

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM DECEMBER 18, 2019**  
**OPEN SESSION**

**MINUTES OF DECEMBER 18, 2019 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD AT THE COPELAND TOWER CONFERENCE CENTER, 2601 SEVERN AVENUE IN METAIRIE, LOUISIANA. PRESENT WERE CHAIRMAN MIKE FRANCIS, VICE CHAIRMAN FOSTER CAMPBELL, COMMISSIONER LAMBERT BOISSIERE, COMMISSIONER ERIC SKRMETTA, COMMISSIONER CRAIG GREENE, AND EXECUTIVE SECRETARY BRANDON FREY.**

**Open Session of December 18, 2019, convening at 10:08 A.M., and adjourning at 12:43 P.M., the Copeland Tower Conference Center, 2601 Severn Avenue, Metairie, Louisiana, with the above-named members of the Commission and Executive Secretary Brandon Frey.**

<p><b>Ex. 1</b></p>	<p>Commissioner Skrmetta thanked Copeland Towers for hosting the Business &amp; Executive Session.</p> <p>Executive Counsel Kathryn Bowman announced Commissioner Skrmetta was appointed White House Liaison and member of the Board for the National Association of Regulatory Utility Commissioners (“NARUC”) and that Chairman Francis was appointed to the Committee on Gas for NARUC.</p>
<p><b>Ex. 2</b></p>	<p>2020 Proposed B&amp;E Schedule</p> <p><b>In re: Discussion and possible vote to accept the proposed 2020 schedule.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Francis, and unanimously adopted, the Commission voted to adopt the following 2020 Open Session Dates:</p> <p>January 22  February 19  March 18  April 22  May 20  June 17  July 15  ***No Meeting***  September 16  October 14  November 18  December 16</p>
<p><b>Ex. 3</b></p>	<p><b>T-35402</b> - Louisiana Public Service Commission vs. Badger Daylighting Corp. (Brownsburg, Indiana). In re: Alleged violation of La. R.S. 45:161 through 180.1 and General Order dated January 23, 2018, by operating Intrastate without LPSC authority to transport non-hazardous oilfield waste on five (5) counts; allegedly occurring on or about April 01, 2019 through June 30, 2019.</p> <p><b>In re: Discussion and possible vote pursuant to Rule 57 to accept Affidavit and Stipulation executed by the Carrier.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to approve the Affidavit and Stipulation executed on November 21, 2019 by the Carrier, admitting to the alleged violations and agreeing to a total fine of \$5,000.00 and a citation fee of \$25.00.</p>
<p><b>Ex. 4</b></p>	<p><b>T-35361</b> - Louisiana Public Service Commission vs. It Takes Two Movers LLC (New Orleans, Louisiana). In re: Alleged violation of La. R.S. 45:161 through 180.1, by 1) operating Intrastate without LPSC authority to transport household goods prior to complying with the requirements of La. R.S. 45:164 (E) and General Order dated May 04, 2017 and 2) engaging in activities related to moving household goods prior to complying with the</p>

	<p>requirements of General Order dated April 3, 2008 as amended.</p> <p><b>In re: Discussion and possible vote on ALJ Recommendation.</b></p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to adopt the ALJ recommendation finding the Carrier guilty of General Order dated May 4, 2017 and La. R.S. 45:164(E)(1), not guilty of General Order dated April 3, 2018, and assessed a \$1,000 fine and \$25 citation fee.</p>
<b>Ex. 5</b>	<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 Recommendation on Request for Extension of Service Quality Improvement Program and Vegetation Management Budget Through 2021.</b></p> <p>On motion of Vice Chairman Campbell, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to adopt the Staff Recommendation on Request for Extension of Service Quality Improvement Program and Vegetation Management Budget Through 2021 filed into the record on December 2, 2019, recommending an extension of the SQIP and Valley District vegetation maintenance budget, subject to terms and conditions.</p>
<b>Ex. 6</b>	<p><b>S-35378</b> - CenterPoint Energy Resources Corp. (CenterPoint), ex parte. In re: Request for Letter of Non-Opposition Regarding CenterPoint Fourth Amendment to Asset Management Agreement with BP Energy Company.</p> <p><b>In re: Discussion and possible vote on Staff Report and Recommendation.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to adopt the Staff Report and Recommendation filed on November 15, 2019, recommending Commission approval of the Fourth Amendment to the First Amended and Restated Asset Management Agreement-Louisiana as being in the best interests of CenterPoint Entex's Customers.</p>
<b>Ex. 7</b>	<p><b>U-35154</b> - Town &amp; Country Service Co., Inc., ex parte. In re: Application for Adjustment in Retail Rates.</p> <p><b>In re: Discussion and possible vote on Uncontested Stipulated Settlement.</b></p> <p>On motion of Vice Chairman Campbell, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to adopt the Uncontested Stipulated Settlement filed into the record on October 30, 2019, authorizing a Return on Equity of 9.46% and a rate increase to generate additional annual revenues of \$161,108.64 subject to other terms and conditions.</p>
<b>Ex. 8</b>	<p><b>U-35122</b> - Atmos Energy Corporation, ex parte. In re: Application Requesting Consolidation of Atmos Energy Corporation's Louisiana Rate Divisions, Trans Louisiana Gas and Louisiana Gas Service and Related Amendments to Rates Schedules and Tariffs.</p> <p><b>In re: Discussion and possible vote on Uncontested Stipulated Settlement.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Francis, and unanimously adopted, the Commission voted to accept the Stipulated Settlement between Staff and Atmos Energy filed into the record on November 22, 2019, establishing a not-to-exceed per books O&amp;M benchmark adjustment for a period of seven years beginning with test year 2020, requiring Atmos Energy to file the consolidated RSC for 2019 no later than March 31, 2020, and requiring Atmos Energy to file an application for review of the consolidated RSC by March 31, 2020.</p>
<b>Ex. 9</b>	<p><b>Docket TBD</b>, Atmos Energy Corporation, ex parte In re: 2019 Rate Stabilization Clause filing for Trans Louisiana Gas and Louisiana Gas Service Rate Divisions of Atmos Energy Corporation.</p> <p><b>In re: Discussion and possible vote to hire Outside Consultant (RFP 19-20).</b></p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Francis, and unanimously adopted, the Commission voted to retain Henderson Ridge Consulting, Inc. to assist Staff for \$46,500 in fees and \$2,400 in expenses for a total not to exceed budget of \$48,900.</p>

