

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM NOVEMBER 16, 2018**  
**OPEN SESSION**

**MINUTES OF NOVEMBER 16, 2018 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN ERIC SKRMETTA, VICE CHAIRMAN MIKE FRANCIS, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER LAMBERT BOISSIERE, COMMISSIONER CRAIG GREENE AND EXECUTIVE SECRETARY BRANDON FREY.**

**Open Session of November 16, 2018 convening at 9:43A.M., and adjourning at 11:34A.M., the Galvez Building, 602 North 5<sup>th</sup> Street, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Brandon Frey.**

<p><b>Ex. 1</b></p>	<p>Executive Secretary Brandon Frey announced that the December B&amp;E Meeting will be held at the Louisiana Supreme Court in New Orleans and will begin at 10am.</p> <p>Deputy General Counsel Melissa Watson announced the Public Utilities Section of the Louisiana State Bar Association will be hosting its annual CLE scheduled for November 30, 2018 at the City Club in Baton Rouge. You can register online at <a href="http://www.lsba.org/cle">www.lsba.org/cle</a> or by mailing your registration form in to Ms. Watson. If you have any questions, please contact Melissa Watson.</p> <p>Vice Chairman Francis congratulated Jeff Arnold as the new CEO of The Association of Louisiana Electric Cooperatives (ALEC).</p>
<p><b>Ex. 2</b></p>	<p><b>T-34953</b> - Louisiana Public Service Commission vs. Stafford Transport of Louisiana, Inc. dba CEI (Walker, Louisiana). In re: Alleged violation of General Order No. 9901 as amended while operating under Common Carrier Certificate 5653-M, for 1) utilizing an owner/operator lease with T. Vallery Trucking, LLC not executed in writing 2) no lease in vehicle and 3) not filing leases with the Commission, and alleged violation of La. R.S. 45:167 and General Order No. 9901 as amended for utilizing vehicles not clearly identified as being operated by lessee and failure to identify vehicles with name, address and certificate or permit number, occurring on or about July 19, 2018.</p> <p><b>In re: Discussion and possible vote pursuant to Rule 57 to consider the Affidavit and Stipulation executed by the Carrier.</b></p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, with Commissioner Campbell and Commissioner Greene concurring and Commissioner Boissiere temporarily absent, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.</p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, with Commissioner Campbell and Commissioner Greene concurring and Commissioner Boissiere temporarily absent, the Commission voted to approve the Affidavit and Stipulation executed on October 11, 2018.</p>
<p><b>Ex. 3</b></p>	<p><b>T-34954</b> - Louisiana Public Service Commission vs. Stafford Transport of Louisiana, Inc. dba CEI (Walker, Louisiana). In re: Alleged violation of General Order No. 9901 as amended while operating under Common Carrier Certificate 5653-M, for 1) utilizing an owner/operator lease with Three N One Enterprises of Prairieville LA, LLC not executed in writing 2) no lease in vehicle and 3) not filing leases with the Commission, and alleged violation of La. R.S. 45:167 and General Order No. 9901 as amended for utilizing vehicles not clearly identified as being operated by lessee and failure to identify vehicles with name, address and certificate or permit number, occurring on or about July 19, 2018.</p> <p><b>In re: Discussion and possible vote pursuant to Rule 57 to consider the Affidavit and Stipulation executed by the Carrier.</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Greene, with Commissioner Campbell and Vice Chairman Francis concurring and Commissioner Boissiere temporarily absent, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, with Vice Chairman Francis and Commissioner Greene concurring and Commissioner Boissiere temporarily absent, the Commission voted to approve the Affidavit and Stipulation executed on October 11, 2018.</p>

