

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION SPECIAL BUSINESS AND EXECUTIVE OPEN SESSION HELD ON AUGUST 16, 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 **SPECIAL BUSINESS AND EXECUTIVE OPEN SESSION HELD ON**  
3 **AUGUST 16, 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:** We got a lot of people today, and we  
8 don't have a lot of places for you to sit. I apologize. I apologize. I don't know.  
9 What's the deal, Brandon?

10 **EXECUTIVE SECRETARY BRANDON FREY:** Commissioner, at the  
11 beginning of the year, there's a schedule and when we scheduled this date, the room  
12 next to us is not our room. It's usually available every month, but there's something  
13 scheduled in that room as well. So that's why we got the short room today.

14 **CHAIRMAN CAMPBELL:** Well, I apologize for that. You probably don't have  
15 business to the end of the agenda, so some of you will be leaving and people can  
16 sit down. But I do apologize. See if we can ever keep that from happening again.  
17 This is embarrassing that we spend billions of dollars on a building over here and  
18 there's no place for people to sit. We're going to start off with a prayer and then a  
19 pledge. Mr. Lewis will say the prayer, and Mr. Greene will say the pledge.

20 **[COMMISSIONER DAVANTE LEWIS LEADS IN PRAYER]**

21 **[COMMISSIONER CRAIG GREEN LEADS IN THE PLEDGE]**

22 **CHAIRMAN CAMPBELL:** We're going to start today --

1    **SECRETARY FREY:** We're going to take up the climate task force presentation.  
2    We do have a few announcements first before that though.

3    **CHAIRMAN CAMPBELL:** Okay.

4    **SECRETARY FREY:** So Staff announcement, if you notice that table over there,  
5    there's someone who's not sitting at it and that's Arnold Chauviere. He kind of  
6    surprisingly, since the last meeting, let us know he was going to retire after 47 years  
7    with the Commission. So Arnold may be watching. I've seen him five times  
8    already since he's retired, so I'm sure we'll see him around. But we want to  
9    congratulate Arnold on his years of service, and we gave him a little plaque and  
10   commemorated his years with his wealth of knowledge. He's passed some of it on  
11   to some of us, but we know where to find him and know where to find it if we need  
12   it, so wanted to congratulate Arnold. And also wanted to pass on condolences to  
13   Jim Nickel who most of us know in the passing of his wife, Susan. I believe that  
14   was last month, earlier this month, keep his family in your thoughts and prayers.

15   **MS. KATHRYN BOWMAN:** And Staff does have one other announcement, Ms.  
16   Evans.

17   **MS. LAUREN EVANS:** Good morning, Commissioners. Not sure how many of  
18   y'all know this, but the entire Legal Division has one administrative assistant, Ms.  
19   Kim O'Brian. She's in charge of keeping all seven of us in line, and when I'm  
20   telling you we all have different personalities, it's quite a feat. So the reason I'm  
21   bringing this up today is because it is her 30<sup>th</sup> birthday, and honestly, she deserves  
22   all the recognition in the world. So a big happy birthday and thank you.

1 **COMMISSIONER CRAIG GREENE:** So is that 7 lawyers with 12 different  
2 personalities?

3 **MS. EVANS:** Yes, Commissioner. That is correct.

4 **COMMISSIONER ERIC SKRMETTA:** I was told there'd be cake, Lauren.

5 **MS. BOWMAN:** There was breakfast.

6 **COMMISSIONER GREENE:** We're 5 Commissioners with 12 different  
7 personalities.

8 **CHAIRMAN CAMPBELL:** Mr. Lewis and Mr. Greene have some  
9 announcements. Mr. Greene.

10 **COMMISSIONER GREENE:** Yeah. I'd like to -- many of you know David  
11 Zito, my chief of staff. He's had a new son, Bennett. So congratulations.

12 **CHAIRMAN CAMPBELL:** What's his name?

13 **MR. DAVID ZITO:** Bennett.

14 **CHAIRMAN CAMPBELL:** Ben.

15 **COMMISSIONER GREENE:** And I want to recognize a couple of elected  
16 officials, Clint Cointment from Ascension Parish and thanks for being here. And  
17 former Senator Rick Ward is here; thank you for being here. And of course, former  
18 Commissioner Jay Blossman.

19 **CHAIRMAN CAMPBELL:** Don Burkett is supposed to be here. Is he here?  
20 He's the district attorney in Sabine Parish up there where we live. He's here today.  
21 Thank you for coming. He's with his wife. Listen, I'm troubled about something,  
22 and I'm talking to Cleco, SWEPCO, and Entergy. The price of natural gas is down,  
23 down, down, down, down. When we going to see the electricity bills going down?

1 Eighty percent of the -- or 60 percent of all the electricity in Louisiana is made from  
2 natural gas. Is that right, Mr. Sisung? Sixty, 70 percent? The price of natural gas  
3 is down, down, down, down, down, and the electricity, it goes up or staying the  
4 same. I'm just wondering. I was reading some articles the last week. Some places  
5 are seeing rate decreases. Nobody needs a decrease more than Louisiana. We all  
6 know about the people of Louisiana. We're at the top of the worst and the bottom  
7 of the best, so I'm not going to say any more about it. But look, I looked at your  
8 deal here that we put on here every month, which is a tell-tale deal. Some of y'all  
9 need a trophy. Beauregard, 13 cents a kilowatt hour -- hold on. SLECA, 13 cents;  
10 Pointe Coupee, 13 cents; Jeff Davis, 13 cents; Entergy Louisiana, 124 -- 12 cents;  
11 Concordia, 12 cents. There's only one 10 cents deal, that's Claiborne Rural Electric  
12 is 10 cents. So the average this month is almost 12 cents, 11.6. That's a lot. It's  
13 hot and people are using electricity more than ever. One good thing about it, I don't  
14 hear anybody arguing about there's no climate change. You don't hear that  
15 anymore, but anyway. We heard that up here or not here but, I mean, for years I  
16 heard it, all bologna. It's been 100 degrees up at our place every day and down  
17 here -- you know, you know about Louisiana. It never gets to be 100 degrees in  
18 Baton Rouge. Y'all -- you know that don't you because you're close to the coast.  
19 We always have the hottest weather in north Louisiana. The hottest day ever  
20 recorded was 112 in Plain Dealing, Louisiana. Hell, it's already been some 115  
21 days. And y'all are having 100 degree days down here now in Baton Rouge. So  
22 things have changed and we got -- I know you're aware of it and we're trying to do

1 everything we can to combat it, but we're having problems. So that brings me to  
2 our next item --

3 **COMMISSIONER DAVANTE LEWIS:** I have some announcements.

4 **CHAIRMAN CAMPBELL:** Oh, Mr. Lewis, I apologize.

5 **COMMISSIONER LEWIS:** No. No problem. Thank you, Mr. Chairman. And  
6 to kind of echo your points. I mean, many of you know that the Governor did issue  
7 a state of emergency for heat earlier this week that extends to September 9<sup>th</sup>. And  
8 while we do have General Order R-29706, I am deeply concerned about what we  
9 are -- and my constituents are facing in this extraordinary heat. And so I am asking  
10 all of our utilities while the executive order from the Governor is in place that you  
11 cease disconnections for people's utility service. I think we have to remind  
12 ourselves at the end of the day, these are life and death decisions, and we have seen  
13 the data from the Department of Health, that sheet, deaths are up in this state and  
14 that their service is important to their medicine, to being cool, to taking care of their  
15 children, and this is a serious issue. And while I know there are some heat  
16 advisories according to the rule from the National Weather Service, I think it would  
17 be important if you do the greater good for our community and for our state. And  
18 as long as our Governor, the chief executive of this state, decides that we have a  
19 state of emergency that you would voluntarily comply. I, at this time, will not try  
20 to force anything but this is a public plea that I am making on behalf of so many  
21 Louisianans who are struggling, those that Chairman Campbell talked about who  
22 are struggling from affordability but we also know the challenges that affordability  
23 brings in terms of climate change with what they are facing. And so, Mr. Chairman,

1 I just wanted to make that public plea to all of the utilities on the record. Secondly,  
2 I want to extend my condolences and help to the people of Maui and the islands of  
3 Hawaii. I have been speaking with some of my fellow commissioners there, and it  
4 is a devastation what we have seen. One of the issues that has come up is some of  
5 the fire protection plans that Hawaiian Electric stated that they would use and in  
6 investigations right now have not been determined if they did. So another thing  
7 that I would like all of our utilities to do is please make sure that you have sufficient  
8 fire rules, as we have seen that there are some burn advisories that Commissioner  
9 Strain and the Governor has issued. There has been some fires I think in your neck  
10 of the woods, Mr. Chairman, recently, and so this is just a concern that we do not  
11 want to see what happened in Hawaii happen here in the state of Louisiana. And,  
12 lastly, Mr. Chairman, this has been my, I think my eighth month here now on the  
13 job, and I am pleased that I have been able to work with everyone in a very much  
14 deliberative process and a fair way where we communicate openly and honestly. I  
15 know there were some comments that were reported in the press that some of us  
16 may be socialists or communists or another one of us is a populist, anathema. I just  
17 want to state on the record that I'm not going to go in any private rooms and talk  
18 about my colleagues and not say it directly to them. I don't believe in throwing a  
19 stone and hiding my hand. And so I would commit for the next five and a half years  
20 that I'm on this Commission that I will always bring any comments I have about  
21 my colleagues here in a professional manner, and I look forward to continue  
22 working with everyone. Thank you, Mr. Chairman.



1 **CHAIRMAN CAMPBELL:** Mr. Lewis, I'm glad they call you a communist and  
2 a socialist because that's what they been calling me for all my life.

3 **COMMISSIONER LEWIS:** Well, I'm going to take the title from you.

4 **CHAIRMAN CAMPBELL:** I'm glad to have a little company. I've been called  
5 a populist, which I am, since 1976 when I got elected, communist, socialist,  
6 everything else, you know. But I'm in business and I like to make money. I made  
7 just a little bit, and I'm not either, but it doesn't matter what they call you, just do  
8 the job for the people and let the hyde go with the hare. Come on up, Mr. Robertson,  
9 you're next. Bill Robertson is representing the Governor's task force with another  
10 gentleman. We all know Bill. Bill worked for me for 20 years and he's a fine guy  
11 and he knows a lot about the environment and he's been a spokesman. Good  
12 morning and nice seeing you, too.

13 **MS. BOWMAN:** Yeah, so this Exhibit 15, is the discussion. It's the presentation  
14 regarding the Louisiana Climate Action Plan from members of the Governor's  
15 Climate Initiatives Task Force. I ask just if each of you guys will state your name  
16 for the record before speaking.

17 **SECRETARY FREY:** And then sign that roster up there, too, so we've got --  
18 make sure we got the spelling right for record. They got cards, okay. Never mind  
19 you don't have to sign the roster then.

20 **CHAIRMAN CAMPBELL:** Can you hear me now? This thing --

21 **MR. BILL ROBERTSON:** Thank you, Mr. Chairman.

22 **CHAIRMAN CAMPBELL:** Ms. Burkett, thank you for coming, too. They're  
23 from --

1 **MR. ROBERTSON:** Members of the Commission, very nice to be back, seen a  
2 lot of familiar faces, and everyone's been very welcoming and I appreciate that.

3 **SECRETARY FREY:** Bill --

4 **MS. BOWMAN:** Bill, introduce yourself, please.

5 **MR. ROBERTSON:** I'm sorry. Bill Robertson from Shreveport, 214 Leo, 71105.  
6 That's how we do it in Shreveport. I'm sorry.

7 **SECRETARY FREY:** I'm glad your -- look, we missed Bill on the calls because  
8 Bill would all say this is Bill from Shreveport. So I'm so glad you said that, Bill.  
9 You brought us back.

10 **MR. ROBERTSON:** There you go. There may be a couple others up there. Yes,  
11 sir. Next to me is Dr. Virginia Burkett, she's going to talk about the science of  
12 climate. And Harry Vorhoff on the far right is from the Governor's office, and he'll  
13 pick up whatever we don't. And I know you're under a lot of time pressure today,  
14 so we're going to respect that and do our best. Mr. Campbell, I want to thank you  
15 for nominating me to the climate task force. It's been a very rewarding experience  
16 for me, and I want to thank Governor Edwards for accepting that nomination. I  
17 learned a lot about our state and its economy. And I think the people of the state  
18 can be very proud that we wrote this plan. We're one of 33 states and about 600  
19 local governments that have written climate plans and the numbers are growing  
20 there as well. As also our three electric companies have climate plans and their  
21 goals are identical to ours. And the goal set by the Governor is to come to a net  
22 zero position on carbon emissions by the year 2050. That's the plan -- that's the  
23 goal, and the plan was written accordingly. So we have 23 members on the task

1 force. We met for 15 months, and we're still meeting. And we had 49 public  
2 meetings, so we believe the process was very open and transparent and we took  
3 comments from all sectors. I want to thank Brandon Frey and the rest of the PSC  
4 Staff for the help that they provided. And I want to recognize a number of people  
5 that you will probably recognize as well from this community of folks from here  
6 and there who helped us write this plan, some of them are past, some of them  
7 present, Jonathan Bourg with Entergy; Jeff Arnold with the co-ops; Logan Atkinson  
8 Burke with the Alliance for Affordable Entergy; Ryan Bond with SWEPCO; David  
9 Guerry, Midcontinent Independent System Operator, what y'all call MISO;  
10 Katherine King with Kean Miller; Robbie LaBorde with Cleco; and Simon Mahan  
11 with the Southern Renewable Energy Association. As I said, the goal is net zero in  
12 carbon emissions by 2050. That tracks the Paris Agreement, the federal  
13 government's goal, and the goals of 25 other states and many private companies,  
14 Entergy, Cleco, and SWEPCO among them. They all have that goal. Our state's  
15 unique in this regard: Most states are targeting their electric companies for reducing  
16 carbon. In Louisiana, the burden is primarily on the heavy industry sector. We did  
17 the analysis of carbon emissions at the very outset of our process and we uncovered  
18 the fact that 66 percent of overall state greenhouse gas emissions come from heavy  
19 industry, and that industry, sadly, is considered the most difficult to decarbonize.  
20 So that shows you the task at hand. The utilities, by the way, are at 13 percent of  
21 carbon emissions in Louisiana, so they don't have nearly as big a bull's-eye on  
22 them as does heavy industry. This Commission, you'll be happy to know, is  
23 featured very prominently in the climate plan. As a matter of fact, more so than the

1 legislature. More so than even the Governor himself and his office. We're second  
2 only in terms of state agencies and their role in climate reduction to DEQ and the  
3 Department of Natural Resources. So y'all are very prominently mentioned in the  
4 plan. Now, for me, when I looked at the parts of the plan and there are a 172 pages  
5 there that most prominently, and maybe I can say delicately, concerns this  
6 Commission is industrial electrification. That is to replace the processes at heavy  
7 industry that now burn fossil fuels with electricity, and that's going to be a tall task  
8 but we believe it's essential to meeting these goals. There are a couple of ways we  
9 think the Commission can help there. Number one, promote more renewable  
10 generation. Number two, electrify processes that are easily switched, such as  
11 compressors, pumps, and low temperature boilers. And three, help switch  
12 industry's combustion fuel to hydrogen, produced either with renewable power,  
13 which makes it green hydrogen, or in a facility equipped with carbon capture, which  
14 would make it blue hydrogen. Now, electrification is most significant to the  
15 Commission because of a predicted increase in electrical demand, the resulting  
16 pressure that places on generation, and our suggestion that industrial facilities be  
17 given the ability to make their own power deals. You can talk to any of these big  
18 electric companies and they will tell you their heavy industry clients want  
19 renewable power. And if you give them that freedom to make those deals still  
20 within the confines of a electric utility, that will significantly reduce carbon  
21 emissions in this state, and it will also satisfy these shareholders for these big  
22 companies that are making these demands. We know that that is provocative for  
23 this Commission, but we believe it's possible. Now, by the way, Mr. Campbell

1 suggested I use the term consider, so if I get a little pushy here, don't hesitate to  
2 push back, but I'm going to try to -- as best possible use that term. Now, there's a  
3 couple of other goals I want to mention, cogeneration, combined heat and power.  
4 For years and years and years, we've been hearing, that's a very efficient way for  
5 industry to generate electricity and we believe it should be promoted here at the  
6 Commission, so we want you to consider that. Improving transmission to allow  
7 better delivery of renewables throughout the state and to the state. We think the  
8 Commission should seriously consider revisiting a renewable standard, a renewable  
9 requirement for the electric companies. The last time you debated that was 14 years  
10 ago. And I don't know the price of bread 14 years ago, but I'm sure it was less than  
11 it is now. But a lot of things have changed in 14 years. Twenty-nine states have a  
12 renewable standard. We think it's wise for the Commission to consider combining  
13 your resources on energy efficiency with the other two agencies of state  
14 government that have the same program. That would be the Louisiana Housing  
15 Corporation, which administers the low income home energy assistance program,  
16 known as LIHEAP, and the Department of Natural Resources. There's got to be  
17 some efficiencies there with one effort for Louisiana consumers. We think it's wise  
18 for the Commission to reconsider net metering. We know that's a hot topic for the  
19 electric companies, but we think a middle ground can be met there between full  
20 retail value for the solar power and the avoided costs which you generate today  
21 when you have a rooftop solar system. And by the way, rooftop solar helps with  
22 resiliency and resiliency in our state is really necessary. My personal contribution  
23 to the climate plan was something that came from my background as a newspaper

1 man, and that is giving the electric companies a ranking for their carbon emissions,  
2 like a letter ranking like A, B, C, D, F. I think that's something the state needs to  
3 do. I made a really concerted effort at the last minute to do an analysis of the  
4 generation profiles of the three big investor-owned utilities, and I was checking  
5 with the representatives this morning and some of my comparisons are apples to  
6 oranges so I got to be very careful there. But let me just summarize: All three of  
7 these companies are planning significant increases in renewable power. You've  
8 seen the dockets, you've see the cases before you, it's coming. The energy  
9 transition is underway, and I think that's a great thing for our state. Many years  
10 ago when Mr. Campbell studied offshore wind at this agency, we were told that  
11 Louisiana could either be a oil and gas state or it can be an energy state and I think  
12 it's clear which way we want to go there. So that completes my remarks. I think  
13 at the end of our presentation, we'll be happy to take your questions, but I want to  
14 introduce today Virginia Burkett. You might recognize her as the former Secretary  
15 of Wildlife of Fisheries here in Baton Rouge, but her primary day job is chief  
16 scientist for climate and land use change at the U. S. Geological Survey. She co-  
17 chairs the climate task force science advisory committee, she's lead author of three  
18 U. S. national climate assessments and four assessment reports for the  
19 intergovernmental panel on climate change, what's called the IPCC. That's the  
20 gold standard for climate reports worldwide. She will discuss the science of climate  
21 change and its implications primarily for the energy sector of Louisiana and I  
22 believe she has some slides.

1 **MS. VIRGINIA BURKETT:** Thank you so much, and thank you for inviting me  
2 today. And my name is Virginia Burkett with the U. S. Geological Survey.

3 **CHAIRMAN CAMPBELL:** Can you speak up a little bit?

4 **MS. BURKETT:** Yes, sir.

5 **CHAIRMAN CAMPBELL:** Thank you.

6 **MS. BURKETT:** U. S. Geological Survey. I report to headquarters in  
7 Washington, DC and -- well, Reston, Virginia in the outskirts, and so I have a  
8 background in state government. Started at LSU working in the sea grant there and  
9 the past 30 years I've been working for the Department of Interior and representing  
10 the United States on various intergovernmental panels globally. So if I could have  
11 some slides pulled up. And what I did is kind of give you a foundation for thinking  
12 about climate change and its implications for energy and utilities in the United  
13 States, but more specifically what you might be looking forward to here in  
14 Louisiana, and actually already experiencing as Commissioner Campbell  
15 mentioned earlier. So just to outline pretty quickly the, you know, the unequivocal  
16 influence of human activity on the Earth's climate and the atmosphere and this  
17 panel on the left with the blue shading, those -- the blue shading is the reconstructed  
18 climate of the planet for the past 2,000 years. And we use tree rings, we use  
19 sediments, we use ice cores to reconstruct with high accuracy what the temperature  
20 was over the -- well, 2,000 years. And then if you look at the black line, that's the  
21 actual observed temperature change globally using instrumental records. And on  
22 the right panel, you'll see, again, that black line is the observed record. And then  
23 we used models. We're very -- we've gotten pretty good over the past 30 years at

1 simulating numerically the influence and the interactions of the atmosphere oceans  
2 and emissions and landcover. So the simulated -- we're good at simulating exactly  
3 what's happened and if you take out human activity and you just consider volcanic  
4 activity and solar influences, solar flares for example, hot spots, you would see  
5 along the bottom, that's what it would be without human activity. So there's a big  
6 influence there. Let's see if this works; there we go. And now atmospheric CO2  
7 is highest that it's been in at least 2 million years, 2 million years and we did it in  
8 150 years. You can see on the left panel there, the three kind of signature or most  
9 important greenhouse gases in green, you see CO2 concentrations from 1750 to  
10 about 2018 and in the orange is methane and on the bottom is nitric oxide. And  
11 you see that inflection around 1950, 1970, when things really started increasing on  
12 more or less a large scale. At the bottom you see the contributors to that or the  
13 causes of -- and sources of those emissions. And fossil fuels are there in the gray,  
14 and you can see since 1950 and that's when the temperature really started to kick  
15 up, the '50s, '60s, '70s. And so you see cement and flaring. Cement accounts for  
16 [INAUDIBLE] carbonization processes, it emits about 4 percent of the global  
17 emissions of greenhouse gasses. And then along the bottom, that yellow, that's  
18 changes in the land use. And land use change, particularly the loss of forest, affects  
19 the carbon that is stored in the Earth's surface that now is ending up more in the  
20 atmosphere. So these are the long term sources of emissions, and you'll see that  
21 cement, just the little tiny gray thing at the top there, flaring, a little sliver there in  
22 the dark blue. Land use, land cover change there on the bottom in the dark blue.  
23 Natural gas and coal and oil. So that's since 1850, those are the contributors. And



1 these are the trends since 1990, so the past three decades. You can see that most of  
2 the emissions are coming from energy systems. Industry is treated separately there  
3 and agriculture, forestry, and other land-use change is the dark blue; transportation  
4 sector is shown in gray and buildings in the red. And that's upstream of the power  
5 generation that brings the electricity to the buildings. And this is the percentage of  
6 CO2 emissions if you look at the United States. And I think someone said earlier  
7 that the United States, you know, the difference between Louisiana on the right and  
8 the rest of the country really is shown here in the contributions from the industrial  
9 sector. So as Mr. Robertson mentioned, you know, this very unique profile for  
10 Louisiana and we're one of the top 10 emitters. California and Texas are the top  
11 two, but that's where it comes from. And 13 percent from electric power, but the  
12 interesting thing here is that 40 percent of that 13 percent is actually from industry.  
13 So the industry footprint is actually larger than the 66 percent which is like, as was  
14 said earlier, considered difficult to achieve in the typical conservation measures that  
15 a lot of the states use. So this is the mixture. I believe Mr. Campbell mentioned  
16 earlier, the predominance of natural gas and the energy use here in Louisiana  
17 compared to other states.

18 **CHAIRMAN CAMPBELL:** Seventy-one percent; is that right?

