted by tax counsel by the utility companies  
17 in concert and bond counsel too, because I mean, you know, it's --

18 **CHAIRMAN CAMPBELL:** So you got a 50 page bill, they said that we're not  
19 accepting any amendments.

20 **MR. BELTON:** Correct. Right.

21 **CHAIRMAN CAMPBELL:** And we've been there before.

22 **MR. BELTON:** And we got it passed. And I think at the end of the day even --  
23 and we had input from, not only from the Commissioners but industrial customers



1 and other people who, you know, we're going to be impacted by this. And they  
2 had questions and they had concerns and all that stuff was addressed. And  
3 ultimately at the end of the day, you know, everybody reached an understanding  
4 that for utility customers, cost-wise, this was the cheapest way to go, you know.  
5 The draw back I guess, and this is more public perception than anything, with the  
6 LURC securitization process is that, you know, it requires a line item on the bill,  
7 you know, for each storm. Well, customers see that and they automatically think  
8 that they're being charged even more. Well, the problem is they're not, they're  
9 charged less, but you can tell them that until you're blue in the face and they're not  
10 going to believe it. That was, you know, the subject of a lot of discussions that we  
11 had in front of the legislator, and we were talking about that because the legislator  
12 itself was very sensitive to the fact that they would be viewed as having a hand in  
13 putting extra charges on people's utility bills. And it took some education and some  
14 convincing from us to tell them well yes, you know, I guess the uninformed public  
15 could make that determination. However, you have the comfort knowing that  
16 you're going to be saving people \$500 million. So it's kind of an unusual process,  
17 you know. And unless you kind of go back in time and kind of look at the whole  
18 picture, you know, of how it all kind of evolved and unfolded, it can seem a little  
19 cumbersome and confusing. But it's proven itself out, at least in my belief. And  
20 not -- look, I don't do this stuff, this LURC stuff and bond stuff, but it has proven  
21 to be a tremendous savings for utility customers in this state. There is no question  
22 about that.

1     **CHAIRMAN CAMPBELL:** I might tell you something to make you feel a bit --  
2     well, it reinforces what you just said. One time I was in the Senate, it was toward  
3     the end of the session. We passed 110 bills one day. Blah, blah, move, blah, blah,  
4     blah. Some of them were 50 pages thick.

5     **MR. BELTON:** The Bagneris Rules.

6     **CHAIRMAN CAMPBELL:** So sometimes I ask pointed questions. So the  
7     president was clapping, thank y'all for this hard work, blah, blah, blah, we did a  
8     great job. You can have personal privilege, you know, so I said, Mr. President, I'd  
9     like to ask a question. What is it, Mr. Campbell? I said, could any of you 39 in  
10    here raise your hand that knows what the hell you did today. Nobody. Passed 100  
11    bills in one day. Some of them were 50 to 75 pages. There's no way in the world  
12    you can know what those bills do when you pass them every three minutes, you  
13    know? And just like this, to give you a 50 page bill, that's what it remind me of,  
14    tell them you're not taking any amendments. I don't care who you are, how smart  
15    you are, no amendments. You know it looks like it's a little home cooking, you  
16    know. Maybe -- what you're saying the bottom line is the good is a lot better than  
17    not having it, but it's complicated how it got there.

18    **MR. BELTON:** Absolutely. And it was modeled off of what Florida did after  
19    Hurricane Andrew. They were the first ones who kind of came up with this  
20    securitization notion because of the widespread devastation. And it fit very well in  
21    with Katrina and since then.

22    **MS. WATTS:** And there are different types of securitization that are used for  
23    storms and for other costs. This is a very specific securitization method that the

1 LURC is able to participate in and it has historically been used for the most  
2 significant costs caused by storms.

3 **CHAIRMAN CAMPBELL:** Was this the first time we used this -- was the first  
4 time was with Katrina?

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

6 **MS. WATTS:** That's correct. It was --

7 **CHAIRMAN CAMPBELL:** Had it been used in other states or who came up with  
8 the idea to do this?

9 **MR. BELTON:** Florida.

10 **CHAIRMAN CAMPBELL:** Florida?

11 **MR. BELTON:** It'd been used in Florida after Hurricane Andrew, which was back  
12 in the '90s.

13 **CHAIRMAN CAMPBELL:** Yeah, I didn't know that but I do now. Everybody  
14 was -- it made sense because, you know, you were selling bonds at that time interest  
15 rates were not very high and it was a good time to sell them. I don't know what  
16 bonds are yielding today, but I mean back then, CDs were one percent and you  
17 could sell a bond, I don't know, for three percent. It was a good -- people were  
18 dying to get them. I mean they bought them --

19 **MR. BELTON:** Well and it's lower interest rate bonds. I mean, these deals have  
20 to go before the Bond Commission for approval also, so they get access to those  
21 low interest, you know, government conduit bonds. And that again was a place that  
22 we, you know, we --

1 **CHAIRMAN CAMPBELL:** They're both tax exempt, state and federal too, I  
2 think.

3 **MS. WATTS:** That's correct, Commissioner. And --

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

5 **CHAIRMAN CAMPBELL:** That's why everybody was so wild about getting  
6 them. Plus, they were -- at that time a three percent bond was a hell of a lot better  
7 than zero on CDs, so. And you knew you were going to get your money back.

8 **MS. WATTS:** Right. And for the last three transactions, two of which closed in  
9 2022, one of which this year, the interest rates were high four or low fives.

10 **CHAIRMAN CAMPBELL:** Five, tax-free now?

11 **MS. WATTS:** Correct, yes.

12 **CHAIRMAN CAMPBELL:** So that means that you're in a tax bracket like you  
13 are, if you buy five percent bonds, you probably going to get about seven or eight  
14 percent, which is a great deal knowing damn well you're going to get your money.  
15 AAA bonds too.

16 **MR. BELTON:** Well -- and that's again where the Commission's authority comes  
17 into play. I mean based upon the absolute power this Commission has  
18 constitutionally in terms of the orders that it issues to utility companies to exercise  
19 this. I mean, those are some of the most financeable bonds in the world. They can  
20 borrow against them. I mean it's almost like a Treasury bill. I mean they're rock  
21 solid so, you know, they're a good deal. And again, I mean, we received lots of  
22 questions. I mean, not only from legislators, but from the administration, from the  
23 Bond Commission because ultimately, we had to go before that. And, you know,

1 it took a lot of educating before people really understood it because it's not a very  
2 simple thing to really get your mind around from the get go, you know. But once  
3 you really kind of dig into it, understand utility ratemaking, and bonding issues,  
4 and finance --

5 **CHAIRMAN CAMPBELL:** A new way of financing.

6 **MR. BELTON:** Sir?

7 **CHAIRMAN CAMPBELL:** It's a new financing method.

8 **MR. BELTON:** Yes, sir.

9 **CHAIRMAN CAMPBELL:** So you don't blame people.

10 **VICE CHAIRMAN FRANCIS:** Those five people have a lot of authority to help  
11 the public, right?

12 **MR. BELTON:** Absolutely, you know. Absolutely. I mean like I said, I mean,  
13 with the decision of the Commission to adopt the LURC's recommendation that  
14 resulted an immediate \$500 million savings for utility ratepayers in Louisiana.

15 **VICE CHAIRMAN FRANCIS:** Commissioners probably got more authority to  
16 help the public than the Secretary of State; wouldn't you agree? Probably do, right?

17 **MR. BELTON:** I'm not going to go into that.

18 **COMMISSIONER LEWIS:** Emory, Jamie, or Brandon, a quick question for you;  
19 what is the process that LURC uses when utilities may be approaching any of their  
20 financial limits on storm recovery costs paid through securitization or when they  
21 have an option to access financing through lower terms? Is that considered at all?

22 **MS. WATTS:** So the LURC has no authority that this Commission does not grant  
23 to it. So ultimately, this Commission sets those parameters and requirements. The

1 LURC is essentially along for the ride to facilitate whatever this Commission green  
2 lights.

3 **COMMISSIONER LEWIS:** It -- Brandon, I'm sorry.

4 **MR. FREY:** No, I was just going to agree with that. So all of those questions are  
5 going to be with our financial consultants and our securitization consultants at the  
6 Commission level. That's all going to be in the terms of the order itself. So Jamie's  
7 point, whatever the Commission puts in the order, that's the parameters LURC  
8 deals with.

9 **COMMISSIONER LEWIS:** And maybe this is more high level but I'm just  
10 curious as how long do we think this tool can work in its existence as planned before  
11 we may need to start considering alternatives?

12 **MR. FREY:** Yeah. I guess I'll take a shot at that since it's -- as Jamie said there's  
13 other types of securitization, so you've got the LURC is a very specific set. I mean  
14 just last session, as you're aware, there was a modification to some securitization  
15 law which I don't think goes through LURC, so it's being reassessed. I do know  
16 there were some issues we had this past year on the financing side, where for a  
17 particular utility if the amount that's securitized gets within a certain percentage of  
18 the total revenues, it raises flags for the bond community.

19 **MS. WATTS:** Total amount of the customer bills, a certain percentage of that.

20 **MR. FREY:** Correct. So like, let's say it's ten percent of the bills are on  
21 securitization charges and I don't know if -- I'm just throwing that number out there  
22 but I think it's around there, the bonds are no longer as attractive to the financial  
23 community. So the market itself may put certain restrictions on there where this

1 just won't work when you get over that level or it will raise the price of the bonds  
2 where it may not be as attractive over the alternative. So I think that would be --  
3 I'm not a financial advisor, but based on what a lot of those conversations we had  
4 with both the Treasurer's office and our bond council and, you know, during that  
5 time frame, that's one of the concerns I heard on what could ultimately end this as  
6 a possibility in the future.

7 **MS. WATTS:** And that relates to ratings for the transaction. Rating agencies  
8 evaluate the transactions and they have to, per statute and per this Commission's  
9 financing order, they have to be AAA rated and so those are considerations that are  
10 taken into account when those rating decisions are made.

11 **CHAIRMAN CAMPBELL:** Is there any further questions? [HEARING NONE]  
12 No further questions. Thank you very much. There's a motion to accept?

13 **MS. BOWMAN:** There is. There's a motion by Vice Chairman Francis.

14 **COMMISSIONER GREENE:** Second.