<p><b>Ex. 4</b></p>	<p><b>T-34963</b> - Louisiana Public Service Commission vs. Tank Specialties, LLC (Larose, Louisiana). In re: Alleged violation of La. R.S. 45:161 through 180.1, by operating Intrastate without LPSC authority to transport saltwater utilized in oil well exploration and production on one (1) count; allegedly occurring on or about November 1, 2017.</p> <p><b>In re: Discussion and possible vote pursuant to Rule 57 to consider the Affidavit and Stipulation executed by the Carrier.</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Greene, with Commissioner Campbell and Vice Chairman Francis concurring and Commissioner Boissiere temporarily absent, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, with Vice Chairman Francis and Commissioner Greene concurring and Commissioner Boissiere temporarily absent, the Commission voted to approve the Affidavit and Stipulation executed on September 19, 2018.</p>
<p><b>Ex. 5</b></p>	<p><b>U-33011</b> - Mo-Dad Utilities, LLC ("Mo-Dad"), ex parte. In re: Application for Rate Increase and Request for Letter of Non-Opposition to Borrowing Funds.</p> <p><b>In re: Update and Report from Mo-Dad on Status of Loan and Improvements at the request of Chairman Skrmetta.</b></p> <p><b>(Ex. 2 on the October 26, 2018 B&amp;E Agenda)</b></p> <p><b>DEFERRED</b></p>
<p><b>Ex. 6</b></p>	<p><b>U-34806</b> - Southwestern Electric Power Company, ex parte. In re: 2017 Test Year Formula Rate Plan Report.</p> <p><b>In re: Discussion and Possible Vote on Staff's Recommendation on Request for Extension of Vegetation Management Budget for 2019.</b></p> <p>On motion of Commissioner Campbell, seconded by Chairman Skrmetta, with Vice Chairman Francis and Commissioner Greene concurring and Commissioner Boissiere temporarily absent, the Commission voted to accept Staff's Recommendation.</p>
<p><b>Ex. 7</b></p>	<p><b>U-34199</b> - Southwestern Electric Power Company (SWEPCO), ex parte. In re: 2014 Annual Formula Rate Plan Report.</p> <p><b>U-34675</b> - Southwestern Electric Power Company, ex parte. In re: 2015 Test Year Formula Rate Plan.</p> <p><b>In re: Discussion and possible vote on Joint Report of Proceedings, Stipulation and Draft Orders resolving all issues.</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Draft Orders adopting the Joint Report and Joint Stipulation Term Sheet filed into the record on October 17, 2018.</p>
<p><b>Ex. 8</b></p>	<p><b>Undocketed</b> - Southwestern Electric Power Company, ex parte, In re: Request for Proposal pursuant to the Commission's General Order dated October 29, 2008 ("MBM Order") for Wind Energy Resources.</p> <p><b>In re: Discussion and Possible Vote on request by SWEPCO to waive the 30-day notice requirement to Commission Staff prior to submitting its informational filing as required by the Commission's General Order dated October 29, 2008 ("MBM Order").</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to grant the requested waiver of the 30 days advance notice requirement with the condition that the waiver is limited solely to the facts and circumstances of this request and is deemed non-precedential.</p>