19 **MS. BURKETT:** That's from the -- from our action plan, yes, sir. And you can  
20 see the renewables there are smaller, though, than they are for the rest of the  
21 country, another difference that is here in our state. So focusing a little further  
22 down on Louisiana. Okay. So the -- there's the U. S. Global Change Research  
23 Program, includes NASA, NOAA, NSF, USGS, a lot of agencies, and I chaired that

1 for many years. And so we found that most people don't want to know about the  
2 national average, they want to know about their backyard. They want to know  
3 about their state. So we started producing these state summaries. And here for  
4 Louisiana, these are the observations from our instrumental records from  
5 Shreveport to New Orleans to Lake Charles, all those records together, this is the  
6 trend. And you can see that inflection from about the 1970s and so Louisiana's  
7 warmed like the rest of the world -- well, the northern hemisphere and the rest of  
8 the United States at similar rates since the 1970s. So if you look to the future, we  
9 are currently on that red track there. Those are the simulated -- that's the range of  
10 temperature change under a higher emissions scenario that we are presently  
11 tracking. If emissions are reduced, we're still looking at intensification of warming  
12 for Louisiana at, you know, even the lower emissions scenario, but the rate of  
13 emissions does effect Louisiana like the rest of the states. So for the energy sector  
14 -- this is from our last report, we had a energy chapter for the United States and  
15 here are just some snippets of the types of impacts of extreme weather and climate  
16 change on the energy sector. And of course, we're experiencing that, the energy  
17 demand, these higher summer temperatures. Gosh, it's a 107 last weekend where  
18 we live in Sabine Parish. Higher winter temperatures changing the heating  
19 demands in the winter, the electric grid, the effects of the wind, ice storms,  
20 wildfires, and so forth, the grid -- the stress on the grid and you were saying  
21 yesterday about the stress on the lines themselves just from the increase in  
22 temperature. You know, we saw 107 last weekend. Imagine you all, it got as high  
23 as 114, you know, the mean is 112 for the future under that scenario. The extremes

1 are even higher. Okay. So that was the average that I showed you in that graphic.  
2 So effects on hydropower for Toledo Bend, for example, the evaporation and the  
3 runoff that goes -- we had more rainfall but it's the timing of the rainfall is further  
4 apart, so it's not as efficient as it maintains soil moisture and stream flow. So the  
5 effects on our surface water are evident, and I won't go through all these, you'll  
6 have these with you and we'll leave this with the Commission. But all these  
7 different aspects, the refineries, y'all recall down in Plaquemines Parish after  
8 Hurricane Katrina, the refineries and the impacts on the tank batteries and so forth  
9 and how long it took to get back up. Oil, gas, and coal, extreme weather affecting  
10 all those. So here in Louisiana, just some graphic images, remember Hurricane  
11 Ivan, ENSCO platform. A friend of ours from Sabine Parish worked on that  
12 platform. Hurricane Lilli, that BP platform off the Louisiana Coast. I wrote a paper  
13 years ago about the effects on the offshore oil and gas industry in a journal called  
14 Energy Policy. And these are just some things that we anticipated happening.  
15 Hydropower at Toledo Bend and this week on Monday, a powerline went down  
16 and ignited a fire that we had a tinderbox there; we were in a drought. And we've  
17 had maybe one inch of rain in our place since May so it went up quick. Ten houses  
18 were destroyed, fortunately no one died, but that was from our Sabine Parish Police  
19 Department just two days ago. So these are just some graphic examples that  
20 illustrate all those possible outcomes and how they can and are affecting Louisiana.  
21 The projected change on our workforce in the summer time. This is the from our  
22 last NCA, National Climate Assessment, using that RCP 8.5, that's the higher red  
23 trajectory for the temperature and the change in the loss in hours worked by 2090

1 in percent. The key messages from our energy chapter shown here, we're already  
2 be affected by extreme weather events, more frequent/longer power outages,  
3 critical infrastructure, failures, and fuel availability and demand imbalances.  
4 Number two, changes in technologies are affecting the vulnerabilities and like Mr.  
5 Robertson said earlier, this emphasis on resilience is truly important. And number  
6 three, actions are being taken to enhance energy security reliability and resilience  
7 with a lot of variability across the states. In the future our projections in our report  
8 are that energy expenditures will continue to increase and this is for the average last  
9 two decades of this century under that higher scenario. And this -- basically,  
10 everything in blackout line like Louisiana parishes, the models agree 95 percent or  
11 better at the sign and the rate of change and the increase in the cost of energy, but  
12 we are not helpless. This is my last slide. Solutions are being deployed to enhance  
13 resilience. And in the right, there are just some examples. And from Louisiana,  
14 you're familiar with these, you know, other states may not have had the experiences  
15 that we've had, but everything from storm readiness, modernizations, route  
16 protection, all of those are something that should be considered if your intent is to  
17 offset impacts on the utilities and our citizens and our energy sector in general. So  
18 I think that's my last slide. Thank you.

19 **CHAIRMAN CAMPBELL:** Thank you. Let me ask a question, and I just -- I  
20 heard this, I don't know. And I'm not jumping on anybody, but I'm just -- just for  
21 the fact because we all live in Louisiana. Is it true or is it not true that climate  
22 change affects Louisiana, Texas, and Florida, these southern coastal -- more than  
23 any other states? Is that true or not?

1 **MS. BURKETT:** For the gulf coast --

2 **CHAIRMAN CAMPBELL:** Yeah.

3 **MS. BURKETT:** -- the northern Gulf of Mexico coastline --

4 **CHAIRMAN CAMPBELL:** Yeah.

5 **MS. BURKETT:** -- is particularly vulnerable because of the elevation and the

6 sinking that's present in coastal Louisiana, the subsidence of the land surface. They

7 have that in east Texas as well. But in terms of hotspots of vulnerability, you know,

8 I can think of two. I think of the Alaska shoreline with the decline in permafrost

9 and the sediments are bound by ice. It's kind of like in Louisiana thinking -- sinking

10 algae into the ocean.

11 **CHAIRMAN CAMPBELL:** Okay.

12 **MS. BURKETT:** And the other hotspot's vulnerability to me is coastal Louisiana,

13 absolutely.

14 **CHAIRMAN CAMPBELL:** Thank you. Yes, sir.

15 **MR. HARRY VORHOFF:** Good morning, Chairman Campbell, fellow,

16 Commissioners. Harry Vorhoff, Deputy Director of Coastal Activities in the

17 Governor's office and have had the privilege of serving as the chair of the

18 Governor's Climate Initiatives Taskforce for approaching three years now. And so

19 I'm going to provide a quick update on -- an overview of the action plan, how we

20 got there, how it was created, and then kind of the look forward because there is a

21 lot of opportunity in terms of implementation. There's some overlap with my

22 presentation and Dr. Burkett's and Mr. Robertson's, so I'll kind of breeze through

23 some of these slides in the interest of time. But I'll start here and kind of picking

1 up where Dr. Burkett left off of why does Louisiana need to address climate change.  
2 We just discussed how, you know, Louisiana is, you know, particularly vulnerable  
3 to climate change. You know, here are some examples: The climate science is  
4 saying that storms are becoming more intense and so we had a record in 2020 with  
5 six named storms to hit Louisiana with Hurricane Laura being the strongest to hit  
6 Louisiana -- tied with the strongest in recorded history, only to be followed the  
7 following year by Hurricane Ida which tied Hurricane Laura for strongest hurricane  
8 to hit Louisiana. Important to this Commission, more than a million homes were  
9 without power for a long period of time. This is a map showing outages and the,  
10 you know, the darker -- the red -- the, you know, dark red is a hundred percent  
11 outage in that area, and you can see a huge swath, I mean, all the western Louisiana  
12 for Hurricane Laura, you know, up to north Louisiana, straight through the, you  
13 know, the northern part of the state. And then Hurricane Ida particularly  
14 concentrated in southwest Louisiana, but, you know, just to demonstrate that and  
15 show that the impacts of climate change with more intense storm events leads to  
16 less reliability and impacts reliability and resilience which is certainly the  
17 jurisdiction of the Public Service Commission. We also -- if you live in south  
18 Louisiana, you know we have a coastal land loss crisis, and this map shows -- this  
19 is from our 2023 coastal master plan, and it shows in blue the coastal land loss  
20 expected over 50 years under the low projection scenario. So if we do our best to  
21 curb greenhouse gas emissions and minimize sea level rise, this is what it looks  
22 like. We still have coastal land loss, we have some [INAUDIBLE] but that's  
23 spending \$50 billion over the next 50 years through our Coastal Protection and

1 Restoration Authority and we still have land loss. This is what the highest scenario  
2 looks like. So low scenario, high scenario. So addressing the root cause of climate  
3 change and reducing greenhouse gas emissions, minimizing sea level rise,  
4 minimizing the intensity of storm events has a direct impact on our coastal  
5 protection restoration efforts, which is in part why this effort in the Governor's  
6 Climate Initiative Task Force was lead out of the Governor's coastal office. And  
7 so I'll disclaim that I'm not an energy regulation expert, there's an army of people  
8 behind me and yourselves that are the experts, but through this task force process,  
9 it was a stakeholder engagement process and we listened and we spoke with the  
10 experts, some of who are in this room to put forward ideas and try to coalesce  
11 around consensus approaches. But I also wonder why does Louisiana need to  
12 address the root cause of climate change? Because there's an economic opportunity  
13 in it as well. It is not just avoiding loss, it is also maximizing gain. And just last  
14 week there was a major economic development announcement by First Solar,  
15 building a solar panel manufacturing facility in Iberia Parish, I believe the largest  
16 economic development investment in that parish's history, estimated 700 direct  
17 new jobs, annual payroll of \$40 million. Offshore wind. Through this stakeholder  
18 engagement process and speaking with developers, speaking with oil and gas  
19 supply chain companies down on the bayou, there is a tremendous amount of  
20 excitement and interest in offshore wind. Louisiana companies built the first  
21 offshore wind farm off the coast of Rhode Island about a decade ago because we  
22 were the only state in the county that had the oil and gas to offshore energy  
23 experience. So we built the jacket, we designed and fabricated down in Houma and

1 designed on the Northshore with Keystone Engineering, so we have the workforce,  
2 we have the capability to really leverage our experience in oil and gas and apply  
3 that in the Gulf of Mexico. So as you can see on the bottom, there's a tremendous  
4 amount of economic opportunity with offshore wind, not just in the supply chain  
5 but deploying it in the Gulf of Mexico. Later this month on August 29<sup>th</sup>, there is  
6 the first offshore wind lease sale in federal waters, one off of the coast of Lake  
7 Charles and that's about 100,000 acre of lease just for that area.

8 **CHAIRMAN CAMPBELL:** That's state waters?

9 **MR. VORHOFF:** That's in federal waters. So that's -- the federal government is  
10 doing that auction, but there are developers that are negotiating -- companies that  
11 are negotiating with the State Mineral and Energy Board interested in state waters  
12 as well and really interested in the coast kind of from Lake Charles to Port  
13 Fourchon, kind of the western half of the state, there's a lot of commercial interest  
14 there as well. And so we're coordinating with the federal government to work  
15 together on what that leasing looks like, but of course, any, you know, to the extent  
16 you want to bring that power onshore and sell it to customers, it's going to come  
17 before this Commission about whether to approve a power purchase agreement or  
18 other agreement to sell the power. So certainly something we're excited about, a  
19 lot of opportunity, and wanted to raise it to your attention. And then just another  
20 example, it feels like every other week there's a, you know, new economic  
21 development project announcing low carbon. This was just from last week, \$603  
22 million grant from the federal government to do a direct air capture. That's sucking  
23 carbon dioxide out of the ambient air and putting it deep underground with carbon



1 capture. So \$603 million project in Calcasieu Parish with Gulf Coast Sequestration,  
2 which I believe is a subsidiary of the Stream Companies, a major landowner, a big  
3 company down in southwest Louisiana.

4 **CHAIRMAN CAMPBELL:** I hate to interrupt, but I -- this company that's going  
5 to capture all the carbon, how are they chosen and what do they get out of that? I  
6 mean, the government come up with all this money and somebody's got all the land,  
7 how's that make me feel better that the guy's not getting rich off of this deal,  
8 whoever owns the land and how does he do that?

9 **MR. VORHOFF:** Right. So this is being --

10 **CHAIRMAN CAMPBELL:** What's the bargain -- I'm sure it's legitimate. I'm  
11 not accusing anybody but I'm just wondering how this fellow or company or  
12 whoever they are or many fellows, they chose this area. I understand. And they  
13 pay to put it down in the ground, right? How does that work?

14 **MR. VORHOFF:** So there are two major federal laws. The Bipartisan  
15 Infrastructure Law and the Inflation Reduction Act that are directing a tremendous  
16 amount of money, billions of dollars, to decarbonize, you know, the nation. And  
17 so this is a \$603 million Department of Energy grant --

18 **CHAIRMAN CAMPBELL:** To build --

19 **MR. VORHOFF:** -- to build the facility and operate it and then --

20 **CHAIRMAN CAMPBELL:** On whose -- whose property is it?

21 **MR. VORHOFF:** So I believe it is on private property.

22 **CHAIRMAN CAMPBELL:** So they built \$600 million or -- on private property?

23 **MR. VORHOFF:** That is the plan.

1     **CHAIRMAN CAMPBELL:** Okay.

2     **MR. VORHOFF:** And then there are tax credits -- new tax credits to basically,  
3     you know, to help finance operations and the project as well.

4     **CHAIRMAN CAMPBELL:** Does the -- where you build the plant, is that the  
5     same place they're going to capture the carbon?

6     **MR. VORHOFF:** I believe so and I think that's one of the, kind of, differences  
7     between direct air capture where you can kind of site potentially right over the  
8     wellhead where you're going to inject the carbon as opposed to the industrial carbon  
9     capture where you attach the carbon capture technology --

10    **CHAIRMAN CAMPBELL:** Would you do me a favor? I'm just wondering -- I  
11    don't care who it is. Somebody's got the land. The government builds a \$600  
12    million facility and then they pour all this carbon in the hole that they built and they  
13    pay to do that. How's that -- how does that work?

14    **MR. VORHOFF:** I mean, it's grant money, so that's, you know, it's trying to get  
15    this --

16    **CHAIRMAN CAMPBELL:** No. I'm asking for the taxpayers. How does that  
17    work for everybody, you got a big place to spend 600 million, you said?

18    **MR. VORHOFF:** Six hundred million [INAUDIBLE] --

19    **CHAIRMAN CAMPBELL:** To build it? And then they put billions of dollars'  
20    worth of carbon in it, right, and pay you to put it in?

21    **MR. VORHOFF:** Correct.

22    **CHAIRMAN CAMPBELL:** We build it. We pay to put it in on somebody's land.

23    **MR. VORHOFF:** Correct.

1     **CHAIRMAN CAMPBELL:** Is that right?

2     **MR. VORHOFF:** That's right. If somebody wanted to, you know, do the project

3     on their land.

4     **CHAIRMAN CAMPBELL:** Well, somebody help me out with that a little bit.

5     Can you --

6     **MR. VORHOFF:** All right.

7     **CHAIRMAN CAMPBELL:** -- tell me how that works.

8     **MR. VORHOFF:** How the finances?

9     **CHAIRMAN CAMPBELL:** Just first blush, it doesn't look good to me.

10    **MR. VORHOFF:** Got you.

11    **CHAIRMAN CAMPBELL:** I mean, somebody's getting very, very wealthy after

12    they built the facility. I understand and I'm all for carbon capture and all that. I

13    don't want to stop it, but somebody builds a big facility on your property.

14    **MR. VORHOFF:** Uh-huh.

15    **CHAIRMAN CAMPBELL:** And then they give you all the carbon capture and

16    you get paid two times on private property. How does -- I'm -- help me with that.

17    **MR. VORHOFF:** It's really -- it's a demonstration project. It is trying to do

18    research development, I mean, and deployment. As you can see here, this project

19    would capture a million tons of CO<sub>2</sub>.

20    **CHAIRMAN CAMPBELL:** I got --

21    **MR. VORHOFF:** And it's -- that's 250 times bigger than any other direct air

22    capture project that's in operation right now.

23    **CHAIRMAN CAMPBELL:** I'm all for it. I'm for it.

1 **MR. VORHOFF:** Okay.

2 **CHAIRMAN CAMPBELL:** But I want to know about who's getting all the  
3 money for the procedure. That's all I want to know.

4 **MR. VORHOFF:** I think a lot of that 600 million is going into the technology and  
5 developing the technology because it's --

6 **CHAIRMAN CAMPBELL:** Well, then when you put it in there, they pay to put  
7 it in there, right?

8 **MR. VORHOFF:** They, I believe, are going to be able to avail themselves of some  
9 tax credits as well.

10 **CHAIRMAN CAMPBELL:** Yeah. Yeah. No. I'm talking about whoever owns  
11 the land gets the money when they put the carbon in his land.

12 **MR. VORHOFF:** Right.

13 **CHAIRMAN CAMPBELL:** Well, I'd like to know about that.

14 **MR. VORHOFF:** Uh-huh.

15 **CHAIRMAN CAMPBELL:** I'm all for it. I think it's a great idea --

16 **MR. VORHOFF:** And it's similar to --

17 **CHAIRMAN CAMPBELL:** -- make sure that the taxpayers are protected because  
18 that's a lots and lots of money and if you build -- if you build something, the  
19 government builds something and then they build it own your land and then you  
20 get lots of money to put the carbon on your land that the government built the  
21 facility. And I'm wondering about that.

22 **MR. VORHOFF:** Yeah. And I think the -- and I've not see the -- their balance  
23 sheet or the budget proposal but I think it's --

1 **CHAIRMAN CAMPBELL:** Well, do me a favor and find out about that and --

2 **MR. VORHOFF:** And I can report back.

3 **CHAIRMAN CAMPBELL:** -- and let me know how it works.

4 **MR. VORHOFF:** Yes.

5 **CHAIRMAN CAMPBELL:** Let me -- I just want to -- I'm sure it's fine.

6 **MR. VORHOFF:** Yeah.

7 **CHAIRMAN CAMPBELL:** I'd just like to know how that works.

8 **MR. VORHOFF:** And I believe it is the -- the capital investment is the 600 and

9 then the tax credit is going to help pay for operations but -- and I mainly raised it

10 because they expressed interest in procuring clean power to run the project to help,

11 you know, but -- an example of many of the -- you know, there are many carbon

12 capture projects that are being announced, many, you know, solar projects as well.

13 But yeah, this is all kind of leading to the impetus of the Governor signing an

14 executive order in 2020 --

15 **CHAIRMAN CAMPBELL:** Okay.

16 **MR. VORHOFF:** -- to proactively reduce greenhouse gas emissions. He

17 identified these targets. As Mr. Robertson noted, net zero is a goal not only of the

18 Governor's, of the Paris Climate Accord, but also of, you know, three of the

19 investor-owned utilities from their websites, you know, they all have net zero

20 commitments, aspirations, goals, or even better for SWEPCO, created a task force

21 through this executive order, two primary goals of updating the greenhouse gas

22 inventory for the state and then putting together a climate action plan, which

23 includes steps, policies, projects to get to net zero by 2050. Breeze over this

1 relatively quickly, but we took a big tent approach in terms of getting input so we  
2 have, you know, on the left you have state government including representation  
3 from the PSC, you had Louisiana Mid-Continent Oil and Gas Association,  
4 Chemical Association, Entergy at the table, Dr. Burkett on behalf of USGS,  
5 academics, and then you had community groups and advocates as well. And we  
6 were supported by a lot of experts, over 150 experts, and as Mr. Robertson  
7 mentioned a lot -- I guess some of the folks that are this room have come before  
8 this Commission relative to power production, distribution, and use. Forty-nine  
9 public meetings in 15 months. That's a lot of meetings, a lot of discussion, a lot of  
10 input went into this plan. And I'll skip over this. And it is important for data  
11 informed decisions or for the plan to be informed by data. And I won't go over this  
12 too much, but I did want to highlight that our power production emissions have  
13 actually gone down significantly over the last decade. That's in part from, you  
14 know, building new, very efficient natural gas turbines. This, I don't believe,  
15 actually includes the decommissioning of Dolet Hills, which is a big coal plant and  
16 so you have the power sector is one area where, you know, we're leading the way  
17 in many ways but have a long way to go as well. Here, we rank top ten in terms of  
18 power generation emissions per megawatt hour so very efficient natural gas  
19 turbines compared to the rest of the country. Here's the comparison of fuel mix  
20 from 2019. We have significantly more natural gas than the national average,  
21 significantly less renewables than the national average, and significantly less coal  
22 than the national average. So that's sort of where -- why we're in the top ten in  
23 terms of emissions from the power generation side of things, but it demonstrates

1 there's a lot of solar coming on -- online now and moving forward. So we have a  
2 lot of room to grow. And Dr. Burkett mentioned these so I'll just kind of slide  
3 through and kind of get into the plan and what's in the plan. So the upshot is that  
4 net zero is attainable by 2050 if we're aggressive and we take an all-of-the-above  
5 approach. That includes carbon capture, that includes solar, wind. Really, we need  
6 everything if we're going to get there. So the three main pillars of the climate action  
7 plan are renewable electricity generation, industrial electrification, and switching  
8 to low- and no-carbon hydrogen where we can't abate our other industrial  
9 emissions. So I'll kind of drill in, you know, on clean energy, you know, it's both  
10 a large scale, you know, wind; large scale, solar; but it's also distributed energy as  
11 well. And so here are a few of the actions in the climate action plan as Mr.  
12 Robertson mentioned, a renewable and clean portfolio standard was identified as  
13 an effective way of reducing emissions, green tariffs, you know, we're allowed to  
14 pay a premium perhaps to purchase renewable electricity. As I think Mr. Robertson  
15 alluded to, it has never been cheaper and more affordable to the ratepayer to  
16 implement a renewable portfolio standard.

17 **CHAIRMAN CAMPBELL:** Let me ask you a question. I appreciate -- you're  
18 doing fine for me. I appreciate what you're saying. When I was -- we were looking  
19 at offshore wind about 15 years ago and I was all involved in it and I think it -- I'm  
20 all for it. But what we were told then that Louisiana -- we don't have any wind  
21 onshore, you know that, you go outside today, there's nothing blowing and we just  
22 don't have it. So they didn't -- you can't have windmills in Louisiana. So our  
23 shoreline goes out three miles and there's a proposal to lease that three miles.

1 What's the new technology, I mean, why do they think wind is blowing now that  
2 wasn't blowing 15 years ago, or do we have new technology so you don't need as  
3 much? That's what I don't understand.

4 **MR. VORHOFF:** Right. And the technology is still in development. I think it  
5 needs to be proven out. There are typhoon rated turbines that are being deployed  
6 in southeast Asia, but, yeah, I mean, that is -- if we -- that is an engineering problem  
7 of, yeah, we have lower wind speeds but we also have more intense wind speeds  
8 when we have hurricanes, right, and so that is something that actually there are  
9 companies in Louisiana, Gulf Wind Technologies is one of them out in Avondale.

10 **CHAIRMAN CAMPBELL:** So they think they can actually produce electricity  
11 with not a lot of wind off of the coast of Louisiana, or how far --

12 **MR. VORHOFF:** Right.

13 **CHAIRMAN CAMPBELL:** -- do you have to go out before you get a lot of wind?

14 **MR. VORHOFF:** Well, I'm not the technical expert, but it seems to me that these  
15 offshore wind developers are wasting a lot of their time if they're coming to meet  
16 and talk about their interest in offshore wind if they don't think they could actually  
17 do it. So I'm anticipating that they're serious when they come to meet and, you  
18 know, discuss their interest.

19 **CHAIRMAN CAMPBELL:** Well, I'm glad to hear that because that was always  
20 a stumbling block was that we don't have the wind, but I'm like you, if they're  
21 spending all this money, they got to know something. And I hope we develop it. I  
22 mean, if it's there we ought because it's cheaper, you don't have to pay for any  
23 natural gas. It's free if it blows.



1 **MR. VORHOFF:** Right. And offshore wind can complement solar. Typically,  
2 the wind picks up at night, which is when the sun is down and the solar panels aren't  
3 operating. And so the cost of offshore wind is in all likelihood it's going to be more  
4 expensive than solar, but there's greater opportunity to bring those costs down as  
5 supply chains firm up. Right now a lot of the manufacturing, outside of the jackets  
6 that companies in south Louisiana are well capable of creating, but the blades and  
7 the like, the generator, that's manufactured in Europe right now. And so if we build  
8 out the supply chain domestically, that's an area where, you know, you can drive  
9 down costs. The UK which is a world leader in offshore wind, you know, 20 years  
10 ago they started out, it is now the lowest levelized cost of energy in the UK. And  
11 because you get those margins from scaling and just learning as you go and you  
12 can reduce cost and there's a cost curve reduction there.

