

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM NOVEMBER 6, 2014
OPEN SESSION

MINUTES OF NOVEMBER 6, 2014 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN ERIC SKRMETTA, VICE CHAIR CLYDE HOLLOWAY, COMMISSIONERS FOSTER CAMPBELL, LAMBERT BOISSIERE, SCOTT ANGELLE and EXECUTIVE SECRETARY EVE KAHAO GONZALEZ.

Open Session of November 6, 2014, convening at 9:28 A.M. and adjourning at 12:18 P.M., Natchez Room, 602 N. 5th Street, 1st Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Eve Kahao Gonzalez.

Ex. 1	<p>Announcements</p> <p>The Commission congratulated Commissioner Campbell on being re-elected.</p> <p>Commissioner Holloway asked Staff to monitor the Cleco transaction.</p> <p>Executive Counsel Brandon Frey announced that the Public Utilities CLE will be held on Friday November 7, 2014 at the City Club in Baton Rouge, La.</p>
Ex. 2	<p>T-33225 - Louisiana Public Service Commission vs. Intracoastal Liquid Mud, Inc. (Lafayette, Louisiana). In re: Alleged violation of Louisiana Revised Statute Title 45:166 and LPSC Order 9901 as amended, by authorizing vehicles not affiliated with Intracoastal Liquid Mud, Inc. to utilize Common Carrier Certificate 5561-D on seventy (70) counts; allegedly occurring on or about January 1, 2014 through February 28, 2014.</p> <p>In re: Discussion and possible vote on stipulated agreement pursuant to Rule 57.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Angelle, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to approve the Affidavit and Stipulation signed by the carrier, and dismiss the remaining 5 counts included in the citation that were for duplicate manifests.</p>
Ex. 3	<p>T-33387 - Louisiana Public Service Commission vs. Miller Environmental Services Inc. (Sulphur, Louisiana). In re: Alleged violation of La. R.S. 45:161 through 180.1 by operating Intrastate without LPSC authority on one (1) count; allegedly occurring on or about December 13, 2013.</p> <p>In re: Discussion and possible vote on stipulated agreement pursuant to Rule 57.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve the Affidavit and Stipulation signed by the carrier.</p>
Ex. 4	<p>U-32220 - Southwestern Electric Power Company, ex parte.. In re: Application for extension of Formula Rate Plan.</p> <p>In re: Discussion and possible vote to retain Exeter Associates, Inc. to assist Staff as outside consultant for review of 2013 Formula Rate Plan filing.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to retain Exeter to assist Staff with the review of SWEPCO's FRP Annual Report for the test year ending December 31, 2013 for a total budget not to exceed \$53,500.00, including fees of \$49,000.00 and expenses of \$4,500.00.</p>