15 **CHAIRMAN CAMPBELL:** Hearing no objections. Any objections?  
16 [HEARING NONE] Hearing no objections, it's passed. Let's go ahead.

17 **MS. WATTS:** Thank you.

18 **MS. BOWMAN:** Exhibit Number 9 is Docket Number U-36133. This is Dixie  
19 Electric Membership Corporation, NextEra Energy Marketing, and Amite Solar's  
20 joint application for approval of power supply agreements. It's a discussion and  
21 possible vote on a budget increase for Stone Pigman and United Professionals  
22 Company due to a scope expansion. Order Number U-36133 was issued November  
23 11, 2022, certifying DEMCO's power supply agreements including a solar power

1 purchase agreement with Amite Solar. UPC and Stone Pigman were retained via  
2 RFPs to assist in this docket. On August 22<sup>nd</sup> of this year, DEMCO and Amite  
3 Solar filed a motion for approval of a second amendment to Amite Solar's power  
4 purchase agreement wherein the parties were requesting the Commission approve  
5 an amendment to the solar PPA based on price increases and limited availability of  
6 certain materials, which they indicate are needed to complete the construction of  
7 the project. The parties' request to amend the solar PPA was not contemplated  
8 when UPC and Stone Pigman were initially retained by the Commission in April  
9 of 2022 and February of 2020 -- excuse me, April of 2020 and February '22,  
10 respectively. As a result of the parties' filings, Staff solicited Stone Pigman and  
11 UPC for additional budget to cover the review and analysis of the request. Stone  
12 Pigman's response to that solicitation was \$46,500 in fees and no additional  
13 expenses and UPC's response was \$25,000 in fees and 500 in expenses for a total  
14 budget not to exceed of 25,500. Staff recommends that the Commission approve  
15 the budget increases for Stone Pigman and for UPC due to the scope expansion in  
16 Docket Number U-36133.

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

18 **COMMISSIONER LEWIS:** Second.

19 **CHAIRMAN CAMPBELL:** There's a motion, a second by Mr. Lewis, motion  
20 by Mr. Skrmetta that we accept Staff recommendation. Hearing no objections?  
21 [NONE HEARD] Passed the motion.

22 **MS. BOWMAN:** Exhibit Number 10 is Docket Number U-36169. It's  
23 SWEPCO's application for authorization to install advanced meters in accordance



1 with the Commission's General Order dated September 22, 2009. It's a discussion  
2 and possible vote pursuant to Rule 57 on a stipulated settlement and it's at the  
3 request of Chairman Campbell. On October 4, 2021, SWEPCO filed its application  
4 seeking approval of a deployment of advance meter systems in accordance with the  
5 Commission's General Order. The application included a Phase II for expedited  
6 consideration to deploy initial meters, and then a Phase II request for full  
7 deployment of AMS meters. Notice of the application was published in the  
8 Commission's Bulletin and the Alliance for Affordable Energy intervened. On  
9 November 17, 2021, the Commission approved SWEPCO's Phase I request to  
10 begin deployment of meters of up to 12,000. And then on April 22, 2022, SWEPCO  
11 filed testimony and exhibits in support of its Phase II application seeking full  
12 deployment of its advance meter system meters. Following discovery and the filing  
13 of direct testimony, Staff and SWEPCO reached an agreement and executed a  
14 stipulated settlement, which was filed into the record on August 24, 2023. The  
15 Alliance does not object to the settlement. The settlement recommends that the  
16 Commission find SWEPCO's application to be in compliance with the  
17 Commission's AMS General Order, subject to terms of the settlement, which does  
18 include: That SWEPCO's request for approval to recover its estimated reasonable  
19 and necessary costs incurred in deployment through a surcharge tariff of  
20 approximately 67.985 million over eight years and that SWEPCO will allow  
21 customers to access their data directly from the SWEPCO platform and share their  
22 AMS data. Staff recommends that the Commission: 1) Exercise its original and  
23 primary jurisdiction pursuant to Rule 57; and 2) Accept the uncontested stipulated

1 settlement filed into the record on August 24, 2023. And we do have a yellow card  
2 for a person that wishes to speak on this matter.

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

4 **VICE CHAIRMAN FRANCIS:** Second.

5 **COMMISSIONER SKRMETTA:** It's a motion by Mr. Skrmetta and a second  
6 by Mr. Francis to bring it up under Rule 57. Mr. Lewis, you have a question?

7 **COMMISSIONER LEWIS:** Yes. Is there someone from SWEPCO present?

8 **COMMISSIONER SKRMETTA:** And I also bring it up to move to approve the  
9 staff recommendation. Just to put it on the floor.

10 **CHAIRMAN CAMPBELL:** There's a motion -- let him get through talking.

11 **COMMISSIONER SKRMETTA:** Sure. Technically just put a motion on the  
12 floor.

13 **CHAIRMAN CAMPBELL:** Okay.

14 **VICE CHAIRMAN FRANCIS:** I understand Bobby Gilliam's got the COVID?

15 **COMMISSIONER SKRMETTA:** Yeah, Bobby's got COVID.

16 **MS. BOWMAN:** Guys, please introduce y'all's selves for the record. Jon, the  
17 clipboard; Tom, yellow card.

18 **MR. JONATHAN MCCARTNEY:** Jonathan McCartney.

19 **MR. TOM BRICE:** Tom Brice.

20 **COMMISSIONER LEWIS:** Thank you. And I'm not opposed, there's just some  
21 questions that I want to ask for clarification. The stipulation only requires you to  
22 study these within 12 months and not necessarily commit any further action, so I'm  
23 just curious if the study finds that this program is worthwhile, what is your process

1 or your thoughts on expediting action to best use the advanced metering systems  
2 approved in this decision?

3 **MR. BRICE:** Yes, sir. So the company -- good morning, Commissioner Lewis.  
4 Thank you for your question. The company will install these meters out of the  
5 need. It's the technology that we've selected to provide this service going forward.  
6 Our prior technology is outdated and obsolete, so with the Commission's approval,  
7 we'll proceed with the deployment of these meters.

8 **COMMISSIONER LEWIS:** Thank you. And the only other question I have is  
9 about the engagement of your customers. I know that the settlement -- the  
10 stipulation, excuse me, refers to just a minimum of two public meetings and review  
11 of engagement materials. Are there anything you are planning to do or  
12 conversations that would go beyond that commitment to ensure that customers are  
13 informed and engaged in this process?

14 **MR. BRICE:** Thank you for that question, Commissioner. So that's the plan for  
15 communicating with the customers, a plan that was reviewed by Staff or will be  
16 reviewed by Staff, and to the extent they see modifications needed, they would  
17 propose those.

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

19 **MR. MCCARTNEY:** And Commissioner, there are also -- there will also be those  
20 flyers that will go out to customers to notify them through the mail and, you know,  
21 proposed flyers in the different languages, all that's required by that customer  
22 engagement plan, so customers will be notified of it, and also would have access to  
23 that notification on the website when they go to pay their bills. So there are multiple

1 avenues for outreach to customers to notify them of the program and the benefits  
2 of AMS for customers.

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

4 **CHAIRMAN CAMPBELL:** Is there -- Mr. --

5 **VICE CHAIRMAN FRANCIS:** Do they have the option to opt it out on smart  
6 meters?

7 **MR. MCCARTNEY:** Yes, Commissioner. There is still an option to opt out for  
8 those customers that choose that.

9 **VICE CHAIRMAN FRANCIS:** Then we charge them extra for that, huh?

10 **MR. BRICE:** Yes, sir. There is a nominal fee to opt out.

11 **VICE CHAIRMAN FRANCIS:** Okay.

12 **MR. BRICE:** We don't expect that percentage of customers to be significant.

13 **VICE CHAIRMAN FRANCIS:** About half a percent?

14 **MR. BRICE:** If that; more than likely less than that.

15 **CHAIRMAN CAMPBELL:** What about the 276 thereafter? How long is  
16 thereafter? Sounds like a long time.

17 **MR. BRICE:** So, Chairman, are you referring to the surcharge?

18 **CHAIRMAN CAMPBELL:** Yeah. It's 326 for the first 48. I'm for it because I  
19 saw what these things can do. We've had a good bit of outages up there and it's  
20 something where you can tell you when your lights are coming on, what to expect.  
21 It even tells you about what's your -- when you're using too much electricity, this,  
22 that and the other; real savings for people that use it. But is this going to be 276 or  
23 what, forever?

1 **MR. BRICE:** So there's -- the charge is just north of \$3 for residential the first  
2 four years, and just below \$3 for the next four years, and then that will go away.

3 **CHAIRMAN CAMPBELL:** Oh, that's fine, then. I got you. I'm all for it because  
4 I don't know if y'all saw this, but they were showing me, you can put your house  
5 on this deal and you can see where your electricity is and you can see at 5:00 when  
6 you come home, you got a bunch of people over, it goes up. I mean, it sort of tells  
7 you, hey, these parties we're having is costing a hell of a lot, we're cooling this  
8 whole house. I mean, you know -- I mean, you make the decision. I saw -- it's  
9 remarkable when they can -- and then it'll help us a lot when people say I can't  
10 believe my bill was that high. I said, hold on, let's look, and it'll show you, hey,  
11 what y'all been doing on the weekend? Well, we had a few people over. Yeah,  
12 you sure did. This is where your bill's going up. You know, and people are going  
13 to say, well, thank you for telling me this, but they'll be able to use that on their  
14 own phone. Brandon was showing me that yesterday. He was telling me that he  
15 had some people over the weekend and his bill went up.

16 **SECRETARY FREY:** It was me. That's true, we had too many people at the  
17 house, we were cooking, so the usage went up.

18 **CHAIRMAN CAMPBELL:** Well, I, you know, that's -- I think people will love  
19 this because they're always asking, I can't believe I'm using that much electricity.  
20 Can we get you guys out to check it? And sometimes it's wrong, but a lot of times  
21 it's right. But if you can show people this is where your electricity is going up, it's  
22 got to be a good tool.

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

1     **CHAIRMAN CAMPBELL:** So I make a motion we accept this.

2     **COMMISSIONER SKRMETTA:** Second.

3     **CHAIRMAN CAMPBELL:** And a second by Mr. Skrmetta. And --

4     **SECRETARY FREY:** We do have a --

5     **MS. BOWMAN:** We do have a one yellow card for a constituent, Ms. Erin

6     Hansen, if she'd like to come up and speak.

7     **CHAIRMAN CAMPBELL:** Okay. Who is that? Come on up. You against or

8     for it?