<p><b>Ex. 9</b></p>	<p><b>Undocketed</b> - Southwestern Electric Power Company, ex parte, In re: Request for Proposal pursuant to the Commission’s General Order dated October 29, 2008 (“MBM Order”) for Wind Energy Resources.</p> <p><b>In re: Discussion and Possible Vote to retain United Professionals Company.</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain United Professionals Company to assist Staff for \$165,000 in fees and \$4,000 in expenses, for a total not to exceed budget of \$169,000.</p>
<p><b>Ex. 10</b></p>	<p><b>S-34866</b> - Cleco Power LLC, ex parte. In re: Application for Renewal of Cleco Power LLC's Blanket Financing Authorization and for Expedited Treatment.</p> <p><b>In re: Discussion and possible vote on Staff's Recommendation.</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to adopt Staff’s recommendation filed into the record on November 2, 2018.</p>
<p><b>Ex. 11</b></p>	<p><b>S-34879</b> - Atmos Energy Corporation, ex parte. In re: Petition Requesting Renewal of the Asset Management Plan for the Period April 1, 2019 Through March 31, 2024.</p> <p><b>In re: Discussion and possible vote on Staff's Recommendation.</b></p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted to adopt Staff’s recommendation filed into the record on October 31, 2018.</p>
<p><b>Ex. 12</b></p>	<p><b>1) Reports</b></p> <p><b>A. Follow-up Report from Staff regarding DEMCO Audit</b></p> <p style="padding-left: 40px;"><b>(Ex. 15 on the October 26, 2018 B&amp;E Agenda) - DEFERRED</b></p> <p><b>B. Follow-up Report from Entergy regarding 10/19/2018 outage in downtown Baton Rouge. – DEFERRED</b></p> <p>2) Resolutions</p> <p><b>3) Discussions</b></p> <p><b>Update and presentation from AT&amp;T and CenturyLink regarding the status of Connect America Fund “CAF” broadband deployment in Louisiana.</b></p> <p><b>(Ex. 15 on the October 26, 2018 B&amp;E Agenda)</b></p> <p>Reports were provided by Rick Demint of AT&amp;T and Melissa Mann of CenturyLink.</p> <p>4) ERSC/OMS/SPP</p> <p><b>Discussion and possible vote to ratify the vote taken by Commissioner Boissiere acting as the Commission's representative on the Board of Directors of the Organization of MISO States.</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Greene, with Vice Chairman Francis and Commissioner Campbell concurring, and Commissioner Boissiere abstaining, the Commission voted to ratify Commissioner Boissiere’s votes taken on October 25, 2018 as the Louisiana Public Service Commission’s Representative to the OMS Board of Directors.</p> <p><b>Discussion and possible vote to ratify the vote taken by Commissioner Campbell acting as the Commission's representative on the Regional State Committee of the Southwest Power Pool.</b></p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Boissiere, with Vice Chairman Francis and Commissioner Greene concurring, and Commissioner Campbell abstaining, the Commission voted to ratify Commissioner Campbell’s vote taken on October 26, 2018 as the Louisiana Public Service Commission’s Representative to the RSC of the Southwest Power Pool.</p>

	<p><b>5) Directives</b></p> <p><b><u>Directive for Staff to open an audit of DEMCO and issue an RFP for outside consultant to assist with Staff. - DEFERRED</u></b></p> <p><b>At the request of Commissioner Greene.</b></p> <p><b>Executive Secretary Brandon Frey reported on the rulemaking addressing best practices and rules and regulations for Electric Co-ops operating in Louisiana. Docket No. R-35066 was opened and published in the Commission’s Official Bulletin on November 16, 2018. Staff’s Initial Recommendation included within Docket No. R-35066 is that:</b></p> <ol style="list-style-type: none"> <li>1. Co-ops shall no longer provide medical/health or life insurance to co-op directors. Director’s liability or similar insurance is exempt from this prohibition. Based on the data provided, this provision shall result in an annual reduction of approximately \$1 million.</li> <li>2. Per diems for attendance at board meetings, or other functions that require the attendance of a co-op director shall be “capped” at \$200 per day.</li> <li>3. Effective with the next election cycle for each directorship, directors shall be term limited to four (4) consecutive 3 year terms, for a total of 12 years.</li> <li>4. The maximum threshold for a quorum of members for the purposes of electing directors shall be 5% of the total members, irrespective of whether the meeting is in person or via mail ballot. Any co-op that has failed to achieve a quorum for director voting in consecutive years, or in three (3) of the last five (5) years, shall conduct future director voting via mail ballot.</li> <li>5. Co-ops, in association with the Commission, and any state and local cooperative associations, shall use best efforts to provide director training at locations throughout the state of Louisiana.</li> <li>6. Co-ops that are not currently doing so, shall file annual reports on outside contract expenses as required by the Commission’s February 28,1990 General Order.</li> </ol> <p>Comments on the above recommendations, and Staff’s filing, shall be submitted no later than Friday, December 14, 2018.</p>
<p><b>Ex. 13</b></p>	<p><b>T-34241 - Dynamic Environmental Services, LLC vs. Steve Kent Trucking, Inc. and Kent &amp; Smith Holdings, LLC. In re: Complaint against Steve Kent Trucking, Inc. and Kent &amp; Smith Holdings, LLC and petition to rescind LPSC Order No. T-33737, and cancel Common Carrier Certificate Nos. 5662-G and 5662-H.</b></p> <p><b>In re: Discussion and possible vote on Final Recommendation of the Administrative Law Judge.</b></p> <p><b>At the request of Chairman Skrmetta.</b></p> <p>On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted adopt the ALJ Recommendation.</p>