<p><b>Ex. 10</b></p>	<p><b>Docket TBD</b>, Entergy Services, LLC, ex parte. In re: Potential Request for Proposals for Renewable Resources.</p> <p><b>In re: Discussion and possible vote to hire Outside Consultant (RFP 19-21).</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to retain J. Kennedy and Associates to assist Staff for \$71,000 in fees and \$4,000 in expenses for a total not to exceed budget of \$75,000.</p>
<p><b>Ex. 11</b></p>	<p><b>Docket TBD</b>, Entergy Louisiana, LLC, ex parte. In re: Request to Extend its Formula Rate Plan.</p> <p><b>In re: Discussion and possible vote to hire Outside Consultant (RFP 19-22). (Bid Responses due Tuesday, December 12, 2019)</b></p> <p>On motion of Chairman Francis, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to retain United Professionals Company (“UPC”) to assist Staff for \$240,000 in fees and \$5,000 in expenses for a total not to exceed budget of \$245,000.</p>
<p><b>Ex. 12</b></p>	<p><b>S-34426</b> - Louisiana Public Service Commission, ex parte. In re: Status of Electric Rates in Louisiana: Where Are We and Where Are We Going?</p> <p><b>In re: Report from Staff.</b>  <b>In re: Possible directive from Commissioner Greene.</b></p> <p>Mr. Lane Sisung with UPC gave a report on behalf of Staff and answered questions from the Commissioners.</p> <p>Mr. Mark Kleehammer with Entergy Louisiana, LLC, Mr. Randy Young with Louisiana Energy Users Group, and Ms. Logan Burke with the Alliance for Affordable Energy provided testimony and answered questions from the Commissioners.</p> <p>Commissioner Greene offered the following directive: I direct Staff to research customer-centered options for all customer classes as well as other regulatory environments and recommend a plan for how to ensure customers are the focus here in Louisiana. That analysis may reveal that our current policies are fundamentally on the right track, and if so great, but we need to take a deeper dive and take a look. Even if we are headed in the right direction, there are likely to be incremental improvements to be identified that we can implement. Further, given the foundation that Staff’s report has provided, I ask Staff to solicit a bid from UPC in order to make sure we hit the ground running and utilize the knowledge already gained in this docket as we address any proposals not already being addressed in other dockets as well as other options that may mitigate the rising rates projected for Louisiana customers.</p> <p>There was no opposition.</p>
<p><b>Ex. 13</b></p>	<p><b>U-34849</b> - Louisiana Public Service Commission, ex parte. In re: Audit of Purchased Gas Adjustment filings for CenterPoint Energy Entex for the period of January 2015 through December 2017.</p> <p><b>In re: Discussion and possible vote on Staff's Recommendation.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to approve Staff’s Recommendation that the Commission:</p> <ol style="list-style-type: none"> <li>1. Find that the costs included for recovery through Entex’s monthly PGA filings for the period of January, 2015 through December, 2017 were reasonable; and</li> <li>2. Approve Entex’s PGA filings submitted under the requirements of the 1999 General Order.</li> </ol>
<p><b>Ex. 14</b></p>	<p><b>U-34850</b> - Louisiana Public Service Commission, ex parte. In re: Audit of Purchased Gas Adjustment filings for CenterPoint Energy Arkla for the period of January 2015 through December 2017.</p>