9     **MS. ERIN HANSEN:** For it.

10    **CHAIRMAN CAMPBELL:** For it? Well, hallelujah.

11    **MS. HANSEN:** My name is Erin Hansen with Together Louisiana. On the

12    morning of June 16<sup>th</sup>, very early in the morning a storm came through Shreveport

13    and about 200,000 people lost power.

14    **CHAIRMAN CAMPBELL:** Right.

15    **MS. HANSEN:** And -- say again?

16    **CHAIRMAN CAMPBELL:** 250.

17    **MS. HANSEN:** Two-fifty, a quarter of a million people. So on Sunday night, June

18    18<sup>th</sup>, we texted about 125,000 people to ask them how they were doing. We asked

19    them to tell us on a scale of one to five what's your situation. One is I'm fine, five

20    is I'm in crisis. And I woke up on Monday morning and 4,000 people had

21    responded to the text and told us how they were and of those 4,000, about 850

22    people were in crisis. And so our sister organization in Shreveport, North Louisiana

23    Interfaith, activated and immediately started reaching back out to those people to

1 check in on them. And one thing that we encountered is, you know, we needed to  
2 make deliveries to people who were out of food and water, who needed ice for their  
3 ice chests and we had no way of pulling up a map to see which neighborhoods are  
4 out. And that was because, we realized, SWEPCO territory didn't have smart  
5 meters. So we are really excited about the implementation of smart meters in Caddo  
6 and in Bossier. We look forward to an outage map that can tell us in real time  
7 which neighborhoods are on, which houses are on, and in the future, looking  
8 towards being able to take advantage of being able to modify your electricity usage  
9 to take advantage of time-use rates, demand response, and things like that. So fully  
10 support you. I want to commend you, Commissioner Campbell, for getting this  
11 done, and also to SWEPCO, you know, to Brett Mattison and Malcolm Smoak, who  
12 really pushed for this. So we are in support and we commend the effort. Thank  
13 you.

14 **CHAIRMAN CAMPBELL:** Thank you very much.

15 **VICE CHAIRMAN FRANCIS:** Ma'am, let me ask you -- ma'am. Let me ask  
16 you a question. Do you know that there are some people that opt out and don't  
17 want smart meters?

18 **MS. HANSEN:** Yes.

19 **VICE CHAIRMAN FRANCIS:** So if they have a problem, they won't be able to  
20 get your help because you won't be able to find them and know where they're at,  
21 right?

22 **MS. HANSEN:** As long as we can text them and they can tell us, you know, we  
23 can get in touch with them that way, then they can still, on an individual basis, kind

1 of communicate with us and have access to the services that are provided through  
2 Community Lighthouse and other programs they know about. We wouldn't, you  
3 know, if they opted out of the program, we wouldn't be able to know if their power  
4 was still out unless they told us.

5 **VICE CHAIRMAN FRANCIS:** Thank you.

6 **COMMISSIONER LEWIS:** And Erin, I want to thank you and Together  
7 Louisiana for the work. I know you've also showed some of that same data when  
8 we have storms here in Baton Rouge and I think it's important for us as a  
9 Commission to look at the humanistic aspects of what happens post an outage.  
10 What is that life like because when I think when we talk about demand response,  
11 we talk about community solar, we talk about community lighthouses, we can get  
12 very much in the policy debate, but I think what the work that you do is showcases  
13 the humanistic side of it and how that is life or death really for people, so I wanted  
14 to just commend Together for that work and appreciate that data. And also, I'll  
15 borrow something from the Chairman. I assumed the yellow card earlier was  
16 Bobby, I didn't realize he wasn't here, so I apologize for letting SWEPCO go before  
17 you because I would have let you talk first, but I thought it was Bobby, so I was  
18 going to give him a little bit of a hard time to wait, so apologies for that.

19 **MS. HANSEN:** All good. All good.

20 **COMMISSIONER GREENE:** Well done. The technology used to do that, is  
21 that not something that utilities can do as well?

22 **MR. MCCARTNEY:** Well, Commissioner, that's what this program is to deploy  
23 the AMS for SWEPCO, for its Louisiana service territory, to allow that access --



1 for customers to have access to that data and to be able to help respond to these  
2 situations.

3 **COMMISSIONER GREENE:** Because routinely I hear from ratepayers that say  
4 they call, they talked to somebody in Idaho who says, no, you do have power. And  
5 you say, well, why am I calling you if I have power? And yet this private company  
6 can text hundreds of thousands of people and get responses back. It seems like a  
7 Fortune 200 or 500 company would be able to implement that technology as well.

8 **MR. MCCARTNEY:** Well, and Commissioner, that's why we have a settlement  
9 with the Staff to deploy AMS, to be able to help improve service and response time  
10 and also to help improve customer access to their data and usage.

11 **COMMISSIONER GREENE:** This, to me, is a huge move towards putting the  
12 customer in the center of it all, so thank you.

13 **MR. MCCARTNEY:** That's correct.

14 **COMMISSIONER GREENE:** Thank you.

15 **COMMISSIONER SKRMETTA:** Mr. Chairman.

16 **CHAIRMAN CAMPBELL:** You know, one thing I need to say, though. They've  
17 got a great Commissioner up in Shreveport. The best one. Well, maybe not.  
18 Probably just [INAUDIBLE].

19 **COMMISSIONER GREENE:** He's the best one in Shreveport.

20 **COMMISSIONER SKRMETTA:** He's the best one in Shreveport, right.

21 **CHAIRMAN CAMPBELL:** I work hard as hell trying to get people's electricity  
22 back on. People call me at 2:00 in the night and I'm nice to them. I say, I know  
23 it's 2:00, sure nice of you to call. But anyway, we work together and I know the

1 President, poor Malcolm, when he was here. I'm going to tell you this story. I  
2 might have said this one time. Malcolm, we were 2:00 in the morning or 3:00, a  
3 man called me and he said, Mr. Campbell, it's 3:00. I said, yeah, I know. He said  
4 I have no electricity. I said, what can I do? He said, my wife -- I might have told  
5 you this story, it's true. My wife is a paraplegic and she's crying right now and she  
6 can't get to sleep. So I called Malcolm at 3:00, said, Malcolm, you got to do  
7 something. That man called me back at 5:00. He said, Mr. Campbell, it's 5:00. I  
8 said, well, how you doing? He said, I just want to thank you; I gave my wife a bath  
9 and she's sleeping like a baby. I mean, that -- I don't mind calling the president at  
10 3:00. That's their job and that's my job. But sometimes you get these calls and  
11 people are in terrible situations. And that guy was so nice, he called me back at  
12 5:00 and told me his wife was sleeping because he was able to give her a bath and,  
13 you know, so SWEPCO is okay. I give them hell when they need it, but I do call  
14 on them and we try to answer all the calls, but it's -- we had 250,000 people out.  
15 The news that night said we have possible thunderstorms at 10:00. The next  
16 morning, you wake up and it was 250,000 people out of electricity. Now, that's  
17 just from wind and we never had that happen before. But anyway, that was just a  
18 story. What the hell, you know. Yeah? You got any good stories?

19 **COMMISSIONER SKRMETTA:** No. Well, I do have one good for you and I  
20 thought about you because you know how Amazon delivers late sometimes at  
21 night?

22 **CHAIRMAN CAMPBELL:** Yeah.

1 **COMMISSIONER SKRMETTA:** And I have two dogs, I have two rottweilers  
2 and they're girls and they're sweet and they love everybody.

3 **CHAIRMAN CAMPBELL:** And they'll bite, huh?

4 **COMMISSIONER SKRMETTA:** No, they don't bite. Well, they don't bite  
5 people, but I went to the front door and I didn't have the lights on and I opened the  
6 door and there must have been a 30-pound racoon in Metairie sitting on my front  
7 porch and the dogs took off, rolled it right down to the storm drain. That racoon  
8 went down the storm drain and the dogs went about 60 miles an hour because they  
9 don't usually run that fast, but I always think about you and your racoon stories and  
10 I said, well, I think I'll have to mention that to Foster next time I see him and he  
11 sees two 90 pound rottweilers rolling down Sena Drive. So -- but, no, what I was  
12 saying is, and we talked about this with the Staff before, you know, and modern  
13 mapping technology is when we once made a directive about the companies  
14 interacting with a common file marker to where the state could have its own  
15 mapping system to show outages on a statewide basis and this is something that  
16 we've done maybe 10 years ago, but maybe the technology wasn't really widely  
17 available. But since we have all of these companies now having outage maps, and  
18 even with the movement towards the -- and it might be super beneficial to the co-  
19 ops that are now grouping together to having common activity between multiple  
20 co-ops, to have the outage maps unified to where common reporting electronics, to  
21 where the Commission can then have it as well on its website, to where they have  
22 their own and we also have it on the state level. And I think we discussed this some  
23 time ago, Brandon, and we also had a mechanism to where we could get all the

1 utilities to provide the information and we had a mechanism, I think, to require a  
2 small fee for the utilities to organize to pay for our system [INAUDIBLE] and that  
3 way we'd have a state system, particularly valuable during hurricane season, but  
4 also just a general information for people outside the state to be able to monitor  
5 their relatives and such.

6 **SECRETARY FREY:** So -- and I'd have to look at the specifics of exactly where  
7 we are, but I know there were upgrades to our mapping system. And to your point,  
8 our map can only go as far as the interconnection with the utilities and I know not  
9 all of them have the technology to put in that real-time data. And part of it is tied  
10 to advanced meters and the ability to drill down to the areas. But there were  
11 definitely upgrades made to the mapping system post-Ida and I've joked when I've  
12 been at GOHSEP that we haven't been able to show them, and knock on wood, I  
13 hope I don't get to show them again any time soon. But we are, over time, making  
14 that system better and better and better, and that is still the ultimate goal, is to have  
15 that full inter-connectivity between the utilities where they can input their data  
16 directly into the database, which will then put out that map that shows real-time  
17 outage data.