<p>Ex. 5</p>	<p>U-32707 - Entergy Gulf States Louisiana, L.L.C, ex parte. In re: Application for Authority to Change Rates, Approval of Formula Rate Plan and for Related Relief.</p> <p>In re: Discussion and possible vote on tariffs filed in compliance with Order U-32707-A.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve the updated Tariff FRP-3, which accurately reflects and conforms with the requirements of LPSC Order No. U-32707-A. The tariff is required to implement the FRP rates approved by this Commission in January 2014.</p>
<p>Ex. 6</p>	<p>U-32708 - Entergy Louisiana, LLC, ex parte. In re: Application for Authority to Change Rates, Approval of Formula Rate Plan and for Related Relief.</p> <p>In re: Discussion and possible vote on tariffs filed in compliance with Order U-32708-A.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve the updated Tariff FRP-7, which accurately reflects and conforms with the requirements of LPSC Order No. U-32708-A. This tariff is required to implement the FRP rates approved by this Commission in January 2014.</p>
<p>Ex. 7</p>	<p>U-32764 - Entergy Louisiana, LLC and Entergy Gulf States Louisiana, LLC., ex parte. In re: Joint Application for Recovery in Rates of Costs Related to Hurricane Isaac, Determination of Appropriate Storm Reserve Escrow Amounts and Related Relief.</p> <p>U-30981 - Entergy Gulf States Louisiana, L.L.C. and Entergy Louisiana, LLC, ex parte. In re: Joint Application of Entergy Gulf States Louisiana, L.L.C. and Entergy Louisiana, LLC for Recovery in Rates of Costs Related to Hurricanes Gustav and Ike.</p> <p>U-29203 - Entergy Gulf States Louisiana, L.L.C. and Entergy Louisiana, LLC, ex parte. In re: Joint Application of Entergy Gulf States, Inc. and Entergy Louisiana, Inc. for Interim and Permanent Recovery in Rates of Costs Related to Hurricanes Katrina and Rita.</p> <p>In re: Discussion and possible vote to approve the Louisiana Utilities Restoration Corporation's Annual Report for the fiscal year ending June 30, 2014.</p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept and approve the September 16, 2014 Annual Report of the LURC Board of Directors to the Louisiana Public Service Commission.</p>
<p>Ex. 8</p>	<p>U-33163 - Twin Oaks Service Corporation, ex parte. In re: Request for an increase in sewerage rates.</p> <p>In re: Discussion and possible vote on Uncontested Stipulated Agreement.</p> <p>On motion of Commissioner Angelle, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to revise the rates in the staff recommendation to allow the company to increase its rates to the metered rates of \$12.50 for 0-2,000 gallons and \$2.00 each additional 1,000 gallon for residential and \$15.00 for 0-2,000 gallons and \$2.00 each additional 1,000 gallon for commercial along with all other conditions per the unopposed stipulated settlement agreement.</p>
<p>Ex. 9</p>	<p>U-33329 - Utilities Inc. of Louisiana and Density Utilities of Louisiana, LLC ex parte. In re: Request for a letter of non-opposition to the proposed asset transfer of system assets of Density Utilities of Louisiana, L.L.C. to Utilities, Inc. of Louisiana or its designee, a wholly-owned subsidiary of Utilities Inc. in Accordance with the Assets Purchase Agreement.</p> <p>In re: Discussion and possible vote on contested Stipulated Settlement pursuant to Rule 57 of the Commission's Rules of Practices and Procedures.</p> <p>PASSED</p>

<p>Ex. 10</p>	<p>X-33325 - Louisiana Public Service Commission, ex parte. In re: Audit of Cleco Power, LLC's charges flowed through its Fuel Adjustment Charge, pursuant to Commission General Order U-21497 dated November 6, 1997, from the period beginning January 1, 2009 through December 31, 2013.</p> <p>In re: Discussion and possible vote to hire outside consultant.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to hire J. Kennedy and Associates to assist Staff throughout the conclusion of the review period for a proposed budget of \$32,200 in fees, \$1,100 in expenses, for a total not to exceed budget of \$33,300.</p>
<p>Ex. 11</p>	<p>S-32951 - Alabama Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system)</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to approve Staff's recommendation of Option 2 expressing non-opposition to the USDA loan and granting the rate increase.</p>
<p>Ex. 12</p>	<p>S-33218 - Cleco Power LLC, ex parte. In re: Application of Cleco Power, LLC for Non Opposition to: (i) Renewal of Cleco Power LLC's Blanket Financing Authorization, Approved by the Commission in Order No. U-31299; and (ii) Expedited Treatment.</p> <p>In re: Discussion and possible vote on draft order.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve the renewal of the Company's blanket financing authority for long-term and short-term financings for an additional four-year term through December 31, 2018, subject to the minor modifications suggested by Staff in its October 31, 2014 Memorandum.</p>
<p>Ex. 13</p>	<p>S-33053 - Sage Telecom Communications, LLC, ex parte. In re: Application for Designation as an Eligible Telecommunications Carrier in Louisiana for the Limited Purpose of Offering Wireless Lifeline Service.</p> <p>In re: Discussion and possible vote on Staff's recommendation.</p> <p>(Ex. 10 on October 1, 2014 B&E Agenda)</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Boissiere, with Commissioner Angelle concurring and Commissioner Skrmetta and Commissioner Holloway opposing, the Commission voted to grant Sage Telecom Communications LLC's Application for Designation as an Eligible Telecommunications Carrier in Louisiana for the Limited Purpose of Offering Wireless Lifeline Service, as revised by the filing made September 9, 2014.</p>
<p>Ex. 14</p>	<p>R-33197 - Louisiana Public Service Commission, ex parte. In re: Possible modifications to the Commission's General Order dated August 4, 2004 (Contract employees).</p> <p>In re: Discussion and Possible Vote on Staff's Recommendation and Draft Order.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to adopt the General Order filed in Docket R-33197.</p>
<p>Ex. 15</p>	<p>R-33247 - Louisiana Public Service Commission, ex parte. In re: Increase in the maximum NSF check charge jurisdictional utilities are allowed to collect.</p> <p>In re: Discussion and possible vote on Staff's recommendation.</p> <p>Commissioner Holloway made a motion to adopt Staff's Recommendation filed October 22, 2014; and issue a General Order consistent with paragraph (B) of <i>La. R.S. 9:2782</i>.</p> <p>The motion failed for lack of a second.</p>