	<p><b>In re: Discussion and possible vote on Staff's Recommendation.</b></p> <p>On motion of Chairman Francis, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to approve Staff's Recommendation that the Commission:</p> <ol style="list-style-type: none"> <li>1. Require Arkla to include a footnote in the Company's monthly PGA filing explaining each adjustment made and/or the nature of the correction being made to support a change in a Cumulative Balance (Schedule C-1-A) and/or a revision to a Beginning Balance and Ending Balance on Schedule B-5 (Summary of Storage Activity);</li> <li>2. Find that the costs included for recovery through Arkla's monthly PGA filings for the period of January, 2015 through December, 2017 were reasonable; and</li> <li>3. Approve Arkla's PGA filings submitted under the requirements of the 1999 General Order.</li> </ol>
<p><b>Ex. 15</b></p>	<p><b>S-35414</b> - Baton Rouge Water Company, ex parte. In re: Request for Approval of Bond Issuance.</p> <p><b>In re: Discussion and possible vote on Staff Report and Recommendation.</b></p> <p>On motion of Commissioner Greene, seconded by Vice Chairman Campbell, and unanimously adopted, the Commission voted to adopt the Staff Report and Recommendation filed on December 4, 2019, and express its non-opposition to the Request authorizing BRWC to issue Senior Unsecured notes in Series in accordance with the Private Shelf Agreement with Prudential dated April 29, 2013, for total not to exceed \$30 million and for a term not to exceed 30 years, subject to conditions.</p>
<p><b>Ex. 16</b></p>	<p><b>U-35383</b> - CenterPoint Energy-Arkla, ex parte. In re: Report of Earnings and Return on Equity for the Louisiana Division for the Twelve Months Ending June 30, 2019.</p> <p><b>In re: Discussion and possible vote on Joint Report and Draft Order.</b></p> <p>On motion of Vice Chairman Campbell, seconded by Commissioner Greene, and unanimously adopted, the Commission voted to accept the Joint Report and Draft Order finding that Arkla failed to meet the prescribed ROE bandwidth and Arkla be allowed to adjust its rates to generate an increase in revenue of approximately \$2,341,097, adjusted for taxes, to provide for the deficient return on equity for the test year ended June 30, 2019.</p>
<p><b>Ex. 17</b></p>	<p><b>U-35381</b> - CenterPoint Energy-Entex, ex parte. In re: Report of Earnings and Return on Equity for the Louisiana Division for the Twelve Months Ending June 30, 2019, as adjusted, including approval of the Depreciation Study and the corporate depreciation rates determined thereby.</p> <p><b>In re: Discussion and possible vote on Joint Report and Draft Order.</b></p> <p>On motion of Chairman Francis, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the Joint Report and Draft Order, finding that Entex failed to meet the prescribed ROE bandwidth and Entex be allowed to adjust its rates to generate an increase in revenue of approximately \$291,367, inclusive of Tax Cuts and Jobs Act reductions and adjusted for taxes, to provide for the deficient return on equity for the test year ended June 30, 2019, and further that</p> <p>Entex be authorized to implement the change in estimated useful lives of corporate assets as determined by the Depreciation Study filed as a supplement to this docket, to be used in connection with all rates and other matters filed with the Commission for which corporate depreciation expense is a factor.</p>
<p><b>Ex. 18</b></p>	<p><b>1) Reports</b>  <b>-Staff status report regarding robocalls.</b></p> <p>Executive Secretary Frey reported that at the LSBA Public Utility Section CLE, held December 5, 2019, an hour was devoted to this topic consisting of a panel discussion with participants from Cox, AT&amp;T and CenturyLink, and provided some data from the presentation. He also gave an update on recent federal actions as well Congressional Acts related to robocalls.</p> <p><b>-Report from Electric Cooperatives regarding the status of Cooperatives' Request for Proposals.</b></p>

	<p>Executive Secretary Frey provided a report on the status of the electric cooperative's processes related to seeking new power supply agreements beyond 2025.</p> <p>2) Resolutions</p> <p><b>3) Discussions</b></p> <p>Vice Chairman Campbell discussed live streaming future Business &amp; Executive Sessions and other ways to notify the general public of the Commission's open meetings to bring more awareness regarding the meetings.</p> <p>4) ERSC/OMS/SPP</p> <p>5) Directives</p>
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On motion of Commissioner Skrmetta, seconded by Chairman Francis, with Commissioner Boissiere and Commissioner Greene concurring and Vice Chairman Campbell temporarily absent, the Commission voted to adjourn.

**MEETING ADJOURNED**

The next Business and Executive Session will be held on Wednesday, January 22, 2020, at 9:00AM at the Galvez Building in Baton Rouge, Louisiana.