18 **COMMISSIONER SKRMETTA:** Yeah. Because I think that's an important  
19 thing for not just the companies and even the co-ops, I mean, look at them all  
20 utilizes, but I think it's important for the Commission to have that interactivity  
21 between the electronic information and them. Because if nothing else, I've found  
22 that, you know, especially during hurricanes, some of the inquiries are two-fold.  
23 It's people, they monitor the maps, obviously, to see when the power goes back on,

1 but we also have people who are relatives of people wanting to know is the power  
2 back on. So I think that we provide another layer of support for folks that are in  
3 the state and also outside the state to be able to monitor what's going on in the state  
4 and I think it would be just another, you know, a tool in the toolbox for us to have.

5 **SECRETARY FREY:** Look, when we're at GOHSEP, that's the thing people are  
6 looking at the most is that map that we produce that shows what percentage is out  
7 in parishes and --

8 **COMMISSIONER SKRMETTA:** I think we need to go down to the granular  
9 level, and I hate to say granular, so -- that's one of my least favorite words in the  
10 universe, but I think we need to be able to look at it, and I don't want to say like the  
11 Entergy map, but almost like the Entergy map.

12 **SECRETARY FREY:** Correct.

13 **COMMISSIONER SKRMETTA:** Because their map's not working all the time  
14 properly. But I do think that we need to focus on something of that sort and maybe,  
15 I don't want to say standardize, but I want to say it as an example for other people  
16 to follow to where -- but the actual computer code that -- and I'm going to say it in  
17 a generic form, the computer code that's used to identify the each individual meter,  
18 be standardized throughout the state to where each company uses the same  
19 computer code to where it can be unified and shared with GOHSEP and the  
20 Commission so we could all have the same thing.

21 **SECRETARY FREY:** And I'll close, I agree on that point. There are so many  
22 things at GOHSEP and at the state level, even at the federal level that are tied to  
23 outages, so whether it's getting the hospitals or the shelters up and running as

1 priorities. But also, a lot of the disaster recovery benefits are tied to the duration of  
2 outages, so it's important to track all of that for lots of purposes, so that's our goal.

3 **COMMISSIONER SKRMETTA:** Well, I think we can do it. I just think we just  
4 have to, you know, let's just say lean into it. Okay?

5 **MS. HANSEN:** Commissioner Skrmetta?

6 **COMMISSIONER SKRMETTA:** Yep.

7 **MS. HANSEN:** May I just express my support for a statewide outage map. You  
8 know, Together Louisiana is --

9 **COMMISSIONER SKRMETTA:** I'm shocked.

10 **MS. HANSEN:** It's very helpful in the few days after the storm before the entire  
11 state apparatus comes online for organizations in the community to see, and a lot  
12 of the service territories cut right through some of our networks, and so being able  
13 to see that is extremely helpful.

14 **COMMISSIONER SKRMETTA:** No, I appreciate that. I mean, look, it helps  
15 everybody and it certainly helps, you know, community service organizations, it  
16 helps responders, it helps Fire, EMS. It helps everybody across the board because,  
17 you know, information is key, and that's what we need to do is make sure that we  
18 have more information that we share and make sure everybody can use it to their  
19 advantage.

20 **SECRETARY FREY:** There is one point I do have to make, and when you said  
21 that a statewide map, it made me think of it. And I know the Governor and I and  
22 the head of GOHSEP had these conversations. Any map that we produce, we do  
23 have to be cognizant of the fact that it's only going to be for the people we regulate,

1 so it won't be a true state-wide. It won't capture Entergy New Orleans and it won't  
2 capture any of the municipal-run systems.

3 **COMMISSIONER SKRMETTA:** If they choose not to be regulated, that's their  
4 problem.

5 **COMMISSIONER LEWIS:** But we could pass a -- we could ask the legislature  
6 to [INAUDIBLE].

7 **SECRETARY FREY:** We could certainly ask the legislature to put that --

8 **COMMISSIONER SKRMETTA:** Well, if the people of New Orleans would like  
9 to have a vote, they can ask their City Council to put it on the ballot.

10 **MS. BOWMAN:** So we have a motion and a second. Hearing no objections, I  
11 think we're good. Chairman?

12 **CHAIRMAN CAMPBELL:** It's passed.

13 **MS. BOWMAN:** Okay.

14 **CHAIRMAN CAMPBELL:** No objections? [NONE HEARD] No objection.

15 **MS. BOWMAN:** Exhibit Number 11 is Docket Number U-36174. This is  
16 SWEPCO's application for recovery of certain storm damage costs incurred as a  
17 result of Hurricane Laura and Delta and the February 2021 Winter Storm Event.  
18 This is a discussion and possible vote on a budget increase for Stone Pigman and  
19 United Professionals Company due to a scope expansion. The Commission issued  
20 Order Number U-36174, which authorized SWEPCO to recover distribution and  
21 transmission O&M costs, as well as required SWEPCO to apply to the Commission  
22 for a Phase II recovery. On July 31, 2023, SWEPCO filed its Phase II filing, and it  
23 included an additional request to recover storm restoration costs associated with the

1 June 2023 storms. SWEPCO indicated it included these costs in its Phase II filing  
2 as it was the most efficient and cost-effective path for recovery of those 2023  
3 storms. SWEPCO also proposes to establish a storm reserve of \$150 million that  
4 the company could draw down on once the June 2023 storm costs are reviewed and  
5 approved. SWEPCO's request to recover these storm costs and a storm reserve  
6 account were not contemplated when Stone Pigman and UPC were retained at the  
7 Commission's December 2021 B&E. Further, at the August B&E, Chairman  
8 Campbell requested Staff to examine SWEPCO's SAIDI and SAIFI numbers in  
9 this docket and to compare the same with the national average. As a result of this  
10 scope expansion, Staff solicited Stone Pigman and UPC for additional budget.  
11 Stone Pigman responded with 125,000 in fees and no additional expenses; and UPC  
12 responded with 82,500 in fees and 2,500 in expenses for a total budget not to exceed  
13 of \$85,000. Staff recommends that the Commission approve the budget increase  
14 of Stone Pigman and UPC due to the scope expansion in Docket Number U-36174.

15 **CHAIRMAN CAMPBELL:** One thing I want to say, y'all are -- you did put that  
16 in there, Brandon. I think before we start giving all these people raises or whatever,  
17 they ought to look at all these statistics that talk about how many people have been  
18 out for so long and how fast they get back. What do you call them?

19 **MS. BOWMAN:** SAIDI and SAIFI.

20 **SECRETARY FREY:** Yeah, the D is duration, the F is frequency. That's the best  
21 way to remember it.

22 **CHAIRMAN CAMPBELL:** Good old acronyms, right? But anyway, y'all have  
23 a way to find out if these people are doing a good job, an average job, a poor job.



1 And before we give everybody any money here, we ought to be seeing if those  
2 acronyms are correct and do they get them back -- get the people back on time.  
3 And if they do, that's good; if they don't, that's not good, and they ought to have  
4 to pay for that. We got standards to go by and they ought to be up to snuff. Okay.  
5 I would make a motion to accept Staff recommendation.

6 **COMMISSIONER SKRMETTA:** Second.

7 **CHAIRMAN CAMPBELL:** Second by Mr. Skrmetta. No objection? Is there  
8 any objections? [NONE HEARD] No objections. Item passes.

9 **MS. BOWMAN:** Exhibit Number 12 is Docket Number U-36612. This is Pierre  
10 Part Natural Gas Company's request for extension of its rate stabilization plan. It's  
11 a discussion and possible vote on an uncontested stipulated settlement. On  
12 November 23, 2022, Pierre Part filed its request for its extension, which was  
13 published in the Commission's Official Bulletin and no interventions were  
14 received. Following discovery, Staff filed its direct testimony and report on June  
15 5, 2023. And on July 14, 2023, Pierre Part filed rebuttal testimony. After  
16 negotiations, the company and Staff reached an agreement, and executed an  
17 uncontested stipulated settlement, which was filed into the record on August 7,  
18 2023. The major terms of the settlement is that Pierre Part is authorized to extend  
19 its rate stabilization plan for an additional three years using a hypothetical capital  
20 structure and a bandwidth of 9.5 to 10.5 percent, with a midpoint reset. As there  
21 are no unresolved issues, Staff recommends that the Commission approve the  
22 uncontested stipulated settlement filed into the record on August 7, 2023.

23 **COMMISSIONER SKRMETTA:** Move to approve Staff recommendation.

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

2 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta, second by Mr.  
3 Lewis. Any objections? [NONE HEARD] No objections, item passes. What's  
4 the next one? Thirteen?

5 **MS. BOWMAN:** Exhibit Number 13 is Docket Number U-36626. This is Town  
6 & Country's Service Company's application for adjustment in retail rates. It's a  
7 discussion and possible vote on an uncontested stipulated settlement. On December  
8 19, 2022, Town & Country filed its application with the Commission, which was  
9 published in the Official Bulletin, and no interventions were received. Following  
10 discovery, Staff filed its testimony and report and recommendation on June 28,  
11 2023, and on July 25, 2023, Town & Country filed correspondence into the record  
12 indicating the acceptance of Staff's report and recommendation. Thereafter, an  
13 uncontested stipulated settlement was executed and filed into the record on August  
14 23, 2023, which authorized the company to receive a revenue increase of  
15 \$216,929.17 annually. As there are no unresolved issues, Staff recommends that  
16 the Commission approve the uncontested stipulated settlement filed into the record  
17 on August 23, 2023.

18 **CHAIRMAN CAMPBELL:** I make a motion that we accept -- approve Staff  
19 recommendation.

20 **COMMISSIONER SKRMETTA:** Second.

21 **CHAIRMAN CAMPBELL:** Second by Mr. Skrmetta. Is there any objections?  
22 [NONE HEARD] There's none. Passes.