<p>Ex. 16</p>	<p>R-33253 - Louisiana Public Service Commission, ex parte. In re: The United States Environmental Protection Agency's Proposed Rule on Carbon Dioxide Emissions from Existing Fossil-Fuel Fired Electric Generating Units under Section 111(d) of the Clean Air Act.</p> <p>In re: Discussion and possible vote on Proposed Outline of Comments to the EPA.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept Staff's recommendation that the Commission file comments with the EPA on December 1, 2014 that do the following:</p> <ol style="list-style-type: none"> 1) challenge the EPA's legal authority to implement CO2 regulations through Section 111(d) of the Clean Air Act; 2) challenge the EPA's legal authority to regulate sources outside the fence; 3) dispute the ability of the EPA to enforce a mandate with regard to power dispatch, renewable energy, or energy efficiency; 4) point out errors and inconsistencies in EPA's modeling assumptions which form the technical basis for the rule, including heat rate assumptions, capacity calculations, transmission constraints, at-risk nuclear generation, technical and feasible potential for renewable energy and energy efficiency in Louisiana, and stranded costs; 5) urge that the timeline for implementation of the rule is overly burdensome; and 6) provide an alternative emissions target that is appropriate for the State of Louisiana.
<p>Ex. 17</p>	<p>1) Reports</p> <p>Presentation on Energy Efficiency. (PASSED)</p> <p>2) Resolutions 3) Discussions</p> <p>Discussion and possible vote to ratify the Relay Administration Board's unanimous vote to extend the Hamilton Relay agreement for an additional 2 years beginning January 15, 2015 through January 14, 2017.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to ratify the Relay Administration Board's unanimous vote to extend the Hamilton Relay agreement for an additional 2 years beginning January 15, 2015 through January 14, 2017.</p> <p><u>Discussions on Utility Load Growth</u></p> <p>Steven Grissom, Deputy Secretary with the Louisiana Department of Economic Development; Dr. Loren Scott, Loren C. Scott & Associates, Inc.; Jeff Lyash, CB&I Power;, and Representatives of ELL, EGSL, Cleco, and Swepeco discussed the increased load that the electric utilities will be facing in the near future due to the Manufacturing Renaissance and how the utilities plan to meet the load growth in their service territories.</p> <p>4) ERSC/OMS Business</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to ratify Chairman Skrmetta's votes taken on October 16, 2014.</p> <p>5) Directives</p> <p><u>Directive from Commissioner Holloway requesting that B & E meetings be scheduled on the 3rd Wednesday of each month.</u></p> <p>Commissioners discussed having it either on 3rd or 4th Wednesday of each month. Directive moved forward without opposition.</p>