Ex. 14

**Directive regarding ELL’s Advanced Metering System (“AMS”) opt-out policy and methodology.**

**At the request of Chairman Skrmetta.**

On November 22, 2016, Entergy Louisiana, LLC (“ELL”) filed an Application for approval and certification of its implementation of a permanent advanced metering system (“AMS”), request for cost recovery, and related relief pursuant to Louisiana Public Service Commission General Order dated September 22, 2009.

Through LPSC Order No. U-34320, dated August 25, 2017, the Commission approved ELL’s AMS Application, which will require the deployment of the advanced meters (that retain only the ability to report usage and to connect/disconnect) that will become the Company’s standard metering service. In that Order, the Commission also authorized ELL to implement an AMS opt-out policy and methodology for applicable residential customers who choose to opt out of the AMS rather than receiving an advanced meter. That Commission authorization, however, was subject to ELL making a compliance filing prior to meter deployment for approval of the opt-out fees.

The ELL proposed opt-out fee included an up-front one-time fee derived from the customer billing set-up, meter locks, trip charge, and processing of opt-out paperwork be charged to the opt-out customer, which up-front fee varied based on whether an advanced meter had already been installed. The Company also proposed to charge opt-out customers a monthly fee associated with the ongoing monthly costs of manual meter reading and resulting customer service activities necessary to schedule, bill, and support these opt-out customers. The suggested total up-front fee for customers who completed the opt-out process prior to the installation of an advanced meter was \$75.94 and even more. In addition, ELL proposed the estimated monthly fee for opt out customers would be \$16.35 based on the costs expected to be incurred each month.

Paying such up-front fees could be insurmountable for some Louisiana families who would seek to choose non-standard metering service from ELL. At the same time, the Commission understands that reducing the fees attributed to customers who choose to opt-out might result in an increase in the total number of customers on ELL’s non-standard metering service and could cause a reduction in the estimated customer savings described in ELL’s AMS Application. The Commission seeks to balance both of these concerns through this directive.

Accordingly, the Commission directs ELL to eliminate any AMS opt-out charges other than a monthly fee of \$16.35 for customers who opt-out of receiving an advanced meter. The Commission directs the Company to not implement either up-front one-time fees noted above and described in its Application. The Company shall implement this modified opt-out policy contemporaneous with the AMS deployment schedule approved in that Order and through this directive, the Company’s compliance filing required by Paragraph 15 of Order No. U-34320 is considered satisfied. Any Commissioner retains the plenary authority to review any consumer request for appeal of the fee. The reviewing commissioner has the singular authority to approve or cancel the fee.

Chairman Skrmetta made a motion to accept the directive, seconded by Commissioner Greene and Commissioner Campbell opposing. No formal vote was taken on this motion.

Commissioner Boissiere made a substitute motion, seconded by Commissioner Campbell and Chairman Skrmetta opposing. No formal vote was taken on this motion.

After further discussions, Chairman Skrmetta and Commissioner Boissiere withdrew their respective motions and Chairman Skrmetta deferred the item to the December B&E directing Staff to review the calculations behind the monthly customer charge.

On motion of Chairman Skrmetta, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted to adjourn.

**MEETING ADJOURNED**

The next Business and Executive Session will be held on Wednesday, December 19, 2018 at 10:00am at the Supreme Court of Louisiana 400 Royal Street New Orleans, Louisiana.