1 **MS. BOWMAN:** Exhibit Number 14 is Docket Number U-36808. This is  
2 Washington-St. Tammany's Electric Cooperative's formula rate plan annual report  
3 for the 2022 test year. It's a discussion and possible vote on amended joint report  
4 and draft order. On May 15, 2023, Washington-St. Tammany filed its formula rate  
5 plan annual report for the 2022 test year with the Commission, which was published  
6 in the Official Bulletin and no interventions were received. Pursuant to Order  
7 Number U-36399, Washington-St. Tammany's formula rate plan allows the  
8 company to earn a times interest earned ratio bandwidth of 1.4 to 1.6, and should  
9 that TIER fall above or below the bandwidth, WST is permitted to reset its rates to  
10 the midpoint of 1.5. The order further provides for a secondary revenue check,  
11 which includes an operating time interest earned of 1.2 and a minimum modified  
12 debt service coverage ratio of 1.4. In the filing, the company reported a TIER of  
13 0.90, which would have required a rate increase and resulted in an upward  
14 adjustment in the revenue requirement of approximately \$2.5 million. Staff  
15 reviewed the filing and confirmed that the company earned a TIER of 0.90, and as  
16 WST's earned TIER fell below the established bandwidth, Staff applied the second  
17 revenue checks to adjust WST's OTIER to 1.2 and the modified debt service  
18 coverage ratio to 1.4. And after those adjustments, Staff found that WST was  
19 authorized, in accordance with its formula rate plan, to adjust its rates to generate a  
20 revenue increase of \$2,503,369. WST filed notice that the company accepted  
21 Staff's report and recommendation, subject to the corrections to two typographical  
22 errors. And upon the parties' agreement, there was an amended joint report and  
23 draft order filed into the record on September 6, 2023. As there are no unresolved

1 issues, Staff requests that the Commission accept the amended joint report filed into  
2 the record on September 6, 2023.

3 **COMMISSIONER LEWIS:** I just have a few questions, if someone from  
4 Washington-St. Tammany could come up.

5 **COMMISSIONER SKRMETTA:** And I'd like to put a motion on the floor to  
6 accept Staff recommendation.

7 **VICE CHAIRMAN FRANCIS:** I'll go ahead and second that.

8 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta, a second by Mr.  
9 Francis.

10 **COMMISSIONER LEWIS:** Mr. Chairman.

11 **MS. KANTROW KANTROW:** Hi. Kara Kantrow on behalf of WST, and I have  
12 with me Dane Hocott, the GM of WST.

13 **CHAIRMAN CAMPBELL:** Who is he?

14 **MS. KANTROW:** The GM, general manager.

15 **MR. DANE HOCOTT:** General manager.

16 **CHAIRMAN CAMPBELL:** Okay. Good.

17 **COMMISSIONER LEWIS:** And these are just some clarifying questions from  
18 my understanding. Can you tell me why the interest expenses were so much higher  
19 for these repair?

20 **MR. HOCOTT:** Interest rates?

21 **COMMISSIONER LEWIS:** Yes.

1 **MR. HOCOTT:** So interest, due to inflation and the rising cost of interest rates at  
2 the national level, our interest went from two percent up to about seven percent, so  
3 it's a national issue.

4 **COMMISSIONER LEWIS:** And I guess, just so I -- just from my understanding,  
5 does -- how does the future reimbursement from FEMA affect rate increases  
6 associated with the higher interest. Is that included at all or is that --

7 **MR. HOCOTT:** It's not at this time. So if we were to receive any reimbursement  
8 from FEMA, that interest is already paid, so we would have to -- if it were  
9 reimbursed from FEMA, which I'm not aware that it has ever been reimbursed from  
10 FEMA, there's talk that it may be. If it were, then that would go back into the  
11 formula rate plan.

12 **COMMISSIONER LEWIS:** Perfect. Great. Thank you.

13 **CHAIRMAN CAMPBELL:** Your interest -- I didn't hear him -- your answer  
14 there. The answer he gave you. How much has your interest gone up? From what  
15 to what?

16 **MR. HOCOTT:** It went from two to seven percent.

17 **CHAIRMAN CAMPBELL:** Two to seven?

18 **MR. HOCOTT:** Yes, sir.

19 **CHAIRMAN CAMPBELL:** I don't think -- since I've been here, I've never seen  
20 it jump like that. That's a lot.

21 **VICE CHAIRMAN FRANCIS:** It is. Over what period of time? When did that  
22 rate start going up?

1 **MR. HOCOTT:** That was within a year. So it's due to the funds that were  
2 borrowed to restore power during Ida, so it's a short-term investment. Short-term  
3 loans that have a variable rate, so it goes up very quickly. And as soon as we receive  
4 the money from FEMA, then we'd be able to pay those off.

5 **CHAIRMAN CAMPBELL:** Okay. Anybody have any questions? There's a  
6 motion -- is there a motion? Or I'll make a motion.

7 **COMMISSIONER SKRMETTA:** There's a motion and a second already.

8 **MS. BOWMAN:** There is. There's a motion by Commissioner -- and a second.

9 **CHAIRMAN CAMPBELL:** There's already a second? Okay. Is there  
10 objections? [NONE HEARD] If there's no objections, item passed. Number  
11 sixteen. Fifteen, right?

12 **MS. BOWMAN:** Thank you. Exhibit Number 15 is reports, resolutions,  
13 discussions, and votes. There is a report from Staff on RDOF funding status and  
14 that's just going to be a quick update by myself. Of the thirteen companies that the  
15 Commission granted ETC designation to for RDOF purposes, nine have filed the  
16 requisite quarterly report. Two of the companies that are non-compliant filing the  
17 quarterly report have still not received FCC funding, so that's why they haven't  
18 filed anything with us. Of the nine that did file their reports, four have started  
19 deploying fiber into certain areas, within their awarded census blocks, ranging from  
20 about 10 to 45 percent complete. Some of those locations are already being served,  
21 and approximately 1,800 subscribers to date across those four companies. So we're  
22 slowly getting there. I think it's -- I think part of the problem that I, my personal  
23 opinion is, the RDOF funding comes in monthly distributions for the next 10 years.

1 So depending on the amount of funds that the company is receiving, they could be  
2 getting a small amount per month, and that could, you know, slow down the process  
3 of deploying it out.

4 **COMMISSIONER SKRMETTA:** Is the -- I mean, is the RDOF set up to where  
5 it's basically a payment towards a -- like a loan guarantee, that they go borrow the  
6 money and they allocate the RDOF to pay the loan? I mean, how do they set it up?

7 **MS. BOWMAN:** That's a good question that I can get back to you on the specifics  
8 on how that is, but I can certainly look into the specifics of each of the applications.

9 **COMMISSIONER SKRMETTA:** I can't imagine the RDOF payment is a good  
10 way to run it. I would imagine it they'd be better off borrowing it --

11 **MS. BOWMAN:** Having it and then -- yeah.

12 **COMMISSIONER SKRMETTA:** -- and [INAUDIBLE] to, you know, a set  
13 payment towards their debt, so. But anyway, if you could find out, that'd be great.

14 **MS. BOWMAN:** Yes, sir. Also on Exhibit Number 15, there is a resolution. It's  
15 a resolution showing support for state legislation in the 2024 session to support a  
16 tax credit for the purchase of electric generator systems to ensure services to the  
17 communities of state during power outages. We do have a yellow card. Would  
18 y'all like to hear from Ms. Hansen first, or would you like me to read the resolution  
19 into the record?

20 **COMMISSIONER GREENE:** Read it in.

21 **MS. BOWMAN:** Read it in first? One second. So the proposed resolution is as  
22 follows: The Louisiana Public Service Commission regulates, pursuant to its  
23 Constitutional authority, the rates, terms, and conditions of service of both investor-

1 owned and not-for-profit electric utilities providing service to industrial,  
2 residential, and commercial customers within Louisiana. Whereas the electric  
3 utilities under the Commission’s jurisdiction provide service in areas of Louisiana  
4 that frequently experience extreme weather conditions, including hurricanes,  
5 tornadoes, and floods. And whereas the Commission and the electric utilities are  
6 unfortunately experienced in the impacts these extreme weather conditions have on  
7 the generation, transmission, and distribution systems of said electric utilities. And  
8 whereas given the impact that these events have on residence and businesses  
9 seeking to repair and restore after such events, power outages not only delay these  
10 efforts, but also hinders Louisiana citizens from receiving vital goods and services.  
11 And whereas while Louisianans are familiar with electric generator systems in  
12 times of power outages, not all are able to afford such systems. And whereas having  
13 more businesses with electric generator systems would allow not only those  
14 businesses to have power, but also be available to provide vital goods and services  
15 to the surrounding community while the overall electric service to the area is being  
16 restored. Whereas uninterrupted access to goods and services during an outage,  
17 especially outages lasting more than a few hours, can mean the different between  
18 survival and not. Whereas the Commission recognizes the social benefit that can  
19 come from local businesses having electric generator systems in place. And  
20 whereas the Commission recognizes the resiliency that comes from local businesses  
21 having electric generated systems in place. And whereas the Commission has been  
22 working with and will continue to work to ensure that the electric utilities under its  
23 jurisdiction provide safe, reliable service to Louisiana citizens at the lowest



1 reasonable cost. And whereas the Commission continues these efforts by  
2 supporting local businesses to secure electric generator systems that would provide  
3 social benefit and resiliency after extreme weather events by ensuring services to  
4 the communities are met during power outages. Now therefore be it resolved that  
5 the Louisiana Public Service Commission supports, urges, and requests that the  
6 Louisiana Legislature during the upcoming 2024 Legislative Session consider  
7 passing a tax credit up to \$10,000 for the purchase of an electric generator system  
8 for those businesses that provide vital goods and services such as food stores,  
9 pharmacies, and fuel stations.

10 **COMMISSIONER SKRMETTA:** I ask for support for the resolution. We have  
11 legislators who are requesting support for this -- from us for this, to bring in the  
12 2024 session. These facilities would continue to act in commerce during outages  
13 and it would help with an offset of a fiscal note and justify the tax credit, so this  
14 would be a step forward in helping to keep community active, particularly at times  
15 when there are no evacuations and folks need some services. We had a lot of  
16 stranded gasoline in the ground in Jefferson Parish and Orleans Parish during Ida,  
17 and unfortunately, we had a homicide take place at one of the gas stations because  
18 of stranded assets in the ground. So I think it's a good thing for us to move forward  
19 and help the communities become more resilient through these type of actions, so  
20 I'd appreciate the support for this.

21 **COMMISSIONER LEWIS:** Commissioner, could I ask a technical question for  
22 you?

23 **COMMISSIONER SKRMETTA:** Yeah. Go ahead.

1 **COMMISSIONER LEWIS:** The resolution says for the 2024 session, but the  
2 legislature, is my knowledge, it would be in a regular session, so they would not be  
3 eligible to pass a tax credit in 2024; so should we encourage the 2025 session which  
4 would be a fiscal session that would allow tax credits?

5 **COMMISSIONER SKRMETTA:** I was told by one of the legislators to do it this  
6 way, but -- so I would just go with it this way. They can modify it however they  
7 want.