13 **CHAIRMAN CAMPBELL:** I'm glad to hear it. I think it's a good idea.

14 **MR. VORHOFF:** A couple more on clean energy, as Mr. Robertson had  
15 mentioned, you know, there's an action to improve electric generation resource  
16 planning and procurement to streamline retirement and replacement of energy  
17 resources. And this is really brought on by, you know, these assets, these power  
18 generation assets have 30, 50 year lifespans if you maintain them well enough, and  
19 it came up in discussion at the task force level that it's important that, you know,  
20 we're thinking ahead, you know, for the -- yeah, to protect the ratepayer that if -- if  
21 that, for example, natural gas turbine is going to be operating 50 years into the  
22 future, there is a good likelihood, it's not a certainty, but there's a good likelihood  
23 that there is going to be federal regulation to require, you know, that they capture

1 their carbon, for example. So is that, you know, carbon capture for example or  
2 switching to hydrogen as a fuel source to reduce, you know, that plant's emissions  
3 being considered on the front end so there are no hidden costs later on for the  
4 ratepayer and thinking about that as you're doing your resource planning. And then  
5 another one which I know has been discussed significantly by the Commission is  
6 regional long-range transmission planning. And you can have -- add all the  
7 renewables that you want, all the low carbon power that you want, but if you can't  
8 get it to where it needs to be then it's constrained you have a bottleneck. And so  
9 thinking about how do we affordably build out that transmission. And then as Mr.  
10 Robertson -- I'll move on quickly because, you know, with the respect to net  
11 metering, a potential opportunity to reconsider just giving the significant cost drop  
12 in solar, about 80 percent reduction over the last ten years and then thinking about  
13 microgrids to help with the resilience component as well post-storm. And then with  
14 respect to industrial decarbonization, electrification only gets you so far if you have  
15 clean or renewable power to power those electric turbines, to power those electric  
16 boilers. And so this is a very recent study that starts to chart out a facility level  
17 scale of what can be electrified, and this study found that 14 million metric tons can  
18 -- of CO2 can be offset. That's approximately 49 million megawatt hours for  
19 scaling. And that study said there's 40 million metric tons of CO2 from industrial  
20 facilities that the data wasn't clear enough, you need to do some further analysis,  
21 so that number could be significantly higher.

22 **COMMISSIONER LEWIS:** [INAUDIBLE] to interrupt but I --

23 **MR. VORHOFF:** Please.

1 **COMMISSIONER LEWIS:** -- just want to point out that, I mean, think it's  
2 [INAUDIBLE] important that we think about the people that I represent.

3 **CHAIRMAN CAMPBELL:** I'm sorry.

4 **COMMISSIONER LEWIS:** The people that I represent when we look at this  
5 slide, I mean, where you see the biggest bubbles is my entire district. And this is  
6 why I think this plan is extremely important and the action that we have to take  
7 about this plan is extremely important and why part of the reason I ran is because  
8 this is -- this is very detrimental to the people in the River Parishes. The people  
9 that I represent and you can see the potential of how we can improve their lives and  
10 eliminate what we have known so much as cancer alley if we take very seriously a  
11 lot of these recommendations. So I couldn't let this slide go by without making  
12 comment about that, simply when I think about all the people that I represent ,what  
13 industrial electrification actually means and the power that it has to their health and  
14 their prosperity.

15 **MR. VORHOFF:** Right. That's a great point. And there's actually a new federal  
16 grant through the EPA that we're starting to work on to plan out what are  
17 opportunities to reduce greenhouse gas emissions but also reduce co-pollutants at  
18 the same time in that industrial corridor kind of in the River Parishes is, you know,  
19 seems to be an ideal example of what I think the EPA is looking to fund. And  
20 they're looking to fund, as soon as next year, projects that are in the 2 to \$500  
21 million range and so, yeah, there's a lot of potential there for something like an  
22 industrial electrification project. So implementation, I mentioned already the  
23 bipartisan infrastructural law, \$28 billion for clean energy transition, 68 billion for

1 industrial decarbonization. So there are -- and then that was followed on last year,  
2 I believe today or yesterday, Inflation Reduction Act was passed, which had  
3 significant -- I mean, billions of dollars for clean energy manufacturing, for clean  
4 energy generation. Looking at that 125 billion from clean energy generation.  
5 Here's a breakdown of what it looks like. I mean, it includes a greenhouse -- a  
6 revolving loan fund, clean hydrogen hubs, nuclear credits. Really all of the above  
7 approach to decarbonizing our energy and our heavy industry. And that is really  
8 the same approach that the task force has taken is all-of-the-above approach to  
9 technology. And then as I mentioned, it feels like every week there's a new notice  
10 of funding, deadline for grant applications, and so it was critical last year that an  
11 inter-agency grid working group was stood up with Governor's Office, the Division  
12 of Administration, Department of Natural Resources, Governor's Office of  
13 Homeland Security, and Louisiana Public Service Commission. And with a really  
14 -- a goal of coordinating and sharing best practices, discussing upcoming grant  
15 opportunities to make sure that Louisiana is competing for this federal money that  
16 is out there, that is flowing. And making sure that we're, you know, doing our best  
17 to make Louisiana as resilient as it can be and reducing costs to the ratepayer at the  
18 same time. And so really want to give a shout out to Executive Secretary Frey and  
19 his staff for being very collegial, you know, really coming with great ideas and  
20 cooperation. And so I think, you know, we're going to do right by the state of  
21 Louisiana. Some of those efforts that we've been discussing, or intend to discuss  
22 and work on, there's a \$40 million grant program over the next 5 years for grid

1 resilience and modernization. We just put in a \$500 million application for this  
2 HERO Project, Louisiana Hubs for Energy Resilient Operations.

3 **CHAIRMAN CAMPBELL:** Where's this money coming from?

4 **MR. VORHOFF:** So this is all federal money. Most of it is through the  
5 Department of Energy. And that's through these two, the Inflation Reduction Act,  
6 which was passed a year ago by Congress, and then the bipartisan infrastructure,  
7 which was a little over that about two years ago. And so there is federal money out  
8 there and --

9 **CHAIRMAN CAMPBELL:** How much money is coming from the federal -- the  
10 Reduction Act? How much money is coming for these projects?

11 **MR. VORHOFF:** The Inflation Reduction Act? I mean, right here I have kind of  
12 the high level [INAUDIBLE] these \$65 billion for a clean energy manufacturing,  
13 125 billion for clean energy generation, \$30 billion for energy cost reduction, so  
14 energy efficiency, tax credits and rebates. And that's nationally, that's nationally.  
15 And so, you know, some of these are formula funds that the state's definitely going  
16 to get. Some of these are -- but a lot of it is competitive.

17 **CHAIRMAN CAMPBELL:** And look, I'm just amazed how nobody supported  
18 it and we're getting all this money. But we're going to take all the money and  
19 nobody can support it. I got the picture. Give us all the money, but hey, don't ask  
20 us to vote for any of this stuff, cause it's liberal or it's budget busting. And here  
21 we are, we'll take it. We're just like a -- you know, like a bird, got their mouth  
22 wide open; we'll take all the worms. That's it.

23 **MR. VORHOFF:** Don't want to be hungry.

1 **CHAIRMAN CAMPBELL:** Well, no, we need it.

2 **MR. VORHOFF:** We need it.

3 **CHAIRMAN CAMPBELL:** We need it, but it didn't make any damn difference.

4 But we'll take it.

5 **MR. VORHOFF:** We will.

6 **CHAIRMAN CAMPBELL:** Now that it's passed.

7 **COMMISSIONER LEWIS:** And Harry, some of these are competitive grants,

8 correct?

9 **MR. VORHOFF:** Correct.

10 **COMMISSIONER LEWIS:** And so some of the action that either we are taking

11 or not taking could deter Louisiana from benefiting. I mean, I think I'm particularly

12 worried about -- I know we are applying for Solar for All and I think, sadly, our net

13 metering rules may make our application less desirable to the Department of Energy

14 because we have not incentivized enough people in Louisiana to benefit from solar

15 panels [INAUDIBLE] the tax credit and so I just wanted to emphasize that we have

16 some of the work that we're talking about here, at the Commission, deeply depends

17 on Louisiana's success rate at receiving some of these federal funds. And I think

18 that's very important for us to remember and think about as we are talking about a

19 bunch of different issues. And I think a point that you really made that I appreciated

20 is the fact that we have to take an all-of-the-above approach, that we are hearing

21 you all, sustainability experts, talk about the need for private investment, and we

22 are hearing industry say private investment. And that we don't need to, kind of, go

23 into these old-fashioned, that it's either/or. Right? I think that it's and/both. That

1 we can see utilities, private investment, federal grants, state policy, all come  
2 together to really reduce what we know right here is the energy burden in Louisiana.  
3 And I think that's the primary thing we're talking about is reduction of CO2  
4 emissions but also relieving people of the significant costs of energy in the state.  
5 Even if we have sometimes more affordable rates, we know the energy burden of  
6 the state's around almost 20 percent, which makes it unaffordable to people. So I  
7 just really wanted to emphasize that this work that you are highlighting of these  
8 grants deeply matter, and I think that the work that we're doing with inter-agencies  
9 and making sure, as you mentioned earlier -- I think Bill mentioned it, Louisiana  
10 Housing Corporation coming together. I've been having some of those  
11 conversations. So we are, as a state, united in our fight for these dollars that will  
12 provide significant benefits to our people. And so I just wanted to, while that slide  
13 was up there, highlight that.

14 **MR. VORHOFF:** Thank you, Commissioner, and 100 percent --

15 **VICE CHAIRMAN FRANCIS:** Thank y'all for coming and we need to move on.

16 **MR. VORHOFF:** Okay.

17 **VICE CHAIRMAN FRANCIS:** Bill, how are you doing man?

18 **MS. BOWMAN:** Commissioner --

19 **VICE CHAIRMAN FRANCIS:** Thank y'all for coming.

20 **MR. VORHOFF:** Thank you.

21 **MS. BOWMAN:** -- you need to turn your mic on, Commissioner, and move it.

22 Yeah.

23 **MR. VORHOFF:** On my second to last slide, so this is my last slide.

1 **VICE CHAIRMAN FRANCIS:** Oh, I'm sorry. I thought you were finished.

2 **MR. VORHOFF:** But thank you, Commissioner. Just to close, that there is a  
3 tremendous amount of money on the table. And Commissioner Lewis is right, you  
4 know, if we don't work together, if we're not kind of eyes on the prize, then we  
5 could lose out on a lot of money coming to reduce energy burden, to reduce costs  
6 on ratepayers, and improve resilience as well. There's a huge economic  
7 opportunity. Major industrial players are looking to invest in decarbonization. So  
8 appreciate your time, appreciate Staff's work, and collegiality, and working  
9 together. And thank you for your time. Appreciate you.

10 **CHAIRMAN CAMPBELL:** You're welcome. Does anybody have any  
11 questions? [HEARING NONE] No questions. Thank y'all for coming. I know  
12 you worked hard at it. I appreciate it. Thank you.

13 **COMMISSIONER GREENE:** Thank you very much.

14 **MR. ROBERTSON:** Mr. Chairman? One last thing, Mr. Chairman. The  
15 priorities are set at the top and the Governor's Office has done a great job  
16 identifying federal money to make this plan durable throughout administrations.  
17 So we just simply ask you make it a priority for your agency. And thanks again for  
18 the time.

19 **CHAIRMAN CAMPBELL:** See you.

20 **COMMISSIONER GREENE:** Thank y'all very much.

21 **MR. FREY:** And the presentations, just like any, will be on the website available  
22 if anyone's interested in them. Harry, I think you might need to fill out a card.  
23 Grab one of those yellow ones just so we'll have your contact info.



1     **CHAIRMAN CAMPBELL:** Number 2?

2     **MS. BOWMAN:** Ready? So Exhibit Number 2 is Docket Number T-36504. This

3     is the Commission versus Adair Movers on an alleged violation of Revised Statute

4     45:161 through 180.1, by engaging in activities related to moving household goods

5     prior to complying with the requirements of the Revised Statute and General Order

6     dated March 16, 2021, and for failure to comply with the requirements of General

7     Order dated April 3, 2008, as amended. It's a discussion and possible vote on a

8     recommendation of the Administrative Law Judge. Staff conducted an

9     investigation into Adair Movers in January of 2022 and determined that the

10    company was not registered with the Commission and was advertising services as

11    an intrastate household goods mover. Staff provided notice to Adair Movers of its

12    investigation findings and various methods by which Adair could get into

13    compliance. After the company failed to come into compliance, Staff issued a

14    citation to Adair on August 19, 2022, directing the company to appear at a hearing.

15    Notice was published in the Commission's Official Bulletin. At the hearing, Adair

16    Movers did not appear and present a defense, and the recommendation of the

17    Administrative Law Judge was issued on June 19, 2023. Staff is requesting that

18    Adair be found guilty of violating the revised statutes by engaging in activities

19    related to moving household goods prior to complying with the revised statutes in

20    the Commission's 2021 General Order, and be found guilty of violating the

21    Commission's 2008 General Order, be fined \$1,000 and be required to pay a \$25

22    citation fee, and that Adair Movers be required to remove all household -- excuse

23    me, all advertising until it obtains the requisite Commission authority. Based on

1 the testimony and documents admitted into the evidence at the hearing in this  
2 matter, the ALJ recommends that the Commission issue an order finding that Adair  
3 Movers is guilty of violating Revised Statute 45:164(E)(1) by engaging in activities  
4 related to moving household goods intrastate prior to complying with said  
5 requirements and the Commission's General Order dated March 16, 2021; that  
6 Adair is guilty of violating the Commission's General Order dated April 3, 2008,  
7 as amended by failing to include a Commission certificate number in its  
8 advertisements; and pursuant to Revised Statute 45:171, the Commission's General  
9 Orders dated March 16, 2021 and August 21, 2008, Adair is fined \$1,000; and  
10 pursuant to General Order dated June 7, 2006, Adair is assessed a \$25 citation fee;  
11 and that within 60 days of the date of the order, Adair shall cease all advertising for  
12 moving household goods, provide proof of cancellation of current advertisements  
13 for moving household goods intrastate to the Commission.

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

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

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

17 **CHAIRMAN CAMPBELL:** That's a motion by Mr. Greene --

18 **COMMISSIONER GREENE:** Yes.

19 **CHAIRMAN CAMPBELL:** -- to accept Staff recommendation. Second by Mr.  
20 Lewis. No objections? [HEARING NONE] Next issue.

21 **MS. BOWMAN:** Exhibit Number 3 is Docket Number T-36706. This is the  
22 Commission versus ASAP Towing, Recovery, & Equipment Transportation. It's  
23 an alleged violation of Louisiana Revised Statute 45:1177 and 1179 for failure to

1 pay to the state proper fees for the years 2013 through 2021 for the inspection,  
2 control, and supervision of its business service and rates authorized in Common  
3 Carrier Certificate Number 7303 pursuant to General Order dated November 22,  
4 2011. It's a discussion and possible vote on the recommendation of the  
5 Administrative Law Judge. Staff conducted an ISF compliance audit of ASAP in  
6 July of 2016 and determined that ASAP was not in compliance for the years 2013  
7 through 2015. Staff provided notice to ASAP of its audit findings and the various  
8 methods by which the company could get into compliance. Staff conducted another  
9 ISF compliance audit of ASAP in March of 2022, and determined that that the  
10 previous audit for the years '13 through '15 remained unresolved and that the  
11 carrier was also not in compliance for '16 through '21. Staff provided notice to  
12 ASAP Towing again of its updated audit findings and the various methods by which  
13 the towing company could get into compliance. The company did not. Staff then  
14 issued a citation to ASAP on March 31, 2023, directing ASAP Towing to appear at  
15 a hearing. Notice was published in the Commission's Official Bulletin and the  
16 hearing convened with Staff appearing and presenting evidence in support and  
17 ASAP not appearing and presenting a defense. The recommendation of the  
18 Administrative Law Judge was issued on July 18, 2023. And based on the  
19 testimony and documents admitted into the evidence at the hearing in this matter,  
20 the ALJ recommends that the Commission issue an order finding that ASAP  
21 Towing is guilty of violating Revised Statute 45:1177 by failing to properly file  
22 each of its quarterly ISF reports and pay the properly calculated quarterly fees for  
23 the calendar years '14 through 2021; that ASAP is required to properly file its ISF

1 reports and to pay those said fees for the calendar years 2014 through 2021 with  
2 the Department of Revenue within 60 days of the date of issuance of this order; and  
3 that pursuant to the Commission's General Order November 22, 2011 and Revised  
4 Statute 45:171(C), ASAP is fined \$500; and that pursuant to Commission General  
5 Order dated June 7, 2006, ASAP is issued a citation fee of \$25.

6 **CHAIRMAN CAMPBELL:** Is there a --

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

8 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Greene. Second by me,  
9 Foster Campbell. No objections? [HEARING NONE] Passed. I don't want to  
10 say the Chairman. I don't like that word.

11 **MS. BOWMAN:** Exhibit Number 4 is Docket --

12 **VICE CHAIRMAN FRANCIS:** You are the Chairman.

13 **CHAIRMAN CAMPBELL:** I know but I'm Foster Campbell. Go ahead.

14 **MS. BOWMAN:** Exhibit Number 4 is Docket Number S-36673. This is Chevron  
15 Philips Chemical Pipeline Company's application to increase rates for  
16 transportation of petroleum in its ethylene system for the Commission Tariff 9.5.0.  
17 It's a discussion and possible vote on a Staff recommendation. Chevron filed its  
18 application with the Commission on February 3, 2023, requesting authorization to  
19 increase its rates for transportation on its pipeline system for LPSC Tariff 9.5.0.  
20 The Americas Styrenics plant is the company's sole Louisiana pipeline customer.  
21 Chevron claims that an increase is necessary due to a significant reduction of  
22 throughput volume over the past five years with costs remaining relatively  
23 consistent over that same period of time. The initial request was to increase rates

1 per 100 pounds from 17.67 cents to 29.5 cents. The sole customer was provided  
2 notice of the proposed rate change via email on August 29, 2022. Subsequent to  
3 the filing of the current application, Chevron amended its tariff to reflect the  
4 FERC's recently updated annual index rate, which allowed the company to increase  
5 its rate from 17.67 cents to 20.02 cents, effective July 1, 2023. Thus, the company's  
6 rate request was revised, seeking an increase in rates per 100 pounds, from 20.02  
7 cents to 29.50 cents. This amended request would result in a 0.0948 increase per  
8 100 pounds. Audit Staff agrees that an increase is necessary and Staff recommends  
9 that the company be allowed to increase its intrastate transportation rates.  
10 However, in the event that the customer volume increases over 400,500,000  
11 pounds, Staff recommends that the company be required to file with the  
12 Commission for a reevaluation of its rate. Staff's report and recommendation was  
13 filed into the record on July 21, 2023, and Staff recommends that the Commission  
14 approve Staff's report and recommendation filed into the record on July 21, 2023.

15 **CHAIRMAN CAMPBELL:** I got some questions.

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

17 **CHAIRMAN CAMPBELL:** Good. Who's answering the questions? Who's  
18 handling this?

19 **MS. ROBIN PENDERGRASS:** I can answer those.

20 **CHAIRMAN CAMPBELL:** Okay. Good. When's the last time these people had  
21 a rate increase?

22 **MS. PENDERGRASS:** Commissioner, this increase is for a single customer. This  
23 isn't --

1 **CHAIRMAN CAMPBELL:** It's for -- Chevron the name of the company?

2 **MS. PENDERGRASS:** Yes. Their tariff is for one single customer.

3 **CHAIRMAN CAMPBELL:** Yeah, I understand that. When's the last time they

4 had a rate increase?

5 **MS. PENDERGRASS:** Well, they are able to increase it every year that the FERC

6 increases through their index. So --

7 **VICE CHAIRMAN FRANCIS:** [INAUDIBLE] for anytime that FERC does.

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

9 **CHAIRMAN CAMPBELL:** Well, let me ask another question. This is a 47

10 percent increase, right?

11 **MS. PENDERGRASS:** Yes, sir.

12 **CHAIRMAN CAMPBELL:** That's pretty hefty, isn't it? That's a --

13 **MS. PENDERGRASS:** Well the -- but looking at the customer that this affects,

14 their revenues are point -- it's a tenth of a percent of the company's revenues.

15 **CHAIRMAN CAMPBELL:** Yeah. Chevron owns this company, correct?

16 **MS. PENDERGRASS:** Yes, they own the pipeline that provide services to this

17 company. Yes.

18 **CHAIRMAN CAMPBELL:** Well, Chevron's earnings first quarter of this year

19 was 6.6 billion, 6.6 billion.

20 **MS. PENDERGRASS:** Yes, sir. The revenues for this company are solely for the

21 expenses of this company.

22 **CHAIRMAN CAMPBELL:** Yeah, I know.

23 **MS. PENDERGRASS:** And even with this increase, they're still not whole.

1 **CHAIRMAN CAMPBELL:** Well, anyway --

2 **VICE CHAIRMAN FRANCIS:** So they're going bankrupt then?

3 **CHAIRMAN CAMPBELL:** Yeah, right.

4 **VICE CHAIRMAN FRANCIS:** Okay.

5 **MS. PENDERGRASS:** Well, I don't know if they're going bankrupt but --

6 **VICE CHAIRMAN FRANCIS:** But if they keep it up, they'll go bank --

7 **MS. PENDERGRASS:** -- the cost for this particular customer, even with the rates

8 that they're getting, are not enough to get them out of the red.

9 **CHAIRMAN CAMPBELL:** So why didn't you just double it? Why did you just

10 --

11 **MS. PENDERGRASS:** Well, they didn't ask for that.

12 **CHAIRMAN CAMPBELL:** Oh, yeah. Well, I'm not surprised. Mr. Skrmetta,

13 you had some questions?

14 **COMMISSIONER SKRMETTA:** Is anybody here representing Chevron?

15 **MR. GARY GARVERICK:** I'm here.

16 **COMMISSIONER SKRMETTA:** Yeah. Come on up.

17 **CHAIRMAN CAMPBELL:** Come on up.

18 **VICE CHAIRMAN FRANCIS:** So this -- FERC is involved in this. We're

19 tracking -- FERC has a say in this also; is that right?

20 **MS. PENDERGRASS:** Yes, Commissioner.

21 **VICE CHAIRMAN FRANCIS:** Okay. All right.

22 **CHAIRMAN CAMPBELL:** You know you love the oil companies, man. Don't

23 make excuses. Come on.

1 **MS. BOWMAN:** And please, introduce yourself for the record. And look, press  
2 the button. There you go.

3 **MR. GARVERICK:** Yeah, good morning. This is Gary Garverick. I'm with  
4 Chevron Phillips Chemical. I'm a commercial manager for the pipeline terminal  
5 group.

6 **COMMISSIONER SKRMETTA:** Yeah, I just have one question. We made  
7 requests for y'all to come see us and kept getting non-agreement responses on that.  
8 Kept wanting to get somebody to come in the office to explain sort of the elements  
9 of this, and some other issues too --

10 **MS. BOWMAN:** Commissioner, I'm sorry. Thank you.

11 **COMMISSIONER SKRMETTA:** I'm sorry. Not close enough?

12 **MS. BOWMAN:** Not close enough.

13 **COMMISSIONER SKRMETTA:** Okay. See everybody else is telling me that  
14 they can pick up conversations from a distance. It's like bird watching and catching  
15 calls. Yeah. And I've got a general rule about not voting for people that don't  
16 come and talk to us about things even on the phone. So I don't feel comfortable  
17 about voting on this one way or the other. My position on oil companies is I'm  
18 agnostic. But my position on not having a discussion about this in detail is not. So  
19 I'm not going to vote for it until -- I'm okay to move this off a month and have a  
20 real discussion about it, but I'm not going to vote for it because you didn't come  
21 and talk to us. And I'm not treating you any different than I haven't treated other  
22 people in this room who have picked up on the rules of, you know, this  
23 Commissioner and I hope other Commissioners that get the value of, you know,



1 personal interaction on discussing these things in person. Because, you know,  
2 having complicated issues like this come up and just kind of flop on the desk just  
3 doesn't work for me. So I'm just going to vote -- I'll abstain or vote no if they go  
4 to a vote or I'm okay to move this off until we have better discussions about it.