	<p><u>Directive from Commissioner Campbell requesting to open an investigation into the ability of SWEPCO to maintain service during severe weather events, and authority to hire outside assistance.</u></p> <p>On motion of Commissioner Campbell, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to allow the directive to move forward without opposition. Commissioner Angelle requested that service quality follow-up be done on all companies.</p>
<p>Ex. 18</p>	<p>S-33411 - Beauregard Electric Cooperative, Inc., ex parte. In re: Application of Beauregard Electric Cooperative, Inc. for Certification of Public Convenience and Necessity for: (1) Authorization to Begin an Advanced Metering System Pilot Program to be followed by Complete Deployment of the Same; (2) Authorization to Install, Own, and Operate Advanced Metering Infrastructure; (3) Authorization to Recover in Jurisdictional Rates all costs Reasonably and Prudently Incurred to Install, Own, and Operate Advanced Metering Infrastructure; and (4) Expedited Treatment.</p> <p>In re: Discussion and possible vote to hire outside consultant.</p> <p>At the request of Commissioner Holloway.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to hire Henderson Ridge Consulting, Inc. to assist Staff in review of the filing throughout completion of the docket for a budget of \$32,850 in fees, \$1,500 in expenses, for a total not to exceed budget of \$34,350.</p>
<p>Ex. 19</p>	<p>U-33246 - Ascension Wastewater Treatment, Inc., ex parte. In re: Application for Emergency and Permanent Rate Relief and Request for Letter of Non-Opposition for Loan with CoBank, ACB.</p> <p>In re: Discussion and possible vote on Interim Rate Relief.</p> <p>At the request of Commissioner Boissiere.</p> <p>PASSED</p>
<p>Ex. 20</p>	<p>U-32944 - Wildwood South Public Service Co., Inc. ex parte. In re: Rate Application for Wildwood South Public Service Co., Inc. (Republication to reflect modified proposed rates)</p> <p>In re: Discussion and Possible Vote on Staff Recommendation per Rule 57</p> <p>At the request of Commissioner Campbell.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Holloway, with Commissioner Skrmetta concurring and Commissioner Boissiere and Commissioner Angelle temporarily absent, the Commission voted to accept Staff's recommendation.</p>
<p>Ex. 21</p>	<p><u>Directive regarding the handling of RFPS 14-14 AND 14-15 regarding monitoring and participation on behalf of the LPSC in MISO, OMS and ERSC-related matters.</u></p> <p>At the request of Commissioner Skrmetta.</p> <p>As you are aware, the Commission issued RFPs for outside counsel and consultants to assist the LPSC Staff in monitoring of MISO, OMS and ERSC related matters on behalf of the LPSC. The Staff crafted a detailed RFP and held a Technical Conference on the subject matter. Despite these actions to inform potential bidders of what to expect, I have received a number of calls from potential bidders expressing frustration in preparing a bid due to the lack of information regarding the scope of work.</p> <p>The ongoing monitoring of these issues is a continuously moving target. It is impossible for Staff to estimate the number of hours required for the scope of work. Actions by MISO, market participants, load serving entities, regulators and others (all of which are outside of the control of the LPSC and its consultants and staff) drive the level of monitoring that is needed in certain areas, and these areas shift as issues continue to work their way through the MISO, ERSC and OMS processes. While the LPSC can be sure at this time that monitoring and participation for</p>

	<p>these entities and the issues they present is necessary, the amount of hours that outside experts will need to spend cannot be adequately estimated as we sit here today.</p> <p>As a result, I would like to direct staff to rescind RFPs 14-14 and 14-15 and issue (2) new RFPs for outside counsel and consultants with similar defined scopes of work, but for proposals based on hourly rates that are uncapped. I would also direct staff to include specific provisions in the RFPs to safeguard against unnecessary actions which could result in over billing. These RFPs should also clearly state that the Commission shall have the discretion to impose additional safe guards upon the potential bidders at the time such bids are put up for vote and that the bidders shall have the right to either accept such additional safeguards, or reject them and withdraw their bid. The RFPs should be issued soon as possible in order to be ready for a vote at the December B & E.</p> <p>Commissioner Campbell was temporarily absent.</p>
Ex. 22	<p>Occidental Chemical Corp. v. Louisiana Public Service Commission, Entergy Louisiana, LLC et al.; Civil Action No. 3:14-CV-234-JWD-SCR - United States District Court for the Middle District of Louisiana</p> <p>In re: Possible executive session pursuant to La. R.S. 42:17 to discuss litigation strategy.</p> <p>At the request of Commissioner Campbell.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to enter executive session to discuss Exhibits 22, 23 and 24.</p>
Ex. 23	<p>Application by Entergy Services, Inc. in FERC Docket No. QM14-3-000.</p> <p>In re: Possible executive session pursuant to La. R.S. 42:17 to discuss litigation strategy.</p> <p>At the request of Commissioner Campbell.</p> <p>Discussed in executive session.</p>
Ex. 24	<p>FERC Docket Nos. CP14-125, CP14-126 and RP14-638 (Midla Pipeline)</p> <p>In re: Possible executive session to discuss settlement agreement.</p> <p>At the request of Commissioner Campbell.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to exit executive session.</p>

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

MEETING ADJOURNED

The next Business and Executive Session will be held Wednesday, December 17, 2014 at 9:00 a.m. in Baton Rouge, Louisiana.