8 **COMMISSIONER LEWIS:** Yes, I know. I just wanted to --

9 **COMMISSIONER SKRMETTA:** Right. Yeah. I had this discussion with one  
10 of them and they said to do it this way, so I would just go ahead and hand it to them  
11 the way they asked.

12 **COMMISSIONER LEWIS:** Yeah. So I just wanted to state that just for the  
13 Commission --

14 **COMMISSIONER SKRMETTA:** No, I understand they have fiscal versus  
15 regular legal, so I'm with you, but this is something the way they wanted it, so.

16 **COMMISSIONER LEWIS:** Absolutely. Thank you. And some other  
17 comments. While I appreciate their sentiment, I think some of my friends across  
18 the legislature know how much of a fiscal hawk I am about our tax exemption  
19 budget, which is growing astronomically and not investing significantly into our  
20 resources. So while I am all for keeping vital services, I will kind of keep the same  
21 sentiment that I have across the street at the capital in opposing tax credits,  
22 particularly for businesses, just because the state of Louisiana is giving countless  
23 dollars away. And I wanted to echo that my sentiments agree with the resolution,

1 but the technical aspects of it, I just have to stay consistent as an advocate about not  
2 using tax credits as our ultimate solution. So I appreciate my colleagues' intent,  
3 but I just wanted to say why I would have to be opposed to this resolution.

4 **COMMISSIONER SKRMETTA:** Well, and please take note that these  
5 particular facilities will continue to collect sales tax as a part of them being open  
6 during disaster and that will help offset the credit, so I hope you understand that  
7 component of achieving a fiscal note towards zero and their participation of keeping  
8 the communities --

9 **COMMISSIONER LEWIS:** Absolutely, but I think that would also have  
10 significant issues with sales tax, which are very aggressive and tax the poor in this  
11 state a lot higher. If you are below \$17,000, your contribution in sales, state, and  
12 personal income tax is around 12 percent; if you are someone making over  
13 \$500,000 in this state, your contribution of sales tax, personal tax, and property tax  
14 is about 6.2 percent. And so part of my day job is fighting how sales tax is very  
15 regressive and hurts our poor, so that is part of why I -- while I appreciate that, it  
16 also is something that has deep concerns of mine.

17 **COMMISSIONER SKRMETTA:** I appreciate it. I'm okay with Louisiana being  
18 a tax-free state, so I'm with you on that. Okay. Well, thank you, though.

19 **MS. BOWMAN:** So, if there's opposition, we need a roll call vote.

20 **COMMISSIONER SKRMETTA:** Roll call vote.

21 **MS. BOWMAN:** And I'm sorry. Erin, please come up and speak.

22 **COMMISSIONER SKRMETTA:** Sure.

1 **MS. HANSEN:** Thank you, Commissioners. Again, Erin Hansen, Together  
2 Louisiana. Some of the most energy that we have seen around the state in building  
3 resiliency in communities is around non-profit institutions. Community  
4 organizations like churches, like union halls, like schools that can serve as centers  
5 where people can come during an outage and receive some essential services like  
6 food and water and ice. We talked about that a little bit around the SWEPCO AMI  
7 deal. And so definitely support the concept of this. I would be interested in working  
8 with the Commission or working with a legislator who's willing to take this up in  
9 developing rules that also allow for non-profit organizations, which don't have a  
10 tax liability, can't access a tax credit, in building out these systems at their facilities  
11 so that they can provide other types of services. You know, we need Home Depot,  
12 we need Walgreens, we need also places where people can go for free and pick up  
13 a portable battery and get some food and water and things like that, so.

14 **COMMISSIONER SKRMETTA:** I'll be glad to engage with some of the  
15 legislators to say while we're doing this, we'd like them to try and figure out other  
16 ways to help out on the non-profit and community assistance world.

17 **MS. HANSEN:** Great. Thanks.

18 **CHAIRMAN CAMPBELL:** Any further questions? There's been a motion and  
19 a second.

20 **MS. BOWMAN:** No, it's --

21 **COMMISSIONER SKRMETTA:** Actually, we have to have a roll call vote.  
22 Commissioner Lewis, you're opposing this?

23 **COMMISSIONER LEWIS:** Yes.

1     **CHAIRMAN CAMPBELL:** Okay. I didn't realize that. Okay. There's a motion,  
2     a second, an objection. We need a roll call vote. Is that correct?

3     **MS. BOWMAN:** Well, it's -- there was no motion and second, it was just a  
4     resolution. But because Commissioner Lewis objected, there does need to be a roll  
5     call vote.

6     **CHAIRMAN CAMPBELL:** Okay.

7     **MS. BOWMAN:** So Commissioner Lewis?

8     **COMMISSIONER LEWIS:** No.

9     **MS. BOWMAN:** Commissioner Francis?

10    **VICE CHAIRMAN FRANCIS:** Yes.

11    **MS. BOWMAN:** Commissioner Greene?

12    **COMMISSIONER GREENE:** Yes.

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

14    **COMMISSIONER SKRMETTA:** Yes.

15    **MS. BOWMAN:** Chairman Campbell?

16    **CHAIRMAN CAMPBELL:** Yes.

17    **MS. BOWMAN:** Passes. So we are still on Exhibit Number 15. There is a vote  
18    ratification. It's a discussion and possible vote to ratify a vote taken by  
19    Commissioner Greene via proxy acting as the Commission's representative on the  
20    Board of Directors of the Organization of MISO States. The matter is on the agenda  
21    for ratification of the vote taken on August 14, 2023. Staff followed the protocols  
22    set forth in Special Order 17-2019 to consult with the Executive Secretary and the  
23    Chairman and to make a recommendation to the Commissioner Greene prior to the

1 vote. The protocols also require that the vote taken be ratified at a following B&E.  
2 OMS prepared a letter to MISO CEO John Bear endorsing the MISO Reliability  
3 Based Demand Curve, the design of that curve, and the MISO opt-out of the curve.  
4 Based on Staff's recommendation, the Commission voted no to that letter. MISO  
5 has not demonstrated that the Reliability Based Demand Curve is needed to ensure  
6 reliability and it has not been adequately explained or supported, and the MISO  
7 opt-out exposes entities that choose to opt-out to the same risks as auction  
8 participants plus potential penalties. The Staff recommends that the Commission  
9 ratify Commissioner Greene's vote taken via proxy on August 14, 2023.  
10 **COMMISSIONER SKRMETTA:** Move to ratify the vote of Commissioner  
11 Greene.  
12 **COMMISSIONER GREENE:** I abstain.  
13 **COMMISSIONER LEWIS:** Second.  
14 **CHAIRMAN CAMPBELL:** There's been a motion and a second. Anybody  
15 object?  
16 **VICE CHAIRMAN FRANCIS:** I've got a question.  
17 **CHAIRMAN CAMPBELL:** You've got a question?  
18 **VICE CHAIRMAN FRANCIS:** Yeah.  
19 **CHAIRMAN CAMPBELL:** Mr. Francis.  
20 **VICE CHAIRMAN FRANCIS:** Who carried the proxy for Mr. Greene, Mr.  
21 Greene?  
22 **COMMISSIONER GREENE:** Noel.  
23 **COMMISSIONER SKRMETTA:** Noel Darce?

1 **COMMISSIONER GREENE:** Yeah.

2 **VICE CHAIRMAN FRANCIS:** What's that.

3 **COMMISSIONER GREENE:** Noel Darce.

4 **VICE CHAIRMAN FRANCIS:** Okay.

5 **COMMISSIONER SKRMETTA:** I don't think you need to come up, Noel.

6 **CHAIRMAN CAMPBELL:** You want to come up? You want to talk

7 [INAUDIBLE]?

8 **VICE CHAIRMAN FRANCIS:** No. I was just wondering who was the --

9 **MS. BOWMAN:** I think we're good.

10 **CHAIRMAN CAMPBELL:** Anyway. There's a motion and a second. No

11 objection? [NONE HEARD] Passed.

12 **MS. BOWMAN:** So also under Exhibit Number 15 is a directive. It's the directive

13 to jurisdictional utilities regarding foreign relationships. It was at the request of

14 Commissioner Skrmetta and it was on last month's Exhibit 15. I can read the

15 directive again, if need be.

16 **COMMISSIONER LEWIS:** I would like to have it read in the record again.

17 **CHAIRMAN CAMPBELL:** I'd like for you to read it.

18 **MS. BOWMAN:** Okay. There are reasonable concerns regarding security risk

19 posed by foreign manufactured components included in all energy devices,

20 including renewable energy devices that can affect the control of distributable

21 power. These devices can be a risk to our national security. The true danger can

22 lay in the internet-based aspect of devices, which make it an element of the global

23 cyberspace, clearly making aspects prone to hacking, security breaches, and the

1 ability to be completely sabotaged at the discretion of unfriendly governments.  
2 These actions will restrain and reduce our vulnerabilities. Therefore, I direct the  
3 jurisdictional electric utilities to cease purchasing and including any foreign  
4 produced devices in electric utilities from specified jurisdictions. Specifically, no  
5 equipment or device of any kind manufactured in the People's Republic of China,  
6 Democratic People's Republic of Korea, the Russian Federation, or the Islamic  
7 Republic of Iran shall be purchased, included, or utilized by any electric utility,  
8 whether investor owned or member cooperative. This directive is effective  
9 immediately upon Commission approval. Further, I direct all jurisdictional utilities  
10 to immediately cease contracting on issues related to IT or CIT services of any kind,  
11 including through direct contractors or sub-contractors, with any company or  
12 governmental agency originating within the People's Republic of China,  
13 Democratic People's Republic of Korea, the Russian Federation, or the Islamic  
14 Republic of Iran.

15 **COMMISSIONER GREENE:** Yes. I have a quick comment. You know, the --  
16 and Commissioner Skrmetta and I had a sidebar. Apparently, this was emailed out  
17 prior to last meeting, but the first I had seen of it was last meeting, and I just had  
18 some questions and clarifications. I think it's a good idea. I kind of wanted to  
19 make it a little more specific, but with his version, I think we'll start with that, and  
20 if we have to make it more specific along the way, we can. Is that right?

21 **COMMISSIONER SKRMETTA:** That's fine with me.

22 **COMMISSIONER GREENE:** But I think it's a good idea and thanks for the  
23 extra month.