5 **COMMISSIONER GREENE:** I'll second moving it off, postponing a month.

6 **COMMISSIONER SKRMETTA:** Yeah, I'm okay to postpone this a month. So  
7 that's my motion, postpone this a month.

8 **CHAIRMAN CAMPBELL:** What's your motion?

9 **COMMISSIONER GREENE:** Second.

10 **COMMISSIONER SKRMETTA:** To move this one month for an opportunity to  
11 discuss this.

12 **CHAIRMAN CAMPBELL:** That's fine. And by the way, I hadn't from them  
13 either but that's okay. That's okay. I hadn't heard a word from you. But I got a  
14 few questions, okay? What company do you work for?

15 **MR. GARVERICK:** I work for Chevron Phillips Chemical. Chevron Phillips  
16 Chemical is a joint venture between Chevron and Phillips 66, fifty-fifty.

17 **CHAIRMAN CAMPBELL:** Yeah. So this is one of their companies, correct?

18 **MR. GARVERICK:** Yeah, we're Chevron Phillips.

19 **CHAIRMAN CAMPBELL:** Does this company make money, this company  
20 here?

21 **MS. BOWMAN:** Your mic is not on. I'm sorry. There you go.

22 **MR. GARVERICK:** Yes. We generate revenue.

1 **CHAIRMAN CAMPBELL:** Yes. Did you do good last year, or? This is a 47  
2 percent increase.

3 **MR. GARVERICK:** Correct but on this particular pipeline, we're not making any  
4 money to cover our maintenance costs. We have several meter stations that we  
5 have to calibrate every month [INAUDIBLE] --

6 **CHAIRMAN CAMPBELL:** I'm going to ask you a question that I ask everybody  
7 that tells me that, is that pipeline for sale? Would you sell this if it doesn't make  
8 any money? That's what I'm asking you. You said it doesn't make any money.

9 **MR. GARVERICK:** It is -- we're evaluating our options because we are not  
10 making any money on this pipeline.

11 **CHAIRMAN CAMPBELL:** You know, it just -- and I'm not picking on you but  
12 it's amazing when people come up and tell you they got to have a rate increase  
13 cause we're not making money and you ask them if it's for sale and say, "Oh no,  
14 it's not for sale." So I mean if it's in trouble, you'd sell it. You say you're thinking  
15 about selling it?

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

17 **CHAIRMAN CAMPBELL:** Well, that makes a little sense. Okay. There's a  
18 motion to put this off until next meeting, which would be in September. I'm for it  
19 too. Anybody object? [HEARING NONE] No objections. It's put it off until  
20 September.

21 **MR. GARVERICK:** Okay.

22 **VICE CHAIRMAN FRANCIS:** Chairman, I've got a question.

23 **CHAIRMAN CAMPBELL:** Foster.

1 **VICE CHAIRMAN FRANCIS:** Foster Chairman, I've got a question --

2 **CHAIRMAN CAMPBELL:** All right, go ahead.

3 **VICE CHAIRMAN FRANCIS:** -- for the secretary. Where's our clock?

4 **MR. FREY:** The time was off so it's been removed.

5 **VICE CHAIRMAN FRANCIS:** You know, Republicans stay on time but we

6 don't have a clock to watch, so.

7 **CHAIRMAN CAMPBELL:** Fifteen until eleven.

8 **MS. BOWMAN:** The battery was dead and so it was not working. And we thought

9 that you would appreciate it not being on the wall versus being on the wall and not

10 being accurate.

11 **VICE CHAIRMAN FRANCIS:** Okay.

12 **COMMISSIONER SKRMETTA:** I thought batteries never failed.

13 **COMMISSIONER GREENE:** I would like to motion for electrification of the

14 clock.

15 **MS. BOWMAN:** It'll be fixed next month.

16 **MR. FREY:** Unfortunately, it'll probably be set up with the same system as the

17 A/C so I don't know if we want it to go to that chance.

18 **COMMISSIONER SKRMETTA:** Is that battery for [INAUDIBLE].

19 **VICE CHAIRMAN FRANCIS:** Need a battery for the A/C.

20 **MS. BOWMAN:** So moving on to Exhibit Number 5, it's Docket Number U-

21 35324. This is Southwestern Electric Power Company's application for

22 certification of approval of the acquisition of certain renewable resources. This is

23 a discussion and possible vote on a budget increase for United Professionals

1 Company due to a scope expansion. UPC was retained at the Commission's  
2 November 2018 B&E to assist in Docket Number X-35085 and the certification of  
3 any resources selected through that docket. Docket Number X-35085 was a request  
4 for proposals for competitively priced wind energy resources on a turnkey basis  
5 through acquisition of the ownership interest in one or more wind projects totaling  
6 up to 1,200 megawatts. Upon completion of that RFP process, SWEPCO filed for  
7 certification of the same, which was docketed as Docket Number U-35324. Order  
8 U-35324 approved SWEPCO's request in June 2020, with the order also requiring  
9 SWEPCO to provide a net benefit guarantee, including an update on said guarantee  
10 once the certified facilities were placed into service. As the facilities are now in  
11 service, SWEPCO has submitted its updated net benefit guarantee for Staff's  
12 review. Given UPC's knowledge and experience with the required net benefit  
13 calculation required in Order Number U-35324, it's Staff's opinion that the  
14 expansion of scope is necessary to allow UPC to assess the compliance filings made  
15 by SWEPCO as said filings were not contemplated in the UPC's original scope of  
16 work. Therefore, Staff solicited UPC under the Commission's contract order dated  
17 November 14, 2014, as the current assessment is related by common factual, legal,  
18 and regulatory matters. Based on that solicitation, UPC submitted a proposed  
19 budget increase of \$18,500 and Staff recommends that the Commission approve  
20 the budget increase of UPC of \$18,500 in fees due to a scope expansion.

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

22 **COMMISSIONER SKRMETTA:** Move to accept the Staff recommendation to  
23 approve the budget increase for UPC.

1 **COMMISSIONER GREENE:** Second.

2 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta, second by Mr.

3 Greene. Is there any objection? [HEARING NONE] No objections. Next issue,

4 next item.

5 **MS. BOWMAN:** Exhibit Number 6.

6 **CHAIRMAN CAMPBELL:** Six? Six.

7 **MS. BOWMAN:** Yes, sir. Is Docket Number U-35441. This is Southwestern

8 Electric Power Company's application for approval of a change in rates, extension

9 of formula rate plan, and other related relief. It's a discussion and possible vote on

10 a final recommendation of the Administrative Law Judge and draft order. On

11 December 13, 2019, SWEPCO filed its application with several parties intervening.

12 And after numerous rounds of testimony, the parties began settlement negotiations

13 and in January of 2023 the parties reached a partial settlement of the case. The

14 Commission adopted the partial settlement in its January 2023 open session. The

15 one issue remaining before the Administrative Law Judge in this matter can be

16 found in paragraph 15 of the settlement agreement, which provides that the parties

17 agree to settle and resolve all issues in this proceeding, except for the net operating

18 loss carryforward and ADIT issues. The net operating loss carryforward and ADIT

19 issues shall be addressed in Docket Number U-35441 and considered at a hearing

20 with the Administrative Law Judge. Following the Commission's consideration of

21 the partial settlement, a procedural schedule was set establishing the hearing for the

22 remaining contested issues with the interveners taking no position on the remaining

23 contested issues and waiving their appearance at the hearing. The hearing

1 commenced with SWEPCO and Staff appearing and presenting testimony and the  
2 ALJ issued a proposed recommendation on June 15, 2023. SWEPCO filed two  
3 technical exceptions resulting in changes to findings of facts number two and seven  
4 and those were incorporated into the ALJ's final recommendation, which was  
5 issued July 19, 2023. Finding no justification for the inclusion in rate base of the  
6 NOL ADIT, other than the potential normalization violation, the ALJ  
7 recommended that SWEPCO be allowed to seek a private letter ruling from the IRS  
8 to inform whether it indeed committed a normalization violation. However,  
9 consistent with Staff's recommendation, SWEPCO should work with the Staff in  
10 drafting that request. Based on the evidence and testimony presented in the  
11 proceeding, the Administrative Law Judge recommends that the Commission adopt  
12 the final recommendation of ALJ and draft order issued July 19, 2023.

13 **CHAIRMAN CAMPBELL:** Mr. Gilliam, who's handling this for us? Who's --  
14 who?

15 **MR. ARVIND VISWANATHAN:** Good morning, Commissioners. Arvind  
16 Viswanathan on behalf of Staff.

17 **CHAIRMAN CAMPBELL:** Okay. Tell us about it. Tell us about this.

18 **MR. VISWANATHAN:** Commissioner, the last outstanding issue between Staff  
19 and SWEPCO was relating to the net operating loss carryforward and the  
20 accumulated deferred income tax issue. Staff's position was that we believe that it  
21 rose to a double recovery by SWEPCO. And SWEPCO took the position that a  
22 failure to include these deferred income taxes in rate base would be a normalization  
23 violation. After a hearing with a ALJ, what the ALJ ruled was that both parties

1 would go to the IRS together to receive a private letter of ruling. That private letter  
2 of ruling would give us guidance as to whether this issue would be a normalization  
3 violation. And should it be a normalization violation, SWEPCO and Staff would  
4 work together to try and incorporate that back into rate base and figure out how to  
5 handle that.

6 **CHAIRMAN CAMPBELL:** SWEPCO agreed to this?

7 **MR. VISWANATHAN:** Judge -- I'm sorry, Commissioner. It was a judge ruling  
8 and upon the preliminary judgement, SWEPCO did not file any objections to the  
9 judge's ruling other than technical clarifications.

10 **CHAIRMAN CAMPBELL:** Bobby, you have anything that you want to add to  
11 that?

12 **MR. BOBBY GILLIAM:** No, Commissioner, I think Arvind stated it correctly.

13 **MS. BOWMAN:** Bobby, Bobby, Bobby. [INAUDIBLE].

14 **MR. GILLIAM:** I should just say no.

15 **MS. BOWMAN:** That would also work.

16 **MR. GILLIAM:** Bobby Gilliam, SWEPCO. And I would say no. I was agreeing  
17 with Arvind's presentation of a complicated issue. Right now, both parties are  
18 going to go the IRS and seek a ruling, the guidance from the IRS. And Staff will  
19 participate, and review, and provide input to our letter to the IRS.

20 **CHAIRMAN CAMPBELL:** Okay. All right.

21 **MR. GILLIAM:** Thank you

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

23 **VICE CHAIRMAN FRANCIS:** You just repeated what he already said.

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

2 **COMMISSIONER SKRMETTA:** Yeah, move to accept the Staff  
3 recommendation -- the ALJ recommendation.

4 **COMMISSIONER GREENE:** Second.

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

6 **MS. BOWMAN:** So motion by Commissioner Skrmetta, seconded by  
7 Commissioner Lewis?

8 **CHAIRMAN CAMPBELL:** Yeah. Hold on a second. I say that, you don't say  
9 that.

10 **VICE CHAIRMAN FRANCIS:** That's a Chairman talking there.

11 **CHAIRMAN CAMPBELL:** That's Foster talking.

12 **MS. BOWMAN:** That's Foster.

13 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta, second by Mr.  
14 Lewis. Now, is there any objections? [HEARING NONE] Hearing none.

15 **MS. BOWMAN:** May I move on to Exhibit 7?

16 **CHAIRMAN CAMPBELL:** You treat your husband like that?

17 **MS. BOWMAN:** I actually do.

18 **CHAIRMAN CAMPBELL:** We'd have real problems at my house. All right,  
19 Number 7.

20 **MS. BOWMAN:** Exhibit Number 7 is Docket Number U-36174. This is  
21 SWEPCO's application for recovery of certain storm damage costs incurred as  
22 results of Hurricane Laura, and Delta, and the February of 2021 winter storm event.  
23 It's a discussion and possible vote to retain a securitization consultant. Staff issued



1 an RFP seeking that consultant to assist in the process and one bid was received. It  
2 was from Estrada Hinojosa & Company for \$270,000 in fees and \$15,000 in  
3 expenses for a total budget not to exceed of \$285,000. And Staff makes no  
4 recommendation as the sole bidder is qualified.

5 **COMMISSIONER SKRMETTA:** Move to accept the sole bid of Estrada  
6 Hinojosa.

7 **CHAIRMAN CAMPBELL:** I'll second but I got something to say. But I'll  
8 second this motion by Mr. Skrmetta. We're going to hire a securitization consult  
9 for recovery. I want to let everybody know that I've been checking all these rates  
10 about how these companies have been keeping the lights on and some of them are  
11 not doing too well. What do you call it? SQIP?

12 **MR. FREY:** SAIDI and SAIFI. SQIP is their program for distribution but it's --

13 **CHAIRMAN CAMPBELL:** Yeah, I got it. SAIDI, which means how long  
14 duration of outages occur. SWEPCO's rate is not the best in the world, that's all I  
15 got to say. It's got to be improved and before we start refunding all this money, I  
16 think we need to take that in consideration on all the companies. Be on the look  
17 about Cleco and the co-ops, they got the co-ops too. See how long the lights are  
18 off and everybody -- you know, that's the business we're in. This morning I got a  
19 group of people up in Shreveport that sent me a letter. In a certain area they're  
20 having trouble. And so before I start giving out all this money, or before we do,  
21 I'd like to check everybody and see how long the lights are on and off. And there's  
22 a comparison with the national average. You can compare them and you can see  
23 who's doing good and who's not doing too good. So I just want to say that, that

1 before we give all this money back to these companies for storm damages, we ought  
2 to take a little look at that and see if they're up to snuff. If they're not, maybe they  
3 ought to give up some money to get themselves that way. I have voted for tree  
4 trimming, tree trimming, tree trimming, tree trimming. I have voted for it for ever  
5 since -- for the last 10 years. My good friend, that's what he talked about all the  
6 time and I never turned him down. I do know the excuse that they bought Valley  
7 Rural Electric and Valley. I know all about Valley, all about the country and they  
8 had a lot of trees. I got it but I have voted for everything they've asked for and  
9 some more. But before I give you all your money back for storm damages, I want  
10 to take a close look at you, comparison to the United States about the duration, how  
11 long lights were off. And I think we ought to do that for Cleco and Entergy, when  
12 you want all these rate increases, let's see how -- let's grade your papers a little bit.  
13 I never have been doing that and I missed the boat. I apologize, it's my fault, it's  
14 not going to happen again. Before I give you rate increases and all -- Mr. Sisung,  
15 you hear me?

16 **MR. LANE SISUNG:** Yes, sir.

17 **CHAIRMAN CAMPBELL:** I'm real interested in that and you work for us, so I  
18 would like for you to point that out. Nobody had ever pointed that out to me,  
19 nobody. Just for the record now, all y'all listening? I never knew about this.

20 **VICE CHAIRMAN FRANCIS:** How long you been here?

21 **CHAIRMAN CAMPBELL:** Did you know about it? I'm sure you did. I'm sure  
22 you did. Nobody knows about it because y'all don't point it out but Lane, you need  
23 to start saying, "Hey, look at these reliability fields, they're bad. Look at Entergy,

1 they're bad, or they're good." Before we start giving them everything they want,  
2 we don't ask any hard questions. We don't represent SWEPCO, Cleco, and  
3 Entergy. They got people that make millions of dollars representing them. We  
4 make \$45,000 a year, that's what we make. So we ought to be doing a better job.  
5 That's just me. So anyway --

6 **VICE CHAIRMAN FRANCIS:** Mr. Chairman?

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

8 **VICE CHAIRMAN FRANCIS:** Okay. I want to point out something that I think  
9 is favorable to all of our utilities. I don't know if you've mentioned this yet, the  
10 [INAUDIBLE] rating is?

11 **MR. FREY:** No, I passed it out before but [INAUDIBLE] --

12 **VICE CHAIRMAN FRANCIS:** Okay. I mean, we've had a lot of bad weather  
13 blowing down our trees and taking down our lines. And so I sure feel for all those  
14 little bucket truck guys and the utilities out there, but some of the good news is the  
15 kilowatt hour cost for electricity, Louisiana is number four in the nation, is the best  
16 -- lowest rates. Number four in the nation and I think that's a compliment to our  
17 utility people. Thank you, SWEPCO. Thank you, Cleco. Thank you, co-ops.  
18 Okay. All right.

19 **COMMISSIONER LEWIS:** Mr. Chairman --

20 **CHAIRMAN CAMPBELL:** Just a second, let me answer that if I could. That's  
21 good, I'm watching close, close, close. But I'm also aware of the last -- when we  
22 bought all the storms down. Y'all don't forget this one, you might forget this. I'll  
23 never forget it. All this stuff we gave Entergy \$5 billion check, 5 billion, we laid it

1 up on their desk. Y'all remember that? That paid for all the damages. So these  
2 companies, they do go through hell. But don't ever forget the bottom line is they  
3 add up all their bills, they come here, we okay them, and they get paid back every  
4 dime. And then on top of that, they are in a unique position. They have what you  
5 call a monopoly. So they get their money back for the storms and then nobody can  
6 go in business against them. So I mean, I think our job is to look at them hard.  
7 That's what I want to start doing. I've been real easy on some companies and I  
8 don't want to take it out of them if they're in good shape, but I think we ought to  
9 check them up a little closer.

10 **COMMISSIONER LEWIS:** Yes, Mr. Chairman, and I just wanted to echo  
11 sentiments that I think we should, as a Commission, look at performance based rate  
12 making and look at some of these items that other states have used. I mean, when  
13 we look at our SAIFI/SAIDI scores, some of our companies have been penalized  
14 and haven't paid the penalty fee. And then I think we have to be a lot stronger on  
15 that. And I would also point out that while our rates are low, I think we hide the  
16 fact that rates are not what people pay, they pay an energy cost. In Louisiana, while  
17 we have some of the lowest rates in the nation, also have some of the highest costs  
18 that people are paying in their bills. When we talk about the average of  
19 consumption or what it takes to cool their house. And so I think we have to not be  
20 fooled by certain metrics and not look at the full totalitary of all the metrics, which  
21 shows that the energy burden, as I've talked about, in this state is extraordinarily  
22 high. So while our rates are low, the costs they pay are high. And we have to  
23 remind ourselves, we're in the second poorest state in the nation. Twenty-three

1 percent of all of our children are born into poverty in this state. And so I don't think  
2 we should divorce the fact of the people who live in the state of Louisiana and what  
3 this actually means to their pocketbooks and their ability to survive. And so, I just  
4 wanted to echo and put some of the data in context of what is being presented to  
5 us.

6 **CHAIRMAN CAMPBELL:** Any other comments? We have a motion by Mr.  
7 Skrmetta; is that correct?

8 **COMMISSIONER GREENE:** Yes.

9 **COMMISSIONER LEWIS:** Yes.

10 **CHAIRMAN CAMPBELL:** Okay. I'll second it. Any objections? [HEARING  
11 NONE] Hearing no objections, motion passes. Number 7, is that right? Eight.

12 **MS. BOWMAN:** Eight.

13 **CHAIRMAN CAMPBELL:** Eight. Thank you. Thank you.

14 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-36264. This is Booth  
15 Environmental Services' application for an increase in water and sewer rates at the  
16 Oak Meadow subdivision in Calcasieu Parish. It's a discussion and possible vote  
17 on an uncontested stipulated settlement. On February 2, 2022, Booth filed a  
18 petition for increase of its water and sewer rates and after consultation with Staff,  
19 filed an amended application which was published in the Commission's Official  
20 Bulletin and no interventions were received. Following discovery on Booth's  
21 amended application, Staff filed its report and recommendation on May 4, 2023,  
22 and on June 6, 2023, Booth filed correspondence accepting the Commission Staff  
23 report and recommendation. The parties also filed a joint motion for schedule of

1 Rule 6 hearing on an uncontested stipulated settlement on July 5, 2023. The major  
2 terms of the settlement are as follows: Booth is authorized to alter their rates as  
3 recommended in the Staff report of an approximate \$6.10 increase, along with  
4 Staff's standard conditions regarding filing an updated tariff notice to customers in  
5 compliance with other regulatory authorities. Further, Staff recommended that  
6 Booth file a new rate case within three to five years of filing of an order in this  
7 proceeding. As there are no unresolved issues, Staff recommends that the  
8 Commission approve the uncontested stipulated settlement filed into the record of  
9 July 5, 2023.

10 **COMMISSIONER SKRMETTA:** Move to accept the Staff recommended  
11 uncontested stipulated settlement.

12 **COMMISSIONER GREENE:** Second.

13 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta, second by Mr.  
14 Greene. Is there any objection? [HEARING NONE] Hearing no objections,  
15 passed. Number 9.

16 **MS. BOWMAN:** Exhibit Number 9 is Docket Number U-36331. This is Atmos  
17 Energy Corporation's test year 2021 rate stabilization clause filing for the Louisiana  
18 Rate Division. It's a discussion and possible vote on a joint report and draft order.  
19 In compliance with the requirements of Commission Order Number U-35535,  
20 Atmos submitted the RSC filing for the twelve months ending December 31, 2021,  
21 for the consolidated division on March 31, 2022. In that filing, Atmos reported that  
22 the Louisiana Division required a revenue increase of \$32,439,537 prior to the  
23 company's proposed amortization of EDIT of a negative \$14,789,963. The

1 company's proposed amortization of EDIT reduces the gross revenue increase to a  
2 net revenue increase of \$17,649,574. As part of its filing, Atmos also proposed a  
3 series of benchmark exceptions that would be applicable in determining the amount  
4 of the not-to-exceed O&M expense benchmark adjustment for the 2021 test year.  
5 These exceptions effectively eliminated the decrease in the test year O&M expenses  
6 that would otherwise be required by the prescribed RSC adjustment ordered in  
7 Order Number U-35535. Staff reviewed the documentation provided in support of  
8 the filing and as a result of the review, recommended two additional adjustments.  
9 The first adjustment addresses requirement that the company calculate a not-to-  
10 exceed O&M benchmark adjustment. And the second adjustment reduced the  
11 amount of the current income tax expense included as a cost-of-service item.  
12 Subsequent to the filing of Staff's report, Atmos and Staff began conducting  
13 settlement discussions. And as a result of those negotiations, both parties executed  
14 a stipulated term sheet which resolves all issues in the docket. The major terms of  
15 which is that Atmos agrees to reflect in its rates a credit to the O&M expenses of  
16 \$945,424 plus interest as part of its 2022 RSC filing from the effective date of the  
17 '21 filing rates through the effective date of 2022 filing rates. The credit is not to  
18 be included in the 2022 O&M expenses for purposes of calculating the not-to-  
19 exceed O&M benchmark. And then within 60 days after a Commission order in  
20 this docket has been issued, Atmos will make a separate filing for Commission  
21 review of the prudence of the remaining \$2,089,474 of hurricane emergency  
22 response expenses incurred in 2021. Staff and Atmos submitted the joint report  
23 and draft order filed into the record on July 20, 2023, and Staff recommends that

1 the Commission accept that joint report and issue the draft order filed into the  
2 record on July 20, 2023.

3 **COMMISSIONER SKRMETTA:** Move to accept the Staff recommendation of  
4 the joint report and issue the draft order.

5 **COMMISSIONER GREENE:** Second.

6 **CHAIRMAN CAMPBELL:** Motion by Mr. Skrmetta, second by Mr. Greene to  
7 accept Staff recommendation. Any objections? [HEARING NONE] Hearing no  
8 objections, it's passed. Number 10.

9 **MS. BOWMAN:** Exhibit Number 10 is Docket Number U-36923. This is Cleco  
10 Power's request for implementation in change of rates with an effective date of July  
11 1, 2024, and extension of an existing formula rate plan. It's a discussion and  
12 possible vote to retain an outside counsel. Staff issued an RFP and received two  
13 qualifying bids. The first is from Patrick Miller of 338,000 in fees and 10,000 in  
14 expenses for a total budget not to exceed of \$348,000. And the second is from  
15 Stone Pigman, which was 470,000 in fees and 16,000 in expenses for a total budget  
16 not to exceed of \$486,000. And Staff makes no recommendation as both bidders  
17 are qualified.

18 **CHAIRMAN CAMPBELL:** Is there a motion? I make a motion to accept Patrick  
19 Miller's \$338,000.

20 **COMMISSIONER GREENE:** Second.

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

22 **COMMISSIONER GREENE:** Yes.

23 **VICE CHAIRMAN FRANCIS:** I'll make a substitute motion.



1 **CHAIRMAN CAMPBELL:** Got a substitute motion by Mr. Francis.

2 **VICE CHAIRMAN FRANCIS:** I recommend we should choose Stone Pigman  
3 for this job.

4 **CHAIRMAN CAMPBELL:** He recommends Stone Pigman. Is there a second?

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

6 **CHAIRMAN CAMPBELL:** Second by Mr. Lewis. Call the roll.

7 **MS. BOWMAN:** So we're voting on Commissioner Francis' substitute motion to  
8 accept the bid of Stone Pigman and I'll start with Commissioner Lewis.

9 **COMMISSIONER LEWIS:** Yes.

10 **MS. BOWMAN:** And Commissioner Francis?

11 **VICE CHAIRMAN FRANCIS:** Yes.

12 **MS. BOWMAN:** Commissioner -- Chairman -- Foster?

13 **CHAIRMAN CAMPBELL:** There you go. You're learning. No.

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

15 **COMMISSIONER GREENE:** No.

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

17 **COMMISSIONER SKRMETTA:** No.

18 **MS. BOWMAN:** So -- I'm sorry, I didn't hear you.

19 **COMMISSIONER SKRMETTA:** No.

20 **MS. BOWMAN:** That was a no? Okay. So motion fails, so we go back to the  
21 original motion made by Commissioner Foster.

22 **CHAIRMAN CAMPBELL:** Campbell, Foster, any of them. Hell, just say  
23 whatever you want to say.

1 **MS. BOWMAN:** So is there any objections to --

2 **CHAIRMAN CAMPBELL:** No objections?

3 **MS. BOWMAN:** -- Chairman's motion?

4 **CHAIRMAN CAMPBELL:** [HEARING NONE] Mr. Patrick Miller is awarded

5 the deal. Number 11?

6 **MS. BOWMAN:** Exhibit Number 11 is Docket Number U-36684. It's Baton

7 Rouge Water Works Company doing business as Baton Rouge Water Company.

8 It's the 2022 test year formula rate plan annual report. It's a discussion and possible

9 vote on a joint report and draft order. On February 28, 2023, Baton Rouge Water

10 filed its 2022 test year formula rate plan annual report and notice was published in

11 the Commission's Bulletin with no interventions. Pursuant to Commission Order

12 Number U-36223-A, Baton Rouge Water's return on equity bandwidth is nine to

13 ten percent with a midpoint reset. In the 2022 filing, the company reported a ROE

14 of 9.82 percent, which would have required no adjustment in the revenue

15 requirement. Conducted -- Staff conducted a thorough review of Baton Rouge

16 Water's filing and initially determined that the company's earned ROE for the test

17 year was 11.47, which is above the established bandwidth and would've required

18 an adjustment in rates. However, on July 5, 2023, Baton Rouge Water filed its

19 response which indicated the company agreed with some of the disallowances by

20 Staff, but also provided Staff with further documentation regarding pro forma

21 adjustments to its income tax expense and rate base disallowance. With this

22 additional information, Staff was able to agree to the allowance of the pro forma

23 adjustment. And on July 22, 2023, Baton Rouge Water and Staff filed a joint report

1 and draft order into the record, agreeing that the company had earned an ROE of  
2 9.99 percent for the 2022 test year, which fell within the authorized bandwidth.  
3 And as such, Baton Rouge Water did not require a change in rates. As there are no  
4 unresolved issues, Staff requests that the Commission accept the joint report filed  
5 into the record on July 26, 2023.

6 **COMMISSIONER SKRMETTA:** Move to accept the Staff recommendation of  
7 accepting the joint report.

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

9 **COMMISSIONER GREENE:** Second.

10 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta, second by Mr.  
11 Lewis to accept Staff report on Exhibit 11. No objections? [HEARING NONE]  
12 Passed.

13 **COMMISSIONER SKRMETTA:** One little comment to the Staff. On these  
14 water issues, I think Executive Secretary and I have discussed this issue of the water  
15 --

16 **MR. FREY:** The rulemaking?

17 **COMMISSIONER SKRMETTA:** The rulemaking.

18 **MR. FREY:** Yes, we have a path going forward on that.

19 **COMMISSIONER SKRMETTA:** Trying to kind of nudge it off the kinetic edge  
20 to see what we can do about it. Because I notice we've gotten a few of these water  
21 companies not come in for 13 years plus and need to look at how we, kind of, get  
22 them in on a more regular basis so we don't have these big leaps in rate increases.

1 **MR. FREY:** We are definitely looking at that as a part of the rulemaking and I  
2 think we've got some good resources through NAWC, the national association, as  
3 well. Kind of the best practices in other jurisdictions, which is what we were  
4 looking at in that rulemaking. But as I discussed with you, we have a path forward  
5 to get that moving and hopefully get some information out here shortly.

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

7 **CHAIRMAN CAMPBELL:** Twelve?

8 **MS. BOWMAN:** Exhibit Number 12 is Docket Number U-36686. This is  
9 Louisiana Water Company's 2022 test year formula rate plan annual report. It's a  
10 discussion and possible vote on a joint report and draft order. On February 28,  
11 2023, LAWCO filed its 2022 filing annual report which was published in the  
12 Commission's Official Bulletin with no interventions. Under Commission Order  
13 U-36318-A, LAWCO's return on equity bandwidth is nine to ten percent with a  
14 midpoint reset. In its filing, LAWCO reported an ROE of 1.58 percent, which is  
15 7.92 percent below the allowed return. The alleged deficiency in earnings would  
16 require an increase in revenue requirement of \$1,830,311, adjusted for taxes. The  
17 requested revenue increase would increase the average customer's bills by  
18 approximately 11.7 percent. Additionally, LAWCO requested authority to increase  
19 its tapping fees from \$120 to \$300. Staff filed its report and recommendation on  
20 May 31, 2023, setting forth its adjustments and findings and due to the  
21 disallowances and adjustments, LAWCO's reported ROE increase from 1.58  
22 percent to 1.8 percent, which is still below the established bandwidth. And as a  
23 result of those deficient earnings, Staff agreed that LAWCO should be allowed to

1 increase its rates to generate an increase in revenue of approximately \$1,780,080,  
2 adjusted for taxes. The company accepted Staff's recommendation and filed its  
3 standard terms and conditions and revised rate into the record. And on June 21<sup>st</sup>,  
4 LAWCO and Staff filed a joint report and draft order into the record acknowledging  
5 the terms specified. As there are no unresolved issues, Staff requests that the  
6 Commission accept the joint report and issue the draft order both filed into the  
7 record on June 21, 2023.

8 **COMMISSIONER SKRMETTA:** Move to accept the settlement between Staff  
9 and LAWCO and accept the joint report and issue the draft order.

10 **COMMISSIONER GREENE:** Second.

11 **CHAIRMAN CAMPBELL:** Motion by Mr. Skrmetta, second by Mr. Greene. Is  
12 there any objection on this -- to accept Staff recommendation? Any objections?  
13 [HEARING NONE] Hearing no objections, turn the air conditioner up in here.  
14 What's wrong with the air conditioning?

15 **MR. FREY:** We've got -- the building controls it. We've already called in to  
16 pump as much air in as they can in here.

17 **COMMISSIONER SKRMETTA:** It's climate change.

18 **CHAIRMAN CAMPBELL:** No objections? [HEARING NONE] Passed. Let's  
19 go.

20 **MS. BOWMAN:** Exhibit Number 13 is Docket Number U-36721. This is Atmos'  
21 test year 2022 rate stabilization clause filing for the Louisiana Rate Division. It's  
22 a discussion and possible vote on a joint report and draft order. In compliance with  
23 the requirements of the Commission Order Number U-35535, Atmos submitted this

1 RSC filing on March 31, 2023. And in its filing, reported that the Louisiana  
2 Division required a revenue increase of \$31,261,529 prior to the company's  
3 proposed amortization of excess accumulated deferred taxes of \$14,807,346. The  
4 Company's proposed amortization reduces the gross revenue increase to a net  
5 revenue increase of \$16,454,183. Staff's report was filed on June 15, 2023, wherein  
6 it recommended the following additional adjustments: Based on the settlement  
7 reached between Staff and Atmos in its 2021 RSC filing in Docket Number U-  
8 36331, a reduction of the 2022 test year O&M expenses by \$945,424 is done and  
9 then reducing the amount of current income taxes by \$975,226. And based on  
10 Staff's adjustments, the revenue increase would be \$14,528,050. On June 29, 2023,  
11 Atmos filed correspondence into the record indicating that while it was not  
12 expressing agreement with Staff's methodology and findings, it reserved its rights  
13 to contest, it did not oppose the recommendation in the Staff report. Therefore, the  
14 parties submitted a joint report and draft order into the record on August 4, 2023,  
15 respectfully requesting the Commission issue said order. Staff recommends that  
16 the Commission accept the joint report and issue the draft order filed into the record  
17 filed into the record on August 4, 2023.

18 **COMMISSIONER SKRMETTA:** Move to accept Staff recommendation of the  
19 joint report and issue the draft order.

20 **CHAIRMAN CAMPBELL:** Recommendation by Mr. Skrmetta. Second by me,  
21 Mr. Campbell. Is that all right with you? Hearing no objections -- is there any  
22 objections? No objections? [HEARING NONE] I'm trying to break this place up.  
23 Y'all are awful. It look like we're in somebody's funeral.

1 **COMMISSIONER SKRMETTA:** They're overheated.

2 **CHAIRMAN CAMPBELL:** I'm in a funeral home. Okay. Number 14?

3 **MS. BOWMAN:** Exhibit Number 14 is Docket Number R-36131. This is the  
4 Commission's determination of Commission jurisdiction over various methods of  
5 providing electricity to electric vehicles and the infrastructure associated therewith.  
6 It's a discussion and possible vote on a budget increase for David Williams due to  
7 scope expansion. This was Exhibit 6 at the June's B&E. The Commission retained  
8 David Williams February 2022 to assist in the referenced docket and at the  
9 Commission's April 26, 2023 B&E, declined to exert its jurisdiction over electric  
10 vehicle charging stations, but agreed that a phase two was necessary to address  
11 issues raised during the determination of that jurisdiction. Given Mr. Williams'  
12 engagement for the jurisdictional determination, Staff solicited him for phase two  
13 as well. And in response to that solicitation, Mr. Williams submitted a proposed  
14 budget increase of \$87,500 in fees and 1,600 in expenses. So Staff recommends  
15 that the Commission grant the budget increase of Mr. Williams of 87,500 in fees  
16 and 1,600 in expenses for a total budget not to exceed of \$89,100.

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

18 **CHAIRMAN CAMPBELL:** Let me ask a question. What's the total budget for  
19 this deal?

20 **MS. BOWMAN:** So the original budget was for 48,600 and if we approve this  
21 scope expansion today, it's an additional 89,100.

22 **CHAIRMAN CAMPBELL:** 143 then?

23 **MS. BOWMAN:** Yeah.

1 **CHAIRMAN CAMPBELL:** Roughly.

2 **MS. BOWMAN:** Roughly. Yes, sir.

3 **CHAIRMAN CAMPBELL:** Well, okay. Mr. Skrmetta made a motion. Is there  
4 a second? Is there a second on this?

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

6 **CHAIRMAN CAMPBELL:** Mr. Francis seconds it. Any objection? [HEARING  
7 NONE] Hearing no objections, passed. Number 15?

8 **MS. BOWMAN:** Exhibit 15 is reports, resolutions, discussions. We have a couple  
9 of items on this one. We've already taken up the discussion by the Governor's  
10 Climate Task Force but we also have a status report from 1803 Electric Cooperative  
11 on its 1803 portfolio. And we have one, Mr. Brian Hobbs to speak on behalf of  
12 1803, as well as their counsel, Kyle Marionneaux.

13 **MR. FREY:** Remember to state your name.

14 **MR. KYLE MARIONNEAUX:** Commissioners, Kyle Marionneaux, counsel,  
15 Marionneaux Kantrow on behalf of 1803 Electric Cooperative.

16 **MR. BRIAN HOBBS:** Brian Hobbs, CEO for 1803 Electric Cooperative.

17 **CHAIRMAN CAMPBELL:** Before we get started, I'm going to ask you a  
18 question or two. Several co-ops are asking for rate increases, okay? Now we, five  
19 of us, vote -- I don't know how many -- four, four --

20 **COMMISSIONER SKRMETTA:** Four of y'all. Four.

21 **CHAIRMAN CAMPBELL:** Four of us voted for y'all's proposal with the  
22 understanding that your rates were going down substantially. That was the whole  
23 deal, rates were going down. Now don't go up by 30 percent to go down by 30



1 percent because I'm looking at that real close. People want a big rate increase but  
2 what you promised was a rate decrease. So if you go up 30 and then you come  
3 down 20, that's not good. That's bad math. And if you come down 30, that's not  
4 good either. Tell me about what y'all's plan -- the price of natural gas is going  
5 down; so can y'all still do what you promised?

6 **MR. HOBBS:** I believe we can.

7 **CHAIRMAN CAMPBELL:** Wait a minute now. Hold up. You're making me  
8 nervous telling me you believe you can.

9 **MR. HOBBS:** Well --

10 **CHAIRMAN CAMPBELL:** I took a lot of heat, not -- it didn't bother me anyway,  
11 hell. But it was a lot of controversy from all the big companies, they didn't want  
12 y'all to do it, you know. Entergy was against it, and then SWEPCO was against it,  
13 and everybody was against it saying y'all can't produce. Don't tell me you believe  
14 you can. I believed in you so what you need to tell me, "Yeah, we can." Or can  
15 you tell me that?

16 **MR. HOBBS:** We can.

17 **CHAIRMAN CAMPBELL:** There you go. That makes me feel better.

18 **MR. HOBBS:** The comment that I guess informed the previous way I phrased it  
19 is everybody's costs have increased. We're going to talk a little bit about that.  
20 Relatively speaking though, we still believe that our wholesale costs will be about  
21 20 percent lower.

22 **CHAIRMAN CAMPBELL:** Than what it was?

23 **MR. HOBBS:** Than what it would be from the other alternatives.

1     **CHAIRMAN CAMPBELL:** Okay.

2     **MR. HOBBS:** And that's the wholesale cost --

3     **CHAIRMAN CAMPBELL:** Yeah, I got it.

4     **MR. HOBBS:** -- of energy.

5     **CHAIRMAN CAMPBELL:** Which means you can -- you're going to be fair. If

6     you're buying it cheaper, you're going to sell it cheaper?

7     **MR. HOBBS:** Absolutely. We pass through costs with a very, very slim margin.

8     If I may, we sent the presentation ahead of time in interest of your time today. I'll

9     try to move through it fairly quickly. But I do want to start out by putting it into

10    context, especially in light of what we've already heard today. The mission of 1803

11    and our member co-ops is very, very clear. The goals are reliability, affordability,

12    and environmental stewardship. When those goals align, life's pretty good. But

13    often they conflict with each other and the challenge is how do you balance those

14    three goals. We're going to talk a little bit about that today. We are moving forward

15    and progressing well. And our plan is to become the power supply for the five

16    member co-ops during the first quarter of 2025. We had four new build projects

17    that were part of the portfolio that this Commission approved. The anchor to our

18    power supply is the Magnolia Power Plant that's being built down near Plaquemine,

19    on the river. It is progressing well. It is the latest power generation technology

20    fueled by natural gas. It's going to be one of the most efficient units available. And

21    when I say efficiency, I mean it's efficient in converting gas to electricity and it's

22    efficient from an emission standpoint as well, which fits in with what we're talking

23    about today. 1803 has a need for additional capacity and that's driven by a couple

1 of things. The first one is MISO's rules around how they calculate capacity and  
2 what's required changed significantly at this time last year. Before we looked at  
3 our summer load and we had the supply capacity to meet that load and about an 11  
4 percent margin above that. MISO moved to a seasonal construct and now for winter  
5 capacity, we have to look at our winter load. We are a winter peaker, so our  
6 obligation increased because of that. And the reserve margin is up to almost 26  
7 percent in the winter. So those things together, with or without solar portfolio,  
8 means that we have a significant need of winter capacity, about 434 megawatts.  
9 And we had already identified a need for capacity of about 100 megawatts in our  
10 previous certification, so that still exists as well. We have issued an RFP. We're  
11 looking for supply resources to meet those needs. We're desiring a robust process.  
12 We've had the first bidder's conference. The bids for that supply is not due until  
13 November. If we could go to slide -- I can't read my own numbers here. Four, I  
14 believe it is. Go to the next one, please. Thank you. I want to talk about this just  
15 very briefly, but there's a lot going on with this chart. The bars, the colored bars,  
16 are our supply resources on a capacity basis. The black solid line is our load  
17 obligation. So the first thing you'll notice is if you look in the winter months,  
18 November, December, January timeframe, there is no solar capacity now in the  
19 portfolio. Solar essentially gets accredited zero capacity for the winter months.  
20 That's the yellow box in each area. That capacity went away due to the MISO  
21 construct changes. The dashed line up above that is our MISO obligation to meet  
22 load plus reserves. So that's the shortage that we're going to be trying to fill. Now  
23 specifically about the solar, you know, we terminated a solar contract. We came

1 forward with our portfolio and had probably the highest mix of renewables of any  
2 utility in Louisiana at that time, had three solar contracts for about 350 megawatts  
3 or about a third of our obligation. One of those terminated, I'm not going to get  
4 into that again. But that raised questions by the Commission about the remaining  
5 two solar projects, so I want to talk about those. The two remaining projects are  
6 both the same developer, ibV Energy. One is called Bayou Chico, it's about 150  
7 megawatts. The other one is Bayou Teche, which is about 95 megawatts. I stress  
8 again, whether those contracts are enforced or not, doesn't change our capacity  
9 needs for the winter, we're short. Like every solar developer I've talked with  
10 around the country, which has been quite a few, and utilities around the country  
11 that are either developing or buying solar, solar has seen significant run-up in costs.  
12 Our projects are no different. The way the two solar PPAs that are still in the  
13 portfolio were, they were not scheduled to start construction until later this year.  
14 They won't go get financing until then. If they are not able to get financing, then  
15 they have no obligation to go forward with the contract. What we expect will  
16 happen is they'll tell us a price that they have to have to be able to make the project's  
17 financing and we'll either accept it or not. If we do accept it, we will bring the price  
18 forward to this Commission and you'll have to make a determination as well,  
19 whether or not that's prudent and in the public interest. We'll be doing the same  
20 thing. Again, 1803's primary job is that balance between reliability, affordability,  
21 and environmental stewardship. A couple things that will inform that decision,  
22 when it's time to make it toward the end of the year. The first is, when we signed  
23 those contracts in 2021, they brought capacity value year round. They don't

1 anymore, we've lost some of that value in the winter months when we need the  
2 capacity the worst because we're a winter peaking system. The other thing is if the  
3 price changes, you want to evaluate how that impacts cost. So let's say for example,  
4 that those solar projects are priced in the mid \$30 range per megawatt hour. That's  
5 equivalent -- if you look at our system heat rate and consider it an average about  
6 7,500 heat rate for all the resources in the portfolio, that \$35 solar price, which now  
7 has lost capacity value, is equivalent to about \$4.67 gas price. At that, it's a 20 year  
8 fixed price so it provides a hedge against gas going up. At the same time, if gas  
9 goes down, say to 250 where we're at today, you're still at 4.67 on those contracts.  
10 Now weigh that if the price goes up to \$45 a megawatt hour on the solar contracts,  
11 which is the low end of what we're seeing and hearing, that's now equivalent to \$6  
12 natural gas that you're locking in for 20 years. So is that prudent? Is that the  
13 economical decision? We will be faced with a decision later this year when ibV  
14 needs to go for financing on these projects. The determination for financing is does  
15 the contract provide adequate revenue recovery to pay the debt service, O&M  
16 expenses, all the things that go into operating those facilities. Again, there's a lot  
17 of reasons the costs have increased. One of the big ones is interest rates have  
18 changed dramatically since we were negotiating and signing these contracts in the  
19 -- very early in 2021. Labor costs have increased. The supply of the solar panels  
20 coming through customs has decreased. We're starting to see a little turnaround in  
21 that and maybe prices starting to move back down. We're seeing more supply  
22 getting through customs -- of the panels. You saw today, we're starting to see  
23 infrastructure added here in the United States to produce panels domestically. I

1 believe those things ultimately will have, you know, positive impact on cost going  
2 forward. So the specific question at previous B&E's were what are the things that  
3 could terminate these contracts? And the single largest thing is whether they can  
4 obtain financing or not. Again, we signed these in March of 2021. To protect the  
5 developer, who wasn't going to start construction until 2023 or 2024, one of the  
6 conditions precedent to their obligation to perform is that they get the projects  
7 financed. They will be going for that financing later this year. The other things  
8 that could terminate the contracts are very typical. Contract provisions around  
9 events of default, long extended force majeure, again, very typical contracts. The  
10 biggest risk is can they finance those projects at their current revenue based on what  
11 we're going to pay them for the energy out of it? So we see no need to make a  
12 decision prematurely. We want to wait until it's time and we have to make a  
13 decision about whether to move forward or not, and there's several reasons for that.  
14 Most important is we will be able to make a more informed decision as more time  
15 passes. We are starting to see, again, prices change a little bit. We are working --  
16 I share some of your concerns about government grants, et cetera. Somebody is  
17 going to receive it, we might as well look to get the benefit of that here, in  
18 Louisiana. So we are putting in our letter of intent to participate in the grant  
19 program that could provide funding to lower the cost of these projects. We're going  
20 through that process now. One of the biggest opportunities that just happened to  
21 align very well is we have an RFP out now. We will be getting bids from the  
22 marketplace in November of this year, prior to having to make a decision about  
23 these contracts. That will provide us a look at what's available in the market or the

1 alternatives to just accepting higher prices. We stand ready to perform on the  
2 contracts at the price we agreed to when we executed them. But if that price has to  
3 change, we will have more information by year end to see and the best opportunity  
4 to make decisions that are best for our ratepayers about how that contract price  
5 might change and whether it adds value or cost to the end ratepayer. So we think  
6 it's prudent to wait until that timeframe to make it. And again, everybody is seeing  
7 cost increases. We run a portfolio model every quarter and we look at what we're  
8 expecting for costs. We still firmly believe that we can see a significant wholesale  
9 cost reduction when we become the power supplier. And again, our goal -- we  
10 don't have any investors, it's just our ratepayers that govern us and make decisions  
11 about how we move forward. And our goals are very clear --

12 **CHAIRMAN CAMPBELL:** Thank you.

13 **MR. HOBBS:** -- reliability, affordability, and stewardship.

14 **CHAIRMAN CAMPBELL:** Does anybody got any questions? [HEARING  
15 NONE] No questions. Thank you, sir.

16 **MR. HOBBS:** Thank you. Thank you.

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

18 **MS. BOWMAN:** Also under Exhibit 15 is two vote ratifications. There's a  
19 discussion and possible vote to ratify the vote taken by Commissioner Green acting  
20 as the Commission's representative of the Board of Directors of the Organization  
21 of MISO states. And this is for a vote taken on June 8, 2023. OMS sought approval  
22 to file comments in FERC Docket Number RM22-7, which is a rulemaking docket  
23 to implement FERC backstop siting authority. The OMS comments asked FERC

1 to clarify how it planned to conduct concurrent certification reviews and clarify that  
2 certification criteria. Based on Staff's recommendation, Commissioner Greene's  
3 proxy voted in opposition to the OMS pleading because it was not consistent with  
4 the Commission's own comments in that docket that opposed concurrent federal  
5 and state certification review processes. Therefore, Staff recommends that the  
6 Commission ratify the June 8, 2023, vote taken by Commissioner Greene via proxy  
7 as the Commission's representative on the Board of Directors of the Organization  
8 of MISO States.

9 **COMMISSIONER SKRMETTA:** Move to ratify the vote taken by Commission  
10 Greene.

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

12 **COMMISSIONER GREENE:** I abstain.

13 **CHAIRMAN CAMPBELL:** That's all we need to do. Is there any -- there's no  
14 objections.

15 **MS. BOWMAN:** Objections?

16 **CHAIRMAN CAMPBELL:** Yes.

17 **MS. BOWMAN:** So there's also a discussion and possible vote to ratify the votes  
18 taken by Vice Chairman Francis acting as the Commission's representative of the  
19 Regional State Committee of the Southwest Power Pool. This matter is on the  
20 agenda for ratification of votes taken on July 24, 2023, by Vice Chairman Francis.  
21 There were two substantive voting items before the RSC. The first addressed a  
22 proposal to revise the SPP tariff to apply a resource adequacy requirement to the  
23 winter season. And the second addressed a proposal package of nine items to



1 approve the distribution of long-term congestion rights among transmission users.  
2 Based on Staff's recommendation, Vice Chairman Francis' proxy voted in favor of  
3 the two voting items and Staff recommends that the Commission ratify the July 24,  
4 2023, votes taken by Vice Chairman Francis' proxy as the Commission's  
5 representative of the SPP RSC.

6 **COMMISSIONER SKRMETTA:** Move to ratify the vote taken by Vice  
7 Chairman Francis' proxy.

8 **CHAIRMAN CAMPBELL:** I'll second it.

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

10 **VICE CHAIRMAN FRANCIS:** Abstain, yeah.

11 **COMMISSIONER SKRMETTA:** Before we move on, I just had one request --

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

13 **COMMISSIONER SKRMETTA:** I'm sorry. I have one request of the Staff --

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

15 **COMMISSIONER SKRMETTA:** -- is at the next meeting if we could get an  
16 update and report on the status of the RDOF funding on broadband issues, kind of  
17 status and where we're at on that?

18 **MR. FREY:** Sure. Yeah, I know we've got quarterly reports may have come in,  
19 but I'll see where we are on that and we'll give an update on that.

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

21 **MS. BOWMAN:** Also under Exhibit 15 there are several directives. The first  
22 directive is a directive to jurisdictional utilities regarding foreign relationships, at

1 the request of Commissioner Skrmetta. And the directive reads: There are  
2 reasonable --

3 **CHAIRMAN CAMPBELL:** Wait a minute. Is this 16?

4 **MS. BOWMAN:** No, sir. It's still under 15.

5 **CHAIRMAN CAMPBELL:** What?

6 **MS. BOWMAN:** Fifteen.

7 **CHAIRMAN CAMPBELL:** Fifteen?

8 **MS. BOWMAN:** Uh-huh.

9 **CHAIRMAN CAMPBELL:** Okay. Good, good. I'm messed up. Go ahead.

10 **MS. BOWMAN:** The directive is: There are reasonable concerns regarding  
11 security risks posed by foreign manufactured components including all energy  
12 devices, including renewable energy devices that can affect the control of  
13 distributable power. These devices can be a risk to our national security. The true  
14 danger can lay in the internet-based aspects of devices, which makes it an element  
15 of the global cyberspace, clearly making aspects prone to hacking, security  
16 breaches, and the ability to completely sabotage at the discretion of unfriendly  
17 governments. These actions will restrain and reduce our vulnerabilities. Therefore,  
18 I direct the jurisdictional electric utilities to cease purchasing, and including, any  
19 foreign produced devices in electric utilities from specified jurisdictions.  
20 Specifically, no equipment or device of any kind manufactured in the People's  
21 Republic of China, Democratic People's Republic of Korea, the Russian  
22 Federation, or the Islamic Republic of Iran shall be purchased, included or utilized  
23 by any electric utility, whether investor owned or member cooperative. The

1 directive is effective immediately upon approval by the Commission. Further, I  
2 direct all jurisdictional utilities to immediately cease contracting on issues relating  
3 to IT or CIT services of any kind including through direct contractors, or  
4 subcontractors, with any company or governmental agency originating within the  
5 People's Republic of China, Democratic People's Republic of Korea, the Russian  
6 Federation, or the Islamic Republic of Iran.

7 **COMMISSIONER GREENE:** I have some questions.

8 **COMMISSIONER SKRMETTA:** Sure. Go ahead.

9 **COMMISSIONER GREENE:** When we were talking sidebar, you said this is  
10 more about IT space.

11 **COMMISSIONER SKRMETTA:** This is primarily a cybersecurity issue. Some  
12 years ago, the Commission voted to prohibit the use of Huawei Technology in  
13 telecommunication issues. This is now moving into a national question on a  
14 component control technology in electric generation equipment of traditional  
15 sources, as well as renewables of potential cybersecurity risk. And then, on the  
16 second element is information technology and computer information technology of  
17 contracting of companies with potential contractors and subcontractors tied to  
18 enemy states and as a protection to the electric system, to prohibit that -- the  
19 Commission ordering a prohibition of that.

20 **COMMISSIONER GREENE:** So I think in concept it's a good idea, but I have  
21 some concerns about like, you mention components. So like an iPhone, part of that  
22 comes from China.

1 **COMMISSIONER SKRMETTA:** If they're using it in conjunction with the  
2 actual electric system or the CIT or IT, it would be prohibited for use in that system.  
3 Which is already -- they don't use iPhones in the control of the electric grid or the  
4 electric generation system, but it's the actual components or use in the production  
5 and distribution of electricity.

6 **COMMISSIONER GREENE:** Do we know if any other states are doing this?

7 **COMMISSIONER SKRMETTA:** I'm not worried about other states. I'm  
8 worried about how we control -- but I do know there was a national ban on Huawei  
9 Technology and there's a movement to prohibit particularly on the CT -- IT and  
10 CIT, as well as prohibit on control technology, particularly on the renewable control  
11 units. But I think that there's a better expansion for the other control units that are  
12 coming forth. And if there is a question on anything, the companies can come to  
13 us under camera and ask us particular things that are not relevant or control unit.  
14 But I think for the -- to err on the side of protection of the grid and protection of the  
15 system, that this is a good thing for us to move forward.

16 **COMMISSIONER GREENE:** So do we know what impact this will have on  
17 utilities?

18 **COMMISSIONER SKRMETTA:** It should not have any impact on utilities  
19 except it will protect the ratepayers completely from potential cyber risk. That's  
20 the goal, is to layer ourselves for increased cyber protection.

21 **COMMISSIONER GREENE:** So what happens if like Entergys in other states -  
22 - and we're only doing this in Louisiana but --

1 **COMMISSIONER SKRMETTA:** I think that's -- Louisiana has been the leader  
2 in setting the standards for other states to follow, so I'm not really concerned about  
3 that.

4 **COMMISSIONER GREENE:** So can you define what a component is?

5 **COMMISSIONER SKRMETTA:** Yeah. Any component that could be  
6 potentially hackable or control unit. And I think that if, again, if it becomes an  
7 issue, that the companies can come to the Commission and explain why they'd like  
8 to be excluded.

9 **COMMISSIONER GREENE:** So does anybody from the utilities know that if  
10 any components in the AMI are manufactured in any of those countries?

11 **COMMISSIONER SKRMETTA:** AMI? You mean on the meters?

12 **COMMISSIONER GREENE:** On the meters, yeah.

13 **COMMISSIONER SKRMETTA:** I think that the meters are manufactured in the  
14 United States.

15 **COMMISSIONER GREENE:** But none of the components come from --

16 **COMMISSIONER SKRMETTA:** As far as I know, they're not.

17 **COMMISSIONER GREENE:** Does anybody have any --

18 **CHAIRMAN CAMPBELL:** I got a question too. Just --

19 **COMMISSIONER GREENE:** Well I have a couple more.

20 **CHAIRMAN CAMPBELL:** I'm sorry.

21 **COMMISSIONER GREENE:** Do we know if this is within our jurisdiction or is  
22 it more like a resolution?

1 **COMMISSIONER SKRMETTA:** No, I think it's within our jurisdiction to  
2 prohibit. We prohibited the Huawei Technology from being included in our  
3 regulated utility telecommunications industry. We can prohibit within our  
4 jurisdictional control and we control the utilities for that element, we can control  
5 that.

6 **COMMISSIONER GREENE:** How do we plan on enforcing this?

7 **COMMISSIONER SKRMETTA:** Well, we make it an order and if we find out  
8 that they violated the order, we can execute a control and a response at that time  
9 through a fine or any other action the Commission takes.

10 **COMMISSIONER GREENE:** Do we know what this is going to do to the  
11 already lagging supply chain?

12 **COMMISSIONER SKRMETTA:** No, but there are other options -- there are  
13 plenty of options other than the enemy states of the United States to make  
14 acquisition from.

15 **COMMISSIONER GREENE:** I think this is an important vibe to lean into, but  
16 it seems that this directive is a little broad and I was wondering if we could tighten  
17 it up a little bit. I have some suggestions to the Staff: If the Commission has  
18 jurisdiction over utility supply chains and equipment purchasing and utilization on  
19 the grid; how does that impact that? What security risks are we attempting to  
20 mitigate and what's the likelihood we can accomplish this risk mitigation? Is there  
21 an active concern about these security risks among our utilities presently? How far  
22 should this go? Can we define the equipment, the components, and the  
23 subcomponents? What will the impact of this type of order be on our utilities? And

1 what would it look like for the Commission to actually enforce this? Additionally,  
2 what is the cost for our customers?

3 **COMMISSIONER SKRMETTA:** Right. Number one is, I don't think there's  
4 any problem moving forward on the directive and if there are found elements in the  
5 directive, utilities can come back and ask for relief on this issue. But I think it is  
6 important for the Commission to show that we're not in the business of supporting  
7 the potential risk of enemy states against the United States.

8 **COMMISSIONER GREENE:** I think this is a good idea, but I'd like to ask if we  
9 could put it off one month and sharpen it a little bit.

10 **COMMISSIONER SKRMETTA:** I don't see any reason to put this one off but  
11 --

12 **CHAIRMAN CAMPBELL:** Yeah, me too.

13 **COMMISSIONER SKRMETTA:** -- it's pretty straight forward.

14 **COMMISSIONER GREENE:** Well, I motion that we postpone for one month to  
15 sharpen it up a little bit.

16 **COMMISSIONER SKRMETTA:** How would you want to sharpen it up? We  
17 can correct it here.

18 **COMMISSIONER GREENE:** To define and answer the things I just stated in  
19 writing.

20 **COMMISSIONER SKRMETTA:** Define what?

21 **COMMISSIONER GREENE:** Jurisdictional components, what security risks are  
22 we trying to mitigate, the cost considerations for customers, and define components  
23 of components and equipment.

1 **COMMISSIONER SKRMETTA:** I think jurisdictionally, the Commission has  
2 constitutional authority, so that's completely already taken care of. The cost issue  
3 is -- that is irrelevant. It comes in on the formula rate or on the ratemaking on  
4 acquisition of materials and acquisition of services. But I think under no  
5 circumstances should this Commission allow for the services of enemy states to  
6 control information technology of any of our utility systems. And I think it's a  
7 prime problem that can be cleared up immediately, right now, and not wait another  
8 month or two to do that.

9 **COMMISSIONER GREENE:** Yeah. So do we know how much Staff utilization  
10 this will be, anybody? How much --

11 **COMMISSIONER SKRMETTA:** He wants to know how much time it'll take  
12 the Staff to do this.

13 **MS. BOWMAN:** To do what? To answer your questions?

14 **COMMISSIONER GREENE:** To enforce this.

15 **COMMISSIONER SKRMETTA:** To say -- no. To ban this.

16 **COMMISSIONER GREENE:** Follow through on these directives.

17 **MS. BOWMAN:** To --

18 **COMMISSIONER SKRMETTA:** To ban the participation of the -- to ban the  
19 use of equipment or IT or CIT participation in the utility system. It should be a  
20 directive that doesn't affect Staff as much as --

21 **MS. BOWMAN:** I would agree. I don't -- we can --



1 **COMMISSIONER SKRMETTA:** -- it affects the utility companies only on the  
2 sense of, they'd redirect whatever they would purchase into manufacturing from  
3 the United States, or North American services, or other friendly states.

4 **MR. FREY:** Yeah. Staff's role, I think, would be on the -- to your questions are  
5 about the enforcement side or investigations, that type of stuff. The original -- yeah,  
6 I think it goes to the utilities, but then that would be our role.

7 **COMMISSIONER GREENE:** So it won't take up too much energy from the  
8 Staff?

9 **MR. FREY:** Not right now, until we'd have to go with something going forward.

10 **COMMISSIONER SKRMETTA:** If we found -- if something was found to have  
11 happened --

12 **MS. BOWMAN:** If we cited them. Right.

13 **COMMISSIONER SKRMETTA:** -- then it would become an issue.

14 **COMMISSIONER GREENE:** Okay. Okay. Thanks for answering those. Yeah.

15 **MS. BOWMAN:** Yeah.

16 **COMMISSIONER LEWIS:** Mr. --

17 **CHAIRMAN CAMPBELL:** I -- Mr. Lewis.

18 **COMMISSIONER LEWIS:** Yes. I believe the utilities have an obligation to  
19 provide safe and reliable power, which I think includes managing risks from their  
20 suppliers. I think it's a fair question to ask utilities about how they're managing  
21 that risk and cybersecurity. But this language in this directive I think is just  
22 extremely broad, it's very vague, it's impractical, there's no clear answer how they  
23 can comply. And I think if we really had some questions, we should do it in a

1 process that allows stakeholder feedback, allows us to engage with the utilities. I  
2 think this is just simply big brother here -- government, which is really odd. We  
3 talk about directives that we've opposed in the past. So, Mr. Chairman, I think this  
4 is unworkable and I don't think we should waste time on working on it today, so  
5 I'm going to object to this directive.

6 **COMMISSIONER SKRMETTA:** Well, I appreciate that. It's effectively one  
7 sentence long so it's not over-broad or speculative. In fact, it's very focused, very  
8 narrow, and very specific. In fact, the other one is the same way. So any discussion  
9 of it being overly broad and unspecific I think is completely -- and look, I think it's  
10 very easy to identify four specific enemies of the United States. There is no reason  
11 to provide them any potential gateway or access into the cyber infiltration of our  
12 utility system, which the public seeks to protect, from these systems. We already  
13 look at cyber infiltration through foreign manufactured components in electric  
14 vehicles and electric chip manufacturer and so that's why we get most of our chips  
15 from Taiwan and other friendly states. And so what we have to do is look toward  
16 the future on how we're going to protect ourselves from this. And we want to make  
17 specifically sure that we're not going to have anyone working a myriad of potential  
18 contracts, subcontracts on IT and CIT subcontracting, which I think is a particularly  
19 ripe issue that is coming and I think we need to prohibit it immediately.

20 **CHAIRMAN CAMPBELL:** Let me say something, if I could. This is very  
21 technical. It might look simple; it's technical. I hadn't talked to any of the  
22 companies what you want to do about it. We hadn't heard from anybody. Now

1 we're up here talking about the People's Republic of China, Korea. This is the  
2 Public --

3 **COMMISSIONER SKRMETTA:** Just North Korea. [INAUDIBLE]

4 **CHAIRMAN CAMPBELL:** Look, I would make a substitute motion. Is that the  
5 one in order?

6 **MS. BOWMAN:** There is no motion. If it's a directive, it passes or if there's  
7 objection, which there is an objection --

8 **CHAIRMAN CAMPBELL:** Okay. Well I would like to put this off until we  
9 know more about it. I don't know enough.

10 **COMMISSIONER SKRMETTA:** Well, I would like to -- Mr. Chairman, I have  
11 one question. There seems to be some question of the utilities, so I'm going to ask  
12 Mr. May, since you're the primary here, the most senior of all the utilities, is I have  
13 one question if you want to come up to the microphone because this seems to be  
14 how the utilities feel about this. Okay. And you might just want to state your name.

15 **CHAIRMAN CAMPBELL:** Let's ask how Mr. May feels about it.

16 **COMMISSIONER SKRMETTA:** Well, that's what I was going to ask him and  
17 it'll be very quick. You might want to turn the microphone on. Sorry. You've  
18 heard what these directives are, to prohibit you from units or equipment from those  
19 particular four nations and from contracting with IT and CIT services from those  
20 four nations. Do you have a problem with accepting a directive like that?

21 **MR. PHILLIP MAY:** I don't believe I have a problem. At this time, I don't know  
22 whether or not we are in a hundred percent compliance.

1 **COMMISSIONER SKRMETTA:** Well, compliance in the future versus reverse  
2 compliance, that you can come into compliance. But do you see any problem in --  
3 particularly on the IT and the CIT, since that's a contract basis versus equipment  
4 basis?

5 **MR. MAY:** Again, I just don't have enough clear understanding of what all we  
6 have in the way of components. I suspect that's not --

7 **COMMISSIONER SKRMETTA:** Well, I'm asking about the IT services  
8 component.

9 **MR. MAY:** Yeah. No, we don't.

10 **COMMISSIONER SKRMETTA:** You don't have a problem with that?

11 **MR. MAY:** I don't -- no. We don't have any contracts for IT services.

12 **COMMISSIONER SKRMETTA:** Right, but my question is would you have a  
13 problem not having IT or CIT services with any of those four countries?

14 **MR. MAY:** Not that I'm aware.

15 **COMMISSIONER SKRMETTA:** Not that you're aware or would you not have  
16 a problem with that?

17 **MR. MAY:** Again, I don't think we have any such contract, if --

18 **COMMISSIONER SKRMETTA:** No, no. Would you have a problem not  
19 having a contract with those people?

20 **MR. MAY:** I would not have a problem not having a contract with those four  
21 countries.

22 **COMMISSIONER SKRMETTA:** Okay. So that's not -- I understand that. It's  
23 a question of would you not have a problem? That's the question we're having

1 here. The issue on the equipment, I understand, is something that what you have  
2 versus what you might have. And the issue is, primarily, on a cybersecurity issue  
3 on equipment, it's a direct security issue on contracting services. So we've had  
4 somebody now from the utility company tell you -- who's a senior president of a  
5 utility company tell you they don't have a problem with the IT services component  
6 of this, that they might want to go back and we can break this off and look at the  
7 equipment basis of this, on how to protect this issue on that component. But there  
8 is no opposition on this, as far as the IT services prohibition.

9 **COMMISSIONER GREENE:** Well, would you be opposed to next month letting  
10 us know what the component make up is and how much that might cost to fix?

11 **COMMISSIONER SKRMETTA:** For the future? Well, not to fix, it's for the  
12 future. I understand where we are now, but we have to really protect ourselves on  
13 the future component.

14 **CHAIRMAN CAMPBELL:** This is sounds like --

15 **MR. MAY:** We would have no issue providing that information at the next  
16 meeting. I don't have it and I'm not aware of it today.

17 **COMMISSIONER SKRMETTA:** Yeah, because these are two separate  
18 directives that were read under one heading. So if you want to break them in half  
19 and do the equipment for the future meeting and you want to do the IT services,  
20 which I think is critically important to issue a ban on it right now, then we have to  
21 do that.

22 **COMMISSIONER GREENE:** Can we do that?

1 **MR. LARRY HAND:** And then Commissioner, Larry Hand on behalf of Entergy.  
2 Could I ask a clarifying question? These types of efforts are things that we have  
3 focused on obviously with the bulk electric system, thinking about the generation  
4 transmission, who are the contractors, who are the vendors we work with. So this  
5 is part of the process. Is the directive focused on the bulk electric system or could  
6 it include everything we use, even on the distribution level? Which doesn't have  
7 the same widespread --

8 **COMMISSIONER SKRMETTA:** Well, without getting into the gruesome  
9 details of cybersecurity and risk, that these four nations are constantly at war against  
10 our system and are working through various sub-mechanisms to infiltrate and we  
11 want to make particularly good efforts to prohibit it. And so we put that on you  
12 and we want to make sure that you're aware of it and that's why the directive's  
13 here.

14 **COMMISSIONER GREENE:** I would like to separate the services and the  
15 components, but I have a question for Kathryn. Kathryn, can you comment on  
16 jurisdiction and does NERC already do some of this?

17 **MS. BOWMAN:** So from a NERC perspective, and I'm going to look -- actually  
18 -- well Ms. Evans is here but where is Mr. McQuaig? Is Scott still here?

19 **COMMISSIONER SKRMETTA:** He was. He might've stepped out.

20 **MS. BOWMAN:** Scott was here, who is on our cybersecurity docket, so he would  
21 be probably the most educated to speak to it.

22 **COMMISSIONER SKRMETTA:** Just so you know it's NERC and FBI are both  
23 doing it.

1 **COMMISSIONER GREENE:** So do we already have a vehicle to already do  
2 this?

3 **COMMISSIONER SKRMETTA:** We regulate everything inside the state on  
4 intrastate transmission and all generation of electricity. The FBI and the NERC  
5 regulate intrastate transmission. So there is a different and a separation of authority  
6 over the two different [INAUDIBLE]. So that's why we have to do our thing and  
7 they have to do their thing.

8 **CHAIRMAN CAMPBELL:** Can I say something? I'd like to say something.  
9 I've been in politics 50 years and I made a few rules for me that usually work.  
10 Never vote for something you really don't understand. Never do that because it  
11 comes back and it will bite you. Now, this is complicated stuff and we're starting  
12 dealing with China and North Korea here at the Public Service Commission.  
13 Maybe I don't get it but this sounds like a -- this is a political issue, an international  
14 political issue. All I'm saying is, let's put this off until next week where we can  
15 study this and get some expertise. We don't need to be doing things like that. I  
16 can't vote for this. And it might be wonderful, but I don't vote for things I don't  
17 understand. Now this is heavy lifting here. This is not something about a water  
18 company in Gonzales, Louisiana. We're talking about North Korea, China, and I  
19 don't know. I hadn't talked to my utility companies. You're saying it's okay, you  
20 think it's okay. Putting it off a month, that can't hurt anything. I mean the world's  
21 not going to be blown up in a month. So I'm not for this, for the study. I think we  
22 need to --

1 **COMMISSIONER GREENE:** Can we motion to put it off a month? I would  
2 motion to put it off a month.

3 **MS. BOWMAN:** You can.

4 **CHAIRMAN CAMPBELL:** He makes a motion to put it off a week -- a month.

5 **COMMISSIONER GREENE:** A month.

6 **CHAIRMAN CAMPBELL:** A month.

7 **COMMISSIONER SKRMETTA:** Well, you have the votes.

8 **COMMISSIONER GREENE:** Both components, yeah.

9 **MS. BOWMAN:** So motion to defer this directive to September?

10 **COMMISSIONER GREENE:** Yeah, I think it's a good idea, we just need more  
11 understanding around it.

12 **CHAIRMAN CAMPBELL:** Yeah, me too.

13 **MS. BOWMAN:** Is that a second?

14 **CHAIRMAN CAMPBELL:** Yeah, yeah.

15 **COMMISSIONER SKRMETTA:** And then you want the Staff to investigate it  
16 or what?

17 **COMMISSIONER GREENE:** Well, we're just going to learn more about it. So  
18 --

19 **COMMISSIONER SKRMETTA:** Okay.

20 **COMMISSIONER GREENE:** I think it's a good idea, we just need more --

21 **COMMISSIONER SKRMETTA:** Who do you want to bring you the education  
22 on it? You want the Staff --

23 **COMMISSIONER GREENE:** Probably someone who knows more than you.



1     **CHAIRMAN CAMPBELL:** You want to call a vote?

2     **COMMISSIONER SKRMETTA:** Well, I know, but you got to tell them who.

3     **MS. BOWMAN:** Well, and --

4     **COMMISSIONER GREENE:** I'm not [INAUDIBLE] my questions to --

5     **COMMISSIONER LEWIS:** Mr. Chairman, may I -- under my understanding,

6     this is being dealt at the federal level, that the President of the United States has

7     been dealing with this. I'm going to object to putting it off a month. I think this is

8     overly broad, it should've been put it a better situation. The utility companies have

9     not seen this language until it was read and so I'm going to object to putting it off

10    a month. I think we should just let this die.

11    **COMMISSIONER SKRMETTA:** Commissioner Lewis, so you understand,

12    we're just talking that the state of Louisiana is responsible for cybersecurity issues-

13    -

14    **COMMISSIONER LEWIS:** I understand that. Yes, sir. I understand that.

15    **COMMISSIONER SKRMETTA:** -- over issues of our generation system and

16    intrastate transmission. The federal government is in charge of cybersecurity issues

17    over intrastate -- of interstate transmission. We have our own set of responsibilities

18    over cybersecurity. The federal government does not -- jurisdiction does not enter

19    into our jurisdiction. So we do have a responsibility on this.

20    **COMMISSIONER LEWIS:** I get that, Commissioner. I don't need to be

21    educated by you. We have a cybersecurity docket. If you want this, we should

22    have put it in the cybersecurity docket where it's a valuable question.

1 **COMMISSIONER SKRMETTA:** Well, I understand. Well, I'm clarifying when  
2 you say the federal government has the responsibility [INAUDIBLE] you're  
3 absolutely incorrect.

4 **COMMISSIONER LEWIS:** You can have your opinion. I mean, you say a lot  
5 of things so I think you're incorrect on many [INAUDIBLE] so we won't go there.

6 **COMMISSIONER SKRMETTA:** No. That's okay.

7 **CHAIRMAN CAMPBELL:** Can you -- hold on. There's been a motion by Mr.  
8 Greene, I second it. We put it off next month. Does anybody object to it?

9 **COMMISSIONER LEWIS:** I object to it.

10 **COMMISSIONER SKRMETTA:** Well --

11 **MS. BOWMAN:** Commissioner Lewis objects.

12 **CHAIRMAN CAMPBELL:** No, no, you're for it.

13 **COMMISSIONER LEWIS:** No, I'm objecting.

14 **CHAIRMAN CAMPBELL:** You're objecting putting it off a month?

15 **COMMISSIONER LEWIS:** Yeah, I think it should just die.

16 **CHAIRMAN CAMPBELL:** Okay. Well vote with us to put it off a month and  
17 [INAUDIBLE].

18 **COMMISSIONER SKRMETTA:** Yeah, you better listen.

19 **CHAIRMAN CAMPBELL:** He's against it and I understand that but we need  
20 your help here a little bit.

21 **COMMISSIONER LEWIS:** I'll throw you a bone. I'll throw you a bone. I'll  
22 throw you a bone.

23 **CHAIRMAN CAMPBELL:** Okay. Anybody -- Mr. Skrmetta's against it.

1 **COMMISSIONER SKRMETTA:** Oh, no. You can go ahead and put it off a  
2 month. I know you got the votes. I can count.

3 **CHAIRMAN CAMPBELL:** Okay. Good deal. Put it off a month.

4 **COMMISSIONER LEWIS:** I'll withdraw my objection to that.

5 **CHAIRMAN CAMPBELL:** What's your next one, Mr. Skrmetta?

6 **COMMISSIONER SKRMETTA:** That's up to the Staff attorney.

7 **MS. BOWMAN:** So the next directive is a directive to Staff to conduct a cost  
8 benefit analysis of implementation of privately funded fuel stations for liquid  
9 hydrogen, at the request of Commissioner Skrmetta. The directive is as follows: I  
10 direct Staff to research the cost benefit analysis of potential savings to ratepayers  
11 through the implementation of privately funded distribution infrastructure of fuel  
12 stations for liquid hydrogen as a fuel for hydrogen fuel cell vehicles. The purpose  
13 of this analysis is to determine whether such infrastructure will reduce impact and  
14 demand on expanding the electric grid and generation systems estimated to be  
15 required to serve the future battery powered electric vehicle fleet. Staff shall  
16 explore the interrelationship between current industrial providers in the state, such  
17 as Air Liquide, Chevron, and Texaco, as well as other industrial producers. Further,  
18 Staff shall report on the current and future plans for placement of industry funded  
19 consumer fueling stations within the state. As Louisiana is the third largest  
20 producer of hydrogen in the United States, it is logical that the Commission explore  
21 the potential cost savings benefits to ratepayers through the future of hydrogen and  
22 its use in vehicles. Staff is authorized, if determined necessary, to issue an RFP to  
23 assist with said analysis.

1 **COMMISSIONER SKRMETTA:** You know, the basis of this is that, you know,  
2 we're under a large projected discussion of expansion of the Louisiana electric  
3 infrastructure, transmission and generation, which could -- did some calculations  
4 with looking at federal requirements of potentially \$20 billion over the next 15  
5 years. And the question is, is it completely necessary if Louisiana utilizes its  
6 position as the third largest producer of hydrogen to look at how we can balance  
7 off, you know, what percentage of those electric vehicles would be on hydrogen  
8 fuel cells. So it's more of a compact study on looking at what the real value of that.  
9 California, Texas, and Louisiana are the primary states of the largest producers of  
10 hydrogen and since we're going to be looking at it as a power plant fuel, we might  
11 as well look it as an automobile fuel to see what our real approval of would be for  
12 expansion of the electric grid and how we can save money for the ratepayers.

13 **CHAIRMAN CAMPBELL:** I got something to say. You talk about California,  
14 Texas, and Louisiana; Los Angeles has more people in Los Angeles than five states  
15 or eight states in the state of -- in the country. It's huge, Texas is huge. We just  
16 now started talking about electric cars and now we already jumped to hydrogen.  
17 What's the deal here? I mean, you know, are we that far advanced? We don't even  
18 have the stations for electric cars and we got studies going on right here in this  
19 Commission about electric cars, where to put them. And now we're jumping to  
20 hydrogen.

21 **COMMISSIONER SKRMETTA:** Well, they manufacture hydrogen cars now.  
22 It's the question is, you know, if you look at the electric car systems, it's like for  
23 every one gas pump, they need six charge points for electric cars, but if you use a

1 hydrogen pump, it's one pump for one gas pump. So the real question is,  
2 Commissioner Campbell, is if we look at this just to understand how we balance  
3 off how much more electric infrastructure we're going to authorize and how much  
4 we can save by, you know, working with the industries we don't regulate to expand  
5 hydrogen systems, we might be able to save the ratepayers infrastructure money in  
6 the expansion of future electric rates. Which these utilities are all going to make  
7 more money on their rates if they expand infrastructure, that's how they make their  
8 money. So if --

9 **CHAIRMAN CAMPBELL:** Is it true that what you said -- I'm just listening to  
10 what you're talking about. There's only two states doing this, California and Texas;  
11 is that true?

12 **COMMISSIONER SKRMETTA:** When I said what?

13 **CHAIRMAN CAMPBELL:** You said something about California and Texas.

14 **COMMISSIONER SKRMETTA:** California, Texas, and Louisiana are the three  
15 largest producers of hydrogen.

16 **CHAIRMAN CAMPBELL:** Yeah. What are they doing about this?

17 **COMMISSIONER SKRMETTA:** Well, California has -- they have stations out  
18 and they use hydrogen electric vehicles. Also, they have them in other states. I  
19 think they have them in Vermont, New York, states that are more -- they have  
20 different type of tax provisions for providing the tax credits they do for EVs, they  
21 do it for H -- hydrogen fuel cells.

22 **CHAIRMAN CAMPBELL:** I just wish that -- I wish that we could get this  
23 [INAUDIBLE] --

1     **COMMISSIONER SKRMETTA:** I mean, I've sent out some stuff. I've sent it  
2     to Commissioner Greene and showed him that on the secondary market what these  
3     hydrogen fuel cells cars --

4     **CHAIRMAN CAMPBELL:** I just wish that we could get the electric car deal  
5     down. We don't even have that from -- I-49 if you go to Shreveport, there's one  
6     place. I mean, you know, we're studying that. Now we're talking about hydrogen,  
7     pretty soon we'll be going to the moon to see if there's any electricity on the moon  
8     to plug up the rocket ships. Man, come on. I'm not for this one.

9     **COMMISSIONER LEWIS:** Can I say --

10    **COMMISSIONER GREENE:** I have a question. Kathryn, can you comment on  
11    jurisdiction for this as well? And also, I think this is important and I applaud  
12    Commissioner Skrmetta. He's been on hydrogen for a while now. I think it is a  
13    big part of our future. But how much of these questions are already answered in  
14    their IRPs? And lastly, I guess, how much Staff resource do you think this is going  
15    to consume?

16    **MS. BOWMAN:** So for jurisdictional, I mean, I think it's definitely within our  
17    jurisdiction to look at a cost benefit analysis from hydrogen versus electrification  
18    to see if there is a decrease we can have on our ratepayer impact. From a Staff  
19    perspective of cost benefit analysis -- excuse me, to conduct it, I think it's just going  
20    to take some time as to figuring out what that is. I mean, there is authorization that  
21    we can hire a consultant if need be. I'd have to get with internal Staff to see, you  
22    know, if they can handle it or not. From the IRP perspective, I don't know if any  
23    of the -- I'm not on any of those dockets, I haven't followed them, so I'm not sure

1 if any of the utilities are specifically looking at hydrogen as a projection for their  
2 future. But I don't know if --

3 **COMMISSIONER SKRMETTA:** It's more of our jurisdiction lies within how  
4 can we reduce the potential expansion of infrastructure by looking at how much of  
5 a component percentage of electric vehicles will be fueled by hydrogen. And I  
6 think if -- because Louisiana is such a big producer of hydrogen and the state's  
7 economy benefits from consuming that hydrogen whether it's grey, blue, green, or  
8 pink from the manufacture of it here versus export, utilizing it in, you know, the  
9 component, you know, like 20 or 30 percent mixed with natural gas in the power  
10 plants. But also, what it could be used for transportation in the state and what that  
11 can save the ratepayers as our jurisdictional component on how much less  
12 infrastructure we have to build out from that 20 billion potential. Every one of  
13 those dollars saved on that is less potential rate increase for the ratepayers.

14 **COMMISSIONER GREENE:** So what you're trying to find out is the cost  
15 benefit analysis to determine how much it's going to cost and how much the rates  
16 might go down once it's [INAUDIBLE]?

17 **COMMISSIONER SKRMETTA:** How much less we have to spend on electric  
18 infrastructure on the potential of how much -- by working with the, like air  
19 products, Air Liquide, Chevron, Texaco, because they've all made statements that  
20 they're going to put out these pumps at their regular filling stations. What can be  
21 the differential on how much less we have to build out? How much less we have  
22 to authorize utilities on build out?

23 **COMMISSIONER GREENE:** So it's just to quantify the potential savings?

1 **COMMISSIONER SKRMETTA:** That's it. That's just we're trying to figure  
2 out how much we can save.

3 **MR. FREY:** Commissioner Greene, to follow up on your question about the IRP,  
4 I think maybe part of that, of your question might be there. The utilities are building  
5 into their expansion plans and their generation needs based on electrification. So  
6 you should have some component of that in IRP, I guess which would be the first  
7 part of the question. The second part I don't think would be in there, the hydrogen  
8 offset.

9 **COMMISSIONER GREENE:** The other question is -- I wonder if Dr. Dismukes  
10 would have the answer to this --

11 **MR. FREY:** I think he's retired now, but we might be able to find him.

12 **MS. BOWMAN:** We can certainly reach out to Dr. Dismukes and start that  
13 process.

14 **MR. FREY:** And I think the LEUG members would be a good resource.

15 **COMMISSIONER GREENE:** Because I think it's an important question to  
16 answer, but I also know that our Staff is overworked. And so if there's a way to  
17 get that answer more quickly, I would be for that.

18 **COMMISSIONER LEWIS:** Mr. Chairman, I have just a few things. I think one,  
19 that if we're going to assess the role of hydrogen, we should broaden it and we  
20 should assess the entire role of hydrogen. And instead of the language that is in  
21 this directive, I mean I think some of the issues that I have with this is that this  
22 directive presumes an outcome that will likely come. That's what it says is written.  
23 I mean, I think it doesn't take into account that H2 production is going to increase



1 electric demand. And if we're going to increase electric demand, I think to  
2 Commissioner Greene's point, that we should look at that in the IRPs. But also  
3 there are no hydrogen powered vehicles in Louisiana right now. I mean I think we  
4 have to --

5 **COMMISSIONER SKRMETTA:** They're coming.

6 **COMMISSIONER LEWIS:** -- be honest with ourselves and I think this is overly  
7 broad. I once again think we are doing things without stakeholder engagement and  
8 so therefore, I'll object to this directive as well.

9 **COMMISSIONER SKRMETTA:** Okay. Can I just go ahead and -- I'm going  
10 to move that we pass this -- we vote on this. I'm going to make a motion that we  
11 vote on this.

12 **CHAIRMAN CAMPBELL:** Just a second, let me get it clear. I didn't hear what  
13 you said. You make a motion --

14 **COMMISSIONER SKRMETTA:** I'm going to move that we actually vote to  
15 approve this directive.

16 **CHAIRMAN CAMPBELL:** Okay.

17 **COMMISSIONER LEWIS:** I object.

18 **CHAIRMAN CAMPBELL:** All right. We have a motion --

19 **COMMISSIONER GREENE:** Kathryn, can I just clarify --

20 **CHAIRMAN CAMPBELL:** We have a motion by Mr. Skrmetta and an objection  
21 by Mr. Lewis. Call the roll.

22 **MS. BOWMAN:** Well, it needs a second first.

23 **COMMISSIONER GREENE:** I have a question then I can second it.

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

2 **COMMISSIONER GREENE:** Kathryn, as a first order, if it passes, you'll reach  
3 out to Mr. Dismukes?

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

5 **CHAIRMAN CAMPBELL:** Okay. There's a motion. Is there a second?

6 **COMMISSIONER GREENE:** Does it need to be seconded or is it just by virtue  
7 of the fact there's an objection, there's a vote?

8 **MR. FREY:** That's an interesting question. I know Colby's thinking under  
9 Robert's Rules since this isn't typically a voting item but since the motion was  
10 made, I think a second probably would be in order to move forward with the vote.

11 **CHAIRMAN CAMPBELL:** I'm going to rule that it is. That you got to have a  
12 second and let's vote.

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

14 **CHAIRMAN CAMPBELL:** You got a motion and a second and an objection.  
15 So call the roll.

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

17 **COMMISSIONER LEWIS:** No.

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

19 **VICE CHAIRMAN FRANCIS:** Yes.

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

21 **COMMISSIONER GREENE:** Yes.

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

23 **COMMISSIONER SKRMETTA:** Yes.

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

2 **CHAIRMAN CAMPBELL:** No.

3 **MS. BOWMAN:** So directive passes. So the next directive is a directive to the

4 jurisdictional utilities, Midcontinent Independent System Operator, and the

5 Southwest Power Pool to provide an update on cybersecurity plans. So the directive

6 is as follows: With the increasing potential of cyberattacks from enemies of the

7 public, it becomes necessary to confirm that all regulated utilities are prepared that

8 in the event of a cyberattack on their system, that they have a plan in place to block

9 the attack and, if necessary, operate their utility on a manual basis without the use

10 of the internet to ensure deliverability of resources to the public. Therefore, I direct

11 all regulated utilities, MISO, and SPP, to confirm to the Executive Secretary of the

12 Commission that such a plan is in place for each. This confirmation shall be within

13 60 days from the approval of this directive and then the Executive Secretary shall

14 publicly report to the Commission during an upcoming Commission meeting,

15 during the reports section, what utilities complied with the directive. And just to

16 clarify, we're not asking for the reports themselves or the plans themselves, we are

17 simply asking for confirmation from everyone that they do in fact have a plan.

18 **COMMISSIONER SKRMETTA:** Correct.

19 **COMMISSIONER GREENE:** So we won't make their plans public?

20 **COMMISSIONER SKRMETTA:** Correct, absolutely correct.

21 **MS. BOWMAN:** No, sir. Just wanted to put that out there.

22 **COMMISSIONER GREENE:** I have a question for Mr. McQuaig.

23 **CHAIRMAN CAMPBELL:** Mister who?

1 **COMMISSIONER GREENE:** McQuaig.

2 **COMMISSIONER SKRMETTA:** McQuaig.

3 **CHAIRMAN CAMPBELL:** Yeah. Is this his -- Mr. McQuaig's deal?

4 **COMMISSIONER GREENE:** Well, we already have the docket open

5 [INAUDIBLE] questions.

6 **COMMISSIONER SKRMETTA:** I don't think this is anything relevant to him.

7 **COMMISSIONER GREENE:** Does he identify himself, or?

8 **COMMISSIONER SKRMETTA:** Say who you are.

9 **MR. SCOTT MCQUAIG:** Scott McQuaig.

10 **COMMISSIONER GREENE:** So I think cybersecurity is very important and I

11 thank Dr. -- Commissioner Skrmetta, not Dr. Skrmetta, for bringing it up.

12 **COMMISSIONER SKRMETTA:** That's okay. You're too used to being in a

13 hospital.

14 **COMMISSIONER GREENE:** So don't we have a cybersecurity docket open?

15 And if so, why can't this just be a part of that?

16 **MR. MCQUAIG:** That's above my pay grade, Commissioner. We do have a

17 cybersecurity docket open.

18 **COMMISSIONER GREENE:** And so aren't you addressing this very issue?

19 **MR. MCQUAIG:** We are addressing a number of cybersecurity issues.

20 **COMMISSIONER SKRMETTA:** This is -- I think this is different in the sense

21 that this is just asking the companies to report that they have a plan to operate

22 manually. That's it.

1 **COMMISSIONER GREENE:** But you're not addressing that fundamental  
2 question in the docket that's currently open?

3 **MR. MCQUAIG:** I don't know if I understand, Commissioner, what it is you're  
4 asking if I'm addressing.

5 **COMMISSIONER GREENE:** I'm trying to think of how I can make this more  
6 simple for you.

7 **MR. MCQUAIG:** And I didn't mean for that to be an overly simplistic question.

8 **COMMISSIONER GREENE:** So in the current open docket, do you currently  
9 review the plans that companies have for cybersecurity?

10 **MR. MCQUAIG:** We do.

11 **COMMISSIONER GREENE:** Okay. And so how is this different than what  
12 you're already doing?

13 **MR. MCQUAIG:** I don't know that it is, particularly. I don't know what this  
14 particular directive is calling for specifically. I will say that it takes quite a bit of  
15 time to get with each of the various utilities and we have not, in our cyber security  
16 docket, met with MISO and the other --

17 **COMMISSIONER SKRMETTA:** Southwest Power Pool.

18 **MR. MCQUAIG:** Southwest Power -- we have not during the -- or within the  
19 corners of our existing cybersecurity docket met with those entities. Only the  
20 jurisdictional entities within the state. [INAUDIBLE] wouldn't be part of --

21 **COMMISSIONER GREENE:** So what you're asking, you're asking for  
22 cybersecurity in relation to MISO and SPP?

1 **COMMISSIONER SKRMETTA:** Yeah. I want MISO, SPP, and all regulated  
2 utilities to just report back to the Executive Secretary they have a plan in place to  
3 operate manually.

4 **COMMISSIONER GREENE:** Okay.

5 **COMMISSIONER SKRMETTA:** They don't have to say what it is, but they  
6 have to confirm that they have it, that they can operate manually for the satisfaction  
7 of the public to know that they can operate manually in the event of an attack.

8 **COMMISSIONER GREENE:** And Kathryn, is that the way you read the  
9 directive? Is that how you understand it to be stated?

10 **MS. BOWMAN:** Yes.

11 **SECRETARY FREY:** And I think the regulated utilities are reporting that to us.  
12 It would be the two RTOs that aren't, currently. I think Scott just said that. I  
13 haven't seen anything directly from them.

14 **COMMISSIONER GREENE:** Jamie, can you come up and answer?

15 **COMMISSIONER SKRMETTA:** Well, SPP, is they here or Phil Bright here?

16 **SECRETARY FREY:** There's Lane, if we need our RTO people.

17 **COMMISSIONER SKRMETTA:** They represent us, not them.

18 **MS. JAMIE WATTS:** Jamie Watts on behalf of MISO.

19 **COMMISSIONER GREENE:** So Jamie, what do you think on this? Is this  
20 doable?

21 **MS. WATTS:** MISO can certainly confirm to the Executive Secretary the status  
22 of its cybersecurity plan.

23 **COMMISSIONER GREENE:** Okay.

1 **COMMISSIONER SKRMETTA:** Under the terms that I've stated that they can  
2 operate manually in the event of an attack.

3 **MS. WATTS:** I will discuss those with MISO.

4 **COMMISSIONER SKRMETTA:** That's fine.

5 **MS. WATTS:** I haven't the specific verbiage of the directive, but assuming, MISO  
6 will report to Brandon.

7 **COMMISSIONER GREENE:** So this doesn't seem like a huge lift for the Staff  
8 --

9 **COMMISSIONER SKRMETTA:** It's not a lift.

10 **COMMISSIONER GREENE:** -- and it's just a report back.

11 **MS. BOWMAN:** Correct.

12 **COMMISSIONER GREENE:** And I'd like to see -- I mean, y'all -- it sounds  
13 like y'all are willing to help and if you can, you know, this gets included in what  
14 you're doing, I think it's an important question to answer.

15 **MR. MCQUAIG:** It is. And I will add, Commissioner, that I've been a guest of  
16 MISO in the past and have reviewed their cybersecurity plans. I can assure you  
17 one exists, but as a part of our existing cybersecurity docket, we don't conduct  
18 annual audits or inspections of those entities as we do with respect to jurisdictional  
19 utilities.

20 **COMMISSIONER GREENE:** I think that answers my concerns. I didn't want  
21 it to be made public. And is the 60 days --

22 **SECRETARY FREY:** I don't see any of them. I don't want to see them.

23 **COMMISSIONER GREENE:** Sixty days is reasonable?

1 **MS. WATTS:** Yes.

2 **COMMISSIONER GREENE:** Okay.

3 **COMMISSIONER LEWIS:** Ms. Watts, a question about some of the language.

4 I find it to be very prescriptive to ask about operating the grid manually. Would

5 that be an issue for MISO?

6 **MS. WATTS:** That's something I'll have to discuss with my client. Again, this is

7 the first I'm hearing of the specific language of the directive, so within the 60 days,

8 MISO can confirm to Mr. Frey yes or no on that particular issue.

9 **COMMISSIONER LEWIS:** I think the information request and a good dialogue

10 is important to have, but I, once again, am very concerned with directives putting

11 very prescriptive language in a request. And so if the gentleman would be

12 amendable, would you be open to deleting the operating the -- the grid manually

13 prescriptive language from the directive?

14 **COMMISSIONER SKRMETTA:** Absolutely not. That's the whole point, is to

15 understand that the system can operate manually in the event of a cyberattack.

16 **COMMISSIONER LEWIS:** Well, then I will object.

17 **COMMISSIONER SKRMETTA:** Okay. Well, request a vote. So do we -- to

18 bring this back to directive based votes, Colby, so if I request a vote, do we need to

19 have a motion and a second or we just request a vote?

20 **SECRETARY FREY:** We typically just request a vote.

21 **COMMISSIONER SKRMETTA:** Okay.

22 **SECRETARY FREY:** I think we did a motion and a second because you made

23 the --



1 **COMMISSIONER SKRMETTA:** Right. I did it wrong the first way, so I'll just  
2 request a vote on that.

3 **SECRETARY FREY:** If there's an objection, what we've done with directives in  
4 the past is just call the roll.

5 **COMMISSIONER SKRMETTA:** Right. That was my error. So I'd request a  
6 vote.

7 **MS. BOWMAN:** Okay. Commissioner Lewis objects. So Commissioner  
8 Francis?

9 **VICE CHAIRMAN FRANCIS:** I support Skrmetta.

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

11 **COMMISSIONER GREENE:** Yes.

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

13 **COMMISSIONER SKRMETTA:** Yes.

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

15 **CHAIRMAN CAMPBELL:** Yes.

16 **MS. BOWMAN:** The next directive is a directive to Staff to conduct a cost benefit  
17 analysis of carbon capture systems. The directive is at the request of Commissioner  
18 Skrmetta and the directive is as follows: I direct Staff to conduct a study of the cost  
19 benefit of all carbon capture systems and determine the state of their scientific  
20 validity and effectiveness based upon their cost. The study should include all forms  
21 of carbon dioxide capture systems, whether proposed or in action. Staff is  
22 authorized, if determined necessary, to issue an RFP to assist with said analysis.

1 **COMMISSIONER SKRMETTA:** Yeah. This is pretty much a follow-up  
2 directive based on -- I actually read the article and the interview of Commissioner  
3 Lewis about the questions he had about carbon capture and I figure that we might  
4 want to, you know, understand this from a understanding of the science and the cost  
5 associated with it, since we were also looking at the capture air system today with  
6 Mr. -- what's the name of the guy who owns that place, Foster?

7 **MS. BOWMAN:** Vorhoff.

8 **COMMISSIONER SKRMETTA:** What's the guy name, the place in Lake  
9 Charles' name?

10 **CHAIRMAN CAMPBELL:** Mr. Stream.

11 **COMMISSIONER SKRMETTA:** Mr. Stream. And look at basically the cost,  
12 the basic effectiveness, and to look at it and the cost associated to the ratepayers,  
13 and just to understand it better. Because one of the things we haven't really been  
14 looking at is to really understand that aspect of it. It's brought to us a lot and told  
15 to us a lot, but we're not really getting a real understanding of the cost and the value  
16 of propositions with it.

17 **COMMISSIONER GREENE:** I have a question. Could this be another  
18 Dismukes thing?

19 **COMMISSIONER SKRMETTA:** Yeah.

20 **MS. BOWMAN:** I'm not sure if that's within his expertise.

21 **COMMISSIONER SKRMETTA:** Is that his field? I mean, if it's his field, you  
22 can ask him.

1 **MS. BOWMAN:** Yeah. I'll certainly reach out to him and ask him. It may be --  
2 or his --

3 **COMMISSIONER GREENE:** Or university.

4 **SECRETARY FREY:** Right. The LSU [INAUDIBLE] that studies it.

5 **MS. BOWMAN:** I was going to say, Dr. Upton, who took Dr. --

6 **SECRETARY FREY:** Yes.

7 **MS. BOWMAN:** Yeah.

8 **COMMISSIONER GREENE:** I know ULL does a lot, too.

9 **MS. BOWMAN:** Yeah, I can reach out to --

10 **COMMISSIONER GREENE:** I'm just trying to think of ways that we can find  
11 out this information without taxing the Staff or a cost [INAUDIBLE].

12 **SECRETARY FREY:** And there's actually -- I just got something -- there's a  
13 joint symposium coming up within the next month or so that LSU and ULL are  
14 hosting together, so. And I think this is one of the items on the agenda, so we might  
15 be able to get some of the info there as well.

16 **MS. BOWMAN:** Yeah.

17 **COMMISSIONER LEWIS:** Mr. Chairman, I-- while I appreciate the cost benefit  
18 analysis, I think we can't conflate these issues. Most of the carbon capture that  
19 would come under our jurisdiction would come through the normal MBM  
20 procurement process or certification process. While I have been and in looking at  
21 the research and knowing multiple people are studying it, I mean, I think what this  
22 directive does, once again, is it doesn't open a docket, it lacks transparency,  
23 evidence, and stakeholder input. And so if we really want to do a significant cost

1 benefit analysis, I'm really confused why we wouldn't open a docket to allow all  
2 of the evidence be submitted into the record so we can do a well, thorough job. And  
3 so, once again, I feel these are just very vague statements that are being thrown out  
4 there that have not engaged very credible, qualified people to make political  
5 comments and so I'm going to object again.

6 **COMMISSIONER SKRMETTA:** Well, Secretary Frey, in order to make this  
7 work, we can make it a docket. And with combining it a docket with getting the  
8 same information because basically we can do our research and make it a docket to  
9 understand, again, the costs associated with it. I understand that you want to look  
10 into the science of it, but we really need to understand the cost of it and the value  
11 proposition and the real cost associated back to the ratepayers, I think that's it.  
12 Because I think that there is, you know, the NIMBY factor of it as well, but we  
13 want to look at the, you know, the costs, the science, the NIMBY, you know, how  
14 and where it needs to be located. So they can open it up as a docket, that's fine  
15 with me.

16 **SECRETARY FREY:** So this is modifying the language to add to open up a  
17 docket for this purpose?

18 **COMMISSIONER SKRMETTA:** Yeah. Sure.

19 **CHAIRMAN CAMPBELL:** And let me ask a question. In this docket, you want  
20 to basically find everything you can find out about carbon capture?

21 **COMMISSIONER SKRMETTA:** I just -- yeah, I want to understand --

1 **COMMISSIONER SKRMETTA:** I think that's a good -- I'm going to join you  
2 today. I think that's a good idea because that's all you hear now, that's a trendy  
3 word, it's going around in all of the environmental, carbon capture.

4 **COMMISSIONER SKRMETTA:** Can we call it carbon dioxide capture?

5 **CHAIRMAN CAMPBELL:** What about it?

6 **COMMISSIONER GREENE:** We'll call in Spooky.

7 **COMMISSIONER SKRMETTA:** Call Spooky in or whatever his name is.  
8 What's his name?

9 **CHAIRMAN CAMPBELL:** I don't know his damn name.

10 **COMMISSIONER SKRMETTA:** Okay.

11 **CHAIRMAN CAMPBELL:** You might not want to know his name either after  
12 this meeting. But anyway, I think that's an excellent idea. Let's get to the bottom  
13 of it and lay it out there. You know, if it's a good idea, it's a good idea. But that's  
14 everywhere you go now, people are talking about carbon capture. That's  
15 wonderful. But let's find out what it really is and how much it costs.

16 **COMMISSIONER SKRMETTA:** Yeah, well, and, you know -- I mean, look, I  
17 want to call stuff what it is. I mean, I know there'll be pushback on it, but its carbon  
18 dioxide. Carbon is a black chemical, carbon dioxide is what it is. We're talking  
19 about carbon dioxide. We can call it carbon capture, but, you know, the public's  
20 going to figure out pretty soon that its carbon dioxide and that's what we're really  
21 talking about, invisible, odorless gas that, you know, feeds the plants, but, you  
22 know, we've still got to figure out what it costs. I mean, it's what this Commission

1 is all about is understanding cost and value, so that's kind of where it is, but open  
2 it as a docket.

3 **COMMISSIONER GREENE:** Are you okay with the docket, not carbon dioxide  
4 capture, but carbon capture?

5 **COMMISSIONER SKRMETTA:** Carbon capture is what everybody's going to  
6 talk about, nobody's going to change the name of it until they come to a realization  
7 anyway.

8 **CHAIRMAN CAMPBELL:** I think it's a good idea, Mr. Skrmetta.

9 **COMMISSIONER SKRMETTA:** Yeah.

10 **CHAIRMAN CAMPBELL:** You have any objections?

11 **COMMISSIONER LEWIS:** Not to the modification, no.

12 **SECRETARY FREY:** Okay.

13 **COMMISSIONER SKRMETTA:** Yeah. Okay.

14 **CHAIRMAN CAMPBELL:** Believe it or not, there's no objections. Okay. Let's  
15 go to your next one. Let's see about it.

16 **MS. BOWMAN:** So the next directive is a directive to jurisdictional utilities  
17 regarding customer overpayments, also at the request of Commissioner Skrmetta.  
18 It has come to the attention of the Commission that periodically consumers over  
19 pay their bills when paying online, frequently from computer error or simple  
20 mistakes. Unfortunately, when the consumer asks for a refund, they are not  
21 promptly refunded. In one case a \$400 bill was inadvertently paid online in the  
22 amount of \$4,000 and without a quick refund. In such cases of overpayment, there  
23 is no reason to delay refunding the consumer. To that end, I direct jurisdictional

1 utilities to refund customers who inadvertently overpay online and have notified  
2 the utility of such overpayment within 48 hours of such notice.

3 **COMMISSIONER SKRMETTA:** Self-explanatory. There's no reason to make  
4 it a 10-day or 2-week experience to get their money back, so that's my directive.

5 **CHAIRMAN CAMPBELL:** No objections? [NONE HEARD] Passed. Let me  
6 ask a question. Something came up yesterday, I don't know if this is true, and I'm  
7 going to ask Entergy and SWEPCO and Cleco. You know, we passed a rule that if  
8 we had 100 degree -- what is it? The heat index.

9 **SECRETARY FREY:** It's a heat -- so it's a --

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

11 **SECRETARY FREY:** The rule says you can't disconnect someone for non-  
12 payment if the --

13 **COMMISSIONER SKRMETTA:** Heat advisory.

14 **SECRETARY FREY:** -- if the National Weather Service in that area issues a heat  
15 advisory.

16 **COMMISSIONER SKRMETTA:** Correct.

17 **SECRETARY FREY:** So if you look at those maps, orange is a heat advisory.  
18 It's a over 108 heat index.

19 **CHAIRMAN CAMPBELL:** I got it, I got it. I passed it. I got all that. That's  
20 not what I want to hear. I understand in my office in Monroe -- now, I don't know  
21 if this is true, but I want Entergy to talk to me. We had a cool day yesterday in  
22 north Louisiana.

23 **COMMISSIONER GREENE:** Ninety-one.

1     **CHAIRMAN CAMPBELL:** It was 91, it was cool.

2     **COMMISSIONER SKRMETTA:** It was 80 degrees this morning.

3     **CHAIRMAN CAMPBELL:** Well, it was cool, and today's cool, comparative.

4     Now, do y'all -- you hadn't been able to cut anybody off, but someone told

5     somebody in my office -- I'm just asking -- surely y'all didn't cut them off

6     yesterday. It's been 100, 100, 100, then it was 91, you got a chance to cut them off.

7     Did you do that? Surely you wouldn't do that right in the middle of a damn 100

8     degree day. You found a day to charge them and you went on and charged them

9     and cut them off yesterday; did y'all do that?

10    **MR. HAND:** Larry Hand on behalf of Entergy Louisiana. Commissioner, we

11    comply with your order every day. Every morning we look at the same National

12    Weather Service forecast to determine which parishes --

13    **CHAIRMAN CAMPBELL:** So you did it?

14    **MR. HAND:** Yes, sir, we did.

15    **CHAIRMAN CAMPBELL:** Well, I think it's a shame. I think it's a shame --

16    **MR. HAND:** Would you like the rest of the story, Commissioner?

17    **CHAIRMAN CAMPBELL:** I think you ought to be ashamed. When it's been

18    100 degrees for 15 days in a row, you find one day its cool, cut them off.

19    **MR. HAND:** Can I explain?

20    **CHAIRMAN CAMPBELL:** I think that is pitiful on your part.

21    **MR. HAND:** May I explain the rest of the story, Commissioner?

22    **CHAIRMAN CAMPBELL:** The rest of the story?

23    **MR. HAND:** Yes.



1     **CHAIRMAN CAMPBELL:** I'm not Paul Harvey.

2     **MR. HAND:** Well, you're not satisfied with the fact that we followed your order,  
3     but we did look at it. You know, we realize we're in a very significant heat wave  
4     and just because in one day 20 parishes in north Louisiana were not subject to the  
5     weather advisory from the National Weather Service, we do realize that the ambient  
6     temps and the concrete, the houses, the building envelopes did not drop overnight,  
7     so what we did is we proactively went beyond what your order requires of us and  
8     we are not disconnecting in those parishes, voluntarily. And we are reconnecting  
9     those few folks who were disconnected, a very small number in north Louisiana.  
10    So not required by your rule, but we went above and beyond and did that.

11    **CHAIRMAN CAMPBELL:** Well, I think it's bad on y'all to do that. I think it's  
12    just like that guy that was y'all's president going up to Colorado during the middle  
13    of a storm. I think it's the same thing. You can tell me he had the law on his side,  
14    too. But that's -- when it's been 100 degrees, 100 degrees, you find one day it gets  
15    cool, and you start cutting them off again. I didn't believe that. So I told my office,  
16    tell them you can't cut them off. I'm sure you did it anyway, but I tried to overrule  
17    you because I think that's totally against common sense when people are sweating  
18    up there and hot in houses, they're -- you know the whole deal. Davante's better at  
19    it than me, you know the whole deal. I got all the poor people in Monroe and you  
20    cut their electricity off because you can. And by the way, tomorrow, you know  
21    how hot it'll be tomorrow? 110. So start cutting them off tomorrow, but the two  
22    days y'all need the money so bad, you cut them off for two days.

1 **MR. HAND:** We followed your orders, Commissioner. And we hear what you're  
2 saying, we've remedied it, but every morning, we look at that Weather Service --

3 **CHAIRMAN CAMPBELL:** Do we need to amend that order over there a little  
4 bit? I would ask you guys to use some common sense. If you've been -- nobody's  
5 been cut off for two weeks and it's sweltering up there, no rain, just like it is here,  
6 100-something degrees, you wake up one morning and say, oh, we got them today.  
7 We can cut them off. We got them tomorrow, we can cut them off. The next day,  
8 you can't cut them off.

9 **COMMISSIONER GREENE:** I have a question.

10 **CHAIRMAN CAMPBELL:** I think that's pitiful.

11 **COMMISSIONER GREENE:** Does this apply to all utilities or just electric  
12 utilities?

13 **SECRETARY FREY:** Just -- the heat one is electric and gas, to the extent gas is  
14 used for cooling, but gas isn't used for cooling, it's more on the cold weather side  
15 where the gas part kicks in because there's similar rules on the cold weather side.

16 **CHAIRMAN CAMPBELL:** We don't have any of that for water, nothing for  
17 water?

18 **SECRETARY FREY:** Nothing for water, no. And I think Commissioner Lewis  
19 is beginning --

20 **COMMISSIONER GREENE:** No, I mean about the directive refund.

21 **SECRETARY FREY:** Oh, the refund? Yeah, this would apply across the board,  
22 I would assume, your refund directive, correct?

23 **COMMISSIONER SKRMETTA:** Yeah.

1    **SECRETARY FREY:** Yeah. Okay.

2    **COMMISSIONER SKRMETTA:** Is the refund -- is my directive --

3    **SECRETARY FREY:** It would be all jurisdictional utilities because we've got an  
4    order on that --

5    **COMMISSIONER SKRMETTA:** That's on every utility.

6    **SECRETARY FREY:** Yes, yes.

7    **MS. BOWMAN:** Yes.

8    **COMMISSIONER SKRMETTA:** If you overpay, you're going to get your  
9    money back.

10   **SECRETARY FREY:** That's the way I understood it.

11   **MS. BOWMAN:** Yes.

12   **SECRETARY FREY:** But I know, Commissioner Lewis, you had asked the  
13   utilities at the beginning about that very issue, correct? If you want to bring that up  
14   again.

15   **COMMISSIONER LEWIS:** Absolutely. And I mean, I think this is,  
16   Commissioner Campbell, a perfect example of what I'm talking about. And I agree  
17   with you, I think it is time we reexamine this disconnection rule because we are,  
18   once again, putting people's lives at risk. And I am struggling with the notion that,  
19   well, just because it's in the order, that's what we should do. That's death. Two  
20   days after I got elected, a 73 year old woman in Algiers, New Orleans died from no  
21   electricity in the coldest night because she had to use a furnace in her home that  
22   then burned her because she couldn't find her keys to her burglar bars. These are  
23   real stories. And this is why these kind of comments of, well, it's in our general

1 orders, really offend me because it tells me you're not taking life seriously. And if  
2 we are going to talk about providing services that keep people alive, not these ad  
3 hoc services that are auxiliary to their lives. To be cool in this summer heat is  
4 required or you will die. LDH is telling that people are dying. And I think that we,  
5 as utilities, have to do better than just saying, well, whatever's in this general order.  
6 I'll just -- that really upsets me that that's how we're talking about this issue.

7 **MR. HAND:** And Commissioner, may I respond?

8 **COMMISSIONER LEWIS:** Yes, please.

9 **MR. HAND:** We do share your concern. We understand that electric power is  
10 essential to life and safety and we understand that. What I'm referring to with, we  
11 have built in procedures in Entergy's organization to look -- there are people who  
12 look at the National Weather Service every morning and identify which parishes  
13 are subject to it. That process happened. We've heard the concerns. When Mr.  
14 May and I found about it, we reversed that process, so we agree with you. You  
15 know, we need to take those things into account. What I'm referring to is, we built  
16 processes around your rules and that's how it normally operates. But when it was  
17 elevated to our attention, we reversed it, and so we have suspended disconnects,  
18 even though the order doesn't require it. So we hear you 100 percent and we agree.

19 **COMMISSIONER LEWIS:** I appreciate that and I think that's the sentiment we  
20 should take the whole time.

21 **CHAIRMAN CAMPBELL:** So I was right to tell them that -- so you're telling  
22 me in Monroe, when they called that lady that works for me, she called me, she said

1 you believe this? I said, well, tell them I said don't cut it off. So you didn't cut it  
2 off?

3 **MR. HAND:** There were approximately -- by the time Mr. May and I became  
4 aware of it and reversed it, there were approximately -- I don't have the exact  
5 numbers, but there are 20 parishes in Louisiana, some of the disconnects had  
6 commenced. We reversed that process and required that they be reconnected that  
7 evening, so.

8 **CHAIRMAN CAMPBELL:** Well, I appreciate that because that means you've  
9 got some good sense.

10 **MR. HAND:** Thank you.

11 **CHAIRMAN CAMPBELL:** That's good, common hard sense. You can't --  
12 we're in trouble. You're in trouble right here in Baton Rouge. It's hot and dry.  
13 And I couldn't believe it when my secretary told me you know they're cutting  
14 people off. I said, I don't believe that. I said, well, tell them to leave them on for  
15 two days. And I understand y'all have -- you're in the business of making money  
16 and paying people, I understand that. There's certain days that doesn't qualify, you  
17 don't cut them off. But if you run 15 in a row where you don't disconnect and then  
18 two days that you can disconnect, that doesn't make any sense to me. That's pretty  
19 --

20 **COMMISSIONER GREENE:** It looks like we're all on the same page there.

21 **CHAIRMAN CAMPBELL:** Well, that's good. Next.

22 **MR. HAND:** Thank you.

23 **COMMISSIONER SKRMETTA:** Did we approve the directive?

1     **CHAIRMAN CAMPBELL:** Yeah.

2     **COMMISSIONER GREENE:** I don't think there's any objection.

3     **MS. BOWMAN:** No objections to the customer overpayments? [NONE HEARD]

4     **SECRETARY FREY:** Yeah, no.

5     **COMMISSIONER SKRMETTA:** We've got the next one.

6     **MS. BOWMAN:** So the next directive is a directive to Staff, Cleco Power, Entergy  
7     Louisiana, and SWEPCO to perform cost benefit analyses of continued  
8     membership in their current regional transmission organizations compared to  
9     alternatives, at the request of Commissioner Skrmetta. And this is the directive:  
10    The Commission has a continuing obligation to ensure that electricity is delivered  
11    to our jurisdictional customers safely, reliably, and at the lowest reasonable cost.  
12    Particularly as the electric industry undergoes rapid changes, as it is today, we must  
13    remain vigilant to guarantee that this obligation is fulfilled and to explore  
14    alternatives that may be available to enhance the ratepayers' experience. Cleco  
15    Power and Entergy Louisiana have been members of the MISO's RTO for about  
16    10 years and SWEPCO has been a member of the SPP before it even became a full-  
17    blown RTO. The last comprehensive analysis of the RTO membership for Cleco  
18    Power and Entergy Louisiana was based on data that is now about 10 years old. To  
19    my knowledge, there has never been a comprehensive analysis of the costs and  
20    benefits of SWEPCO's continued membership in the SPP RTO. Under these  
21    circumstances, and in order to ensure that Louisiana ratepayers are paying the  
22    lowest reasonable cost for the highest quality electric service, the time is right for  
23    the Commission to undertake a full-blown review of continued RTO membership

1 for investor-owned utilities based upon current data and assumptions. I, therefore,  
2 direct Staff to consult with counsel and representatives of the jurisdictional electric  
3 utilities to develop the scope and parameters of cost-benefit analyses to be  
4 performed by those utilities. Those cost-benefit analyses should not only compare  
5 costs incurred so far, or what continued participation in the RTO would be, but also  
6 compare continued RTO participation by those utilities in their existing RTOs  
7 against various options.

8 **COMMISSIONER SKRMETTA:** Yeah. This is pretty straightforward. It's just  
9 to figure out, you know, what value has been, either costs or receipts of participation  
10 in the RTOs. And also, as we look forward to these rather large expanses of new  
11 transmission costs associated with RTO membership, just to anticipate what the  
12 costs are going to be for the ratepayers. I mean, we're looking at some of them in  
13 the next five or six years being in the -- our share of may be close to \$200 billion  
14 in transmission costs, so I think it's important for us to at least get down to the  
15 numbers and figure out what that is, so that's why we've brought this forward.

16 **COMMISSIONER GREENE:** I have a question for Lane. Is Lane here? One of  
17 my questions is, I think this is interesting. It seems like we did this a couple of  
18 years ago when there was a possibility of getting out of MISO, and I know it was  
19 done about 10 years ago, but that was something that led us to MISO and the FERC  
20 paid for it because it was so expensive. How heavy of a lift is this, do you think?

21 **MR. LANE SISUNG:** Lane Sisung, United Professionals Company, consultant to  
22 the LPSC. You know, the directive as it's worded is to determine the scope to get  
23 that answer, so I think we would need to sit down with the utilities and determine

1 the scope. There are a lot of, you know, when we've done the past analysis, we  
2 compared it against the standalone BA, meaning that we compared Entergy's  
3 membership in MISO to Entergy running its own balancing authority, same for  
4 Cleco, and I think, from what I gathered, from what I've heard from this directive,  
5 its more to start talking to utilities, talking about maybe what a bigger scope would  
6 be and what it would take to get that kind of analysis done. And then once that's  
7 determined, we would understand the cost and the time that would be associated  
8 with it.

9 **COMMISSIONER GREENE:** So it's my understanding that RTOs have  
10 provided savings in hundreds of millions of dollars. Is this to verify that or consider  
11 alternatives to RTOs?

12 **MR. SISUNG:** It's my understanding it would accomplish a couple of things. First  
13 of all, the RTOs have provided a value, so this is not -- it's not my understanding  
14 that this is saying that the RTOs haven't provided value. I think the markets are  
15 changing all the time, the RTO rules are changing all the time, they're changing  
16 accreditation. Some of that value was within pooling your capacity. As capacity  
17 gets short, that value reduces. And at the same time that the value of the capacity  
18 sharing is reducing, you're building more transmission and you're kind of adding  
19 to the cost side of it, if the benefits aren't there. So I think what I'm hearing is that  
20 it's always vigilant -- if we're going to be in RTOs, it's always vigilant to be looking  
21 at this. And there are new alternatives potentially out there that maybe we should  
22 look at and there's other -- and competing RTOs, so my understanding from what



1 I've heard is that this is to sort of get with the utilities and define a larger scope to  
2 determine: A) Is there still value; and B) Is it the best value.

3 **COMMISSIONER GREENE:** Well, could we -- would the scope also include  
4 co-ops, municipalities, FERC, like all things considered, or just for the IOUs?