1 **CHAIRMAN CAMPBELL:** Anybody else have any questions?

2 **COMMISSIONER LEWIS:** Yes.

3 **CHAIRMAN CAMPBELL:** Mr. Lewis.

4 **COMMISSIONER LEWIS:** Yes, I think this is an important topic and I believe

5 we have a cybersecurity docket and I think for something of this magnitude, we

6 should engage stakeholders, take comments, and develop a very clear rule. So

7 while I have no objections to us making our systems more secure from adversarial

8 governments, I do not like this process. While we, as Commissioners, have seen

9 this language, one of the concerns that I heard from countless of my constituents

10 were this language was not published anywhere. So the constituents, stakeholder

11 participants, companies have not been able to see the language, and I think it's an

12 appropriate tool for a rule or decision of this magnitude to go through a directive

13 process that opens up a docket or puts it in a docket so that we can get all the

14 feedback, talk to expert testimony, hear facts and evidence to make sure that what

15 we pass is actually applicable and works well. And so while I -- my reservations

16 that I had last meeting still hold, I will have to object to this directive.

17 **COMMISSIONER SKRMETTA:** I appreciate that. I guess, at this point, I'd like

18 to call a vote on it.

19 **CHAIRMAN CAMPBELL:** You object to his --

20 **COMMISSIONER SKRMETTA:** Yeah. I object and I'd like to call a vote.

21 **CHAIRMAN CAMPBELL:** Okay.

22 **COMMISSIONER GREENE:** What are we voting --

23 **COMMISSIONER SKRMETTA:** On my directive.

1 **MS. BOWMAN:** So --

2 **COMMISSIONER SKRMETTA:** He's objecting.

3 **CHAIRMAN CAMPBELL:** I know what he's objecting to.

4 **COMMISSIONER SKRMETTA:** No, I'm talking to Kathryn.

5 **CHAIRMAN CAMPBELL:** He's trying to add to your resolution. That's what

6 you're trying to do?

7 **COMMISSIONER LEWIS:** No, no, no. I was just stating that I believe that this

8 directive is better suited in a docket, but since that's not the avenue that's before

9 us, I will object to the directive as written.

10 **CHAIRMAN CAMPBELL:** Why don't we put it in a docket? You object to that?

11 **COMMISSIONER SKRMETTA:** Yes.

12 **CHAIRMAN CAMPBELL:** Well, it's really broad, really broad, which is good

13 and specific, but I need some more expertise in this. I don't feel like just telling --

14 you're making foreign decisions, Department of Energy and everybody else,

15 Department of Defense and all that. I don't feel -- I mean, the feel-good deal is

16 yeah, but I'd like to know what we're doing, exactly what we're doing, and does it

17 work with what we're trying to do as a country as a whole. This is not the Public

18 Service Commission, we're dealing Department of Defense here, we're talking

19 about who we can trade with, who we can't trade with, and so I would -- Mr. Lewis,

20 would you be willing to offer something to put it in a -- open up a docket on it?

21 **COMMISSIONER LEWIS:** I would be more than happy to put it into the

22 cybersecurity docket, but I believe as it stands, Commissioner Skrmetta has offered

1 the directive and has stated that he would not support doing that right now, so I  
2 think we would have to dispense of the motion.

3 **COMMISSIONER SKRMETTA:** Well, that's not exactly what I'm saying.  
4 What I'm saying is I would like a vote on the directive as it's placed, and if you  
5 want to do something else, you can do whatever else you want to do.

6 **COMMISSIONER LEWIS:** Exactly. That's what I was stating, that --

7 **COMMISSIONER SKRMETTA:** Yeah.

8 **COMMISSIONER LEWIS:** -- the current process would be to take up your  
9 directive and then --

10 **COMMISSIONER SKRMETTA:** And to be clear, we've done the same type of  
11 action against Huawei technology in our communications. Anything we regulate  
12 under the communications of the Commission some time ago. We banned Huawei  
13 technology from our communication systems. So we have done this before. So I  
14 wouldn't like us to think that we have not done this before. And so I appreciate  
15 whatever you want to do, Commissioner Lewis. If you want to take a month and  
16 write it out and submit it for a docket, then we can do it in October, no problem.  
17 But for the purposes of what we're doing here, I think my directive is solid and I  
18 think we do have the authority and I think we should do it and I'd like to call a vote  
19 on it.

20 **CHAIRMAN CAMPBELL:** Okay. So we need a vote, right?

21 **COMMISSIONER GREENE:** It does seem like these aren't mutually exclusive,  
22 though. We could pass this and put it into the docket, right?

23 **COMMISSIONER SKRMETTA:** Yes. Yep. We can do both.

1 **COMMISSIONER GREENE:** Davante?

2 **COMMISSIONER LEWIS:** Yeah, I just -- I think this directive -- I still have  
3 problems with this directive as a whole.

4 **COMMISSIONER GREENE:** Yeah, yeah.

5 **COMMISSIONER SKRMETTA:** They're two different things.

6 **COMMISSIONER LEWIS:** No, I understand.

7 **COMMISSIONER GREENE:** What would be the mechanism to after -- if this  
8 passes, to also add it into the cybersecurity docket?

9 **MS. BOWMAN:** It could be a directive from any Commissioner next month to  
10 include it into the cybersecurity docket that we do have open at the moment.

11 **COMMISSIONER GREENE:** Well, I say we vote on this now, but then we'll  
12 come up with language to put it into the cybersecurity docket.

13 **COMMISSIONER SKRMETTA:** You can just write a new directive with  
14 specifics of what he's looking to do.

15 **CHAIRMAN CAMPBELL:** That seems like a good compromise. Pass this,  
16 come up with a directive, put it in a cybersecurity docket, and then that gives  
17 everybody cover.

18 **COMMISSIONER LEWIS:** But I -- oh, I'm sorry, Kathryn.

19 **MS. BOWMAN:** I mean, technically you could make that separate directive today  
20 to put it into the cybersecurity docket, it's just taken up out of order, which means  
21 it would have to be a unanimous vote by the Commissioners to add it.

22 **COMMISSIONER SKRMETTA:** It's two different [INAUDIBLE].

23 **COMMISSIONER LEWIS:** Yeah, no.

1 **MS. BOWMAN:** Yes, it's two separate votes.

2 **COMMISSIONER SKRMETTA:** But just to give him the time to be very  
3 specific about what he'd like, that if he wants to wait a month, he can; if he wants  
4 to do it today, that's fine. I just want to have a vote on my directive, as is.

5 **CHAIRMAN CAMPBELL:** Okay. There's been a motion.

6 **MS. BOWMAN:** Well, it's just an objection to a directive.

7 **CHAIRMAN CAMPBELL:** There was an objection.

8 **COMMISSIONER SKRMETTA:** So then we have to vote on it.

9 **CHAIRMAN CAMPBELL:** So we've got to vote on it. Okay.

10 **MS. BOWMAN:** Yeah. So Commissioner Lewis, how do you vote on --

11 **COMMISSIONER LEWIS:** No.

12 **MS. BOWMAN:** -- Commissioner Skrmetta's directive? No. Commissioner  
13 Francis?

14 **VICE CHAIRMAN FRANCIS:** Yes.

15 **MS. BOWMAN:** Commissioner Greene?

16 **COMMISSIONER GREENE:** Yes.

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

18 **COMMISSIONER SKRMETTA:** Yes.

19 **MS. BOWMAN:** Chairman Campbell?

20 **CHAIRMAN CAMPBELL:** Yes. Now, you want to make a motion or you want  
21 a directive -- on the directive to put it into the docket? You got the votes.

22 **COMMISSIONER LEWIS:** Yes. I'm trying to --

23 **MS. BOWMAN:** I was going to say, you can make a generic directive now --

1 **COMMISSIONER LEWIS:** Yeah, no, no. As I was stating, part of my objection  
2 was not the concept, I wanted to spend more time on the concept, but it was that  
3 the directive directly did not define components. There was a lot of terms that were  
4 used in the directive that we just voted on that I felt was better answered to define  
5 in a docket, so I'm not sure my concerns now matter, since the directive has already  
6 passed, to put it into a docket. So I have nothing further for this meeting at this  
7 point.

8 **CHAIRMAN CAMPBELL:** Okay, okay.

9 **COMMISSIONER SKRMETTA:** Just give it some thought over the next few  
10 days, and if you want to create a docket or you can [INAUDIBLE].

11 **CHAIRMAN CAMPBELL:** What's next? Number 17?

12 **MS. BOWMAN:** Exhibit 16.

13 **SECRETARY FREY:** Sixteen.

14 **CHAIRMAN CAMPBELL:** Sixteen? Good.

15 **MS. BOWMAN:** Which is Docket Number U-35807. It's the application of Cleco  
16 for recovery in rates of certain storm damage costs incurred as a result of Hurricanes  
17 Laura, Delta, and Zeta and Winter Storms Uri and Viola, related securitization  
18 financing and establishment of a storm reserve. It's a discussion and possible vote  
19 on an uncontested proposed stipulated settlement, at the request of Commissioner  
20 Skrmetta. On September 4, 2020, Cleco filed its application seeking interim  
21 recovery of storm damage, which was granted in Order Number U-35807. On  
22 August 5, 2021, Cleco filed its application seeking permanent recovery of the costs  
23 associated with the hurricanes as well as Winter Storm Uri and Viola and sought

1 approval for securitization financing of those costs. On September 28, 2021, Cleco  
2 filed a supplemental application requesting the Commission's authorization for a  
3 new storm reserve of \$100 million associated with costs incurred due to Hurricane  
4 Ida. Cleco's request was authorized in Order Numbers U-35807-A and U-35807-  
5 B, both dated April 1, 2022. As a result of that securitization, Louisiana ratepayers  
6 saved approximately \$279 million compared to what the costs would have been had  
7 traditional utility financing been utilized. While the securitization financing was  
8 authorized, the Commission had not yet undertaken an analysis of the prudence of  
9 the Hurricane Ida cost. Therefore, 10 percent of the Hurricane Ida securitization  
10 was retained in an escrow pending Commission order addressing the prudence of  
11 Hurricane Ida cost. Staff performed that prudence analysis and on August 31, 2023,  
12 Cleco and Staff filed a joint motion scheduling a hearing for uncontested proposed  
13 stipulated settlement with an uncontested proposed stipulated settlement attached,  
14 which was either supported or not opposed by all the intervenors. The settlement  
15 concluded that Cleco spent approximately \$90 million in prudently-incurred costs  
16 to address the damage caused by Hurricane Ida, which is below the original  
17 estimate. Therefore, the settlement recommends that Cleco Power is permitted to  
18 withdraw \$10,310,376 from the Hurricane Ida reserve and that the remaining  
19 \$5,062,240 is transferred to Cleco Power's permanent storm damage reserve for use  
20 and benefit of ratepayers when future storm damages are incurred in Cleco's service  
21 territory, as required by Order U-35807-A. Staff recommends that the Commission  
22 accept the uncontested proposed stipulated settlement filed into the record on  
23 August 31, 2023.

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

2 **COMMISSIONER SKRMETTA:** I move to accept, but I do want to have a  
3 clarification from the company.

4 **MS. BOWMAN:** Okay. Is Cleco in the audience.

5 **COMMISSIONER SKRMETTA:** This is Concordia or Cleco?

6 **COMMISSIONER GREENE:** Cleco.

7 **MS. BOWMAN:** This is Cleco.

8 **COMMISSIONER SKRMETTA:** I'm sorry. No clarification needed. I'm  
9 thinking of the next one. Sorry.

10 **MS. BOWMAN:** Oh. Okay. So there's a motion by Commissioner Skrmetta.

11 **COMMISSIONER SKRMETTA:** I'll still move to accept.

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

13 **MS. BOWMAN:** Second by Commissioner Lewis.

14 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta, second by Mr.  
15 Lewis. Is there any objection? [NONE HEARD] Hearing no objections, item is  
16 passed. Number 17.

17 **MS. BOWMAN:** Exhibit Number 17 is Docket Number U-36809. This is  
18 Concordia Electric Cooperative's formula rate plan annual report for the 2022 test  
19 year, and its at the request of Vice Chairman Francis. On April 18, 2023, Concordia  
20 filed its annual FRP report for the test year ending December 31<sup>st</sup>. Notice was  
21 published in the Bulletin and no interventions were received. On May 23, 2023,  
22 Concordia filed an amended 2022 annual report, which indicated that the auditors  
23 made changes to the cooperative's 2022 financial records, which resulted in a



1 change to that annual report. Staff evaluated the report and filed its report and  
2 recommendation on July 2, 2023, wherein Staff found that the company's proposed  
3 adjustments were complete, accurate, and appropriately reflected the provisions of  
4 the formula rate plan, with the exception of one additional adjustment, which  
5 resulted in an increase of revenue in the amount of \$1,779,567. Additionally, Staff  
6 raised a significant concern as it relates to whether or not the existing formula rate  
7 plan is working as intended. The FRP is designed with a shortened review period,  
8 which is intended to allow recovery of agreed upon operating expenses as well as  
9 agreed upon adjustments to those operating expenses, and as such, part of Staff's  
10 recommendation included a requirement that the company file a full base rate  
11 review of no later than June 1, 2024, utilizing a 2023 test year. On August 4, 2023,  
12 the company filed its agreements with Staff's recommendations and upon the  
13 party's agreements, they filed a joint report and draft order into the record on  
14 September 15, 2023. Staff recommends that the Commission accept that joint  
15 report and issue the draft order filed into the record on September 15, 2023.

16 **CHAIRMAN CAMPBELL:** Concordia Rural Electric, I represent most of it. Mr.  
17 Francis represents a good portion of it. They're a good company, no complaints.  
18 The problem they have up there is 8,000 people in the whole cooperative and it  
19 goes over a long part of the landscape in North Louisiana. Some of their lines, they  
20 go down in places where there's two people every three or four miles or two miles,  
21 so this is a big -- this is a rate increase that I support, but I want to make sure that  
22 they're going from one of the cheapest to one of the highest, it's not something I  
23 take lightly. I'm watching, but they do need this rate increase. And I can say the

1 good thing about Concordia is I never have complaints about -- they keep their  
2 lights on people, they work with people when sometimes the people have a problem  
3 paying their bills. I'm able to work with them on that, so I am for this. I make a  
4 motion that we accept Staff recommendation.

5 **COMMISSIONER SKRMETTA:** I'll second it. And I do have a question for  
6 Concordia, if they've got a minute.

7 **CHAIRMAN CAMPBELL:** You've got a question. Mr. Purvis. Okay.

8 **COMMISSIONER SKRMETTA:** Thanks.

9 **SECRETARY FREY:** Just make sure you hit the button on the mic.

10 **COMMISSIONER SKRMETTA:** Okay. You'll have to hit the button on when  
11 you talk. I had a good meeting with you guys --

12 **MS. EVANS:** Commissioner, your microphone.

13 **COMMISSIONER SKRMETTA:** I'm sorry. I had a good meeting with you  
14 guys in my office about this issue and we talked about this because you needed to  
15 hire additional personnel that you weren't able to get. And I'm for this, but I wanted  
16 to clarify because we discussed that after you acquire future money, that you'll be  
17 able to potentially reduce this amount, and I wanted you to clarify that for the  
18 Commission that this is an interim rate increase and that we'll be able to look at a  
19 reduction somewhere down the road.

20 **MR. DWAYNE BAILEY:** Yes, sir. Dwayne Bailey with Concordia Electric. We  
21 had talked about the AMI system, and once we get it implemented and we -- I  
22 personally think that we're losing our kWh through the metering system we have

1 right now, and once we get the new one in place and get it set up, we are more than  
2 willing to come back before the Commission and get a reduction on rates.

3 **COMMISSIONER SKRMETTA:** Okay. So effectively once your AMI systems  
4 are installed, because I know you're delayed on that.

5 **MR. BAILEY:** Yes.

6 **COMMISSIONER SKRMETTA:** So once that's done and you'll be able to come  
7 back in after that, meet with Staff and look at how you can maybe get your rates  
8 reduced a bit?

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

10 **COMMISSIONER SKRMETTA:** Okay. Great. That's all I needed to know.

11 **CHAIRMAN CAMPBELL:** You know, this is not just for your co-ops, but I want  
12 to remind all the co-ops in here, I was the one who voted with you guys, five co-  
13 ops. You know your promise now, your promise was rates were going down, rates  
14 were going down. Now, if they go up, up, up, up, and then they go down, you  
15 hadn't done a lot. So don't raise them and raise them and raise them, and then you  
16 say, hey, well, we're going to take a 20 percent reduction. Then you're going to be  
17 exactly where you were. So let's be honest with everybody. You're shooting for  
18 20 percent reduction, that was the whole story of letting you get your own power,  
19 which I'm glad, now. You got a bunch of bids. And the only people who were  
20 really against you were the investor owned companies that wanted to sell you  
21 electricity. I got it. But if you went out in the market and you tested the market,  
22 that's good, and you found cheaper sources of electricity, that's good. Let's just  
23 make damn sure that we don't keep running these rates up and then tell me, hey,

1 we're going to have a 20 percent reduction and you're going to be exactly where  
2 you were. And I represent you and I represent Claiborne and I mean, I'm aware of  
3 all that. But we all made a deal, you know. We shook hands. So a deal is a deal.

4 **MR. BAILEY:** Well, you're going to be here for a while and we're going to be  
5 here for a while and we'll have to face you, and we want --

6 **CHAIRMAN CAMPBELL:** All right. Thank you. I made a motion, it was  
7 seconded. No objections? [NONE HEARD] It passed. Thank you.

8 **MS. BOWMAN:** So we've already done Exhibit 18. So moving on to Exhibit 19.  
9 This is a possible executive session, but I ask, let me read everything into the record  
10 and have a motion on the floor before everyone exits the room. It is FERC Docket  
11 Numbers EL18-152 and ER23-2821. This is the Commission versus System  
12 Energy Resources and Entergy Services, Inc. It's a possible executive session to  
13 discuss litigation strategy pursuant to Louisiana Revised Statute 42:16, et seq., at  
14 the request of Commissioner Greene. And I will entertain a motion to enter --

15 **COMMISSIONER SKRMETTA:** Move to go into executive session.

16 **COMMISSIONER LEWIS:** Second.

17 **MS. BOWMAN:** Second by Commissioner Lewis. So we are now -- if everyone  
18 could exit the room quickly, please.

19 **[OFF THE RECORD]**

20 **[BACK ON THE RECORD]**

21 **COMMISSIONER SKRMETTA:** Move to come out of executive session.

22 **COMMISSIONER LEWIS:** Second.

1 **MS. BOWMAN:** So we are out of executive session, and we do have something  
2 to take out of order, but I need a motion to take that item up.

3 **COMMISSIONER SKRMETTA:** I have a motion to take up out of order and I'd  
4 like Kathryn to read it for me.

5 **MS. BOWMAN:** We need a second to take it up out of order.

6 **COMMISSIONER SKRMETTA:** Second from Greene.

7 **MS. BOWMAN:** Any objections to taking something out of order? [NONE  
8 HEARD] No objections. The motion is as follows: I move to authorize counsel  
9 to amend the complaint the Commission filed in FERC Docket Number EL21-56  
10 to broaden the time period covered and the basis for the complaint to the extent that  
11 Staff and Special Counsel deems appropriate. That's the motion?

12 **COMMISSIONER SKRMETTA:** That's it.

13 **MS. BOWMAN:** Entertain a second.

14 **CHAIRMAN CAMPBELL:** No objections.

15 **COMMISSIONER LEWIS:** Second.

16 **MS. BOWMAN:** Seconded by Lewis. Any objections? [NONE HEARD]

17 **CHAIRMAN CAMPBELL:** It's passed.

18 **MS. BOWMAN:** And a motion to adjourn?

19 **COMMISSIONER SKRMETTA:** Move to adjourn.

20 **MS. BOWMAN:** A second to adjourn?

21 **COMMISSIONER LEWIS:** Second.

22 **MS. BOWMAN:** Thank you.

23 **COMMISSIONER SKRMETTA:** Thank you guys.

1

2

**(WHEREUPON THE MEETING WAS ADJOURNED)**

3

1 I certify that the forgoing pages 1 through 123 are true and correct to the best  
2 of my knowledge of the Open Session of the Business and Executive Meeting  
3 held on September 20, 2023 in Baton Rouge, Louisiana.

4 \*\*\*\*\*

5 **Rough Draft prepared by:**

6 Kayla Fiorenza October 3, 2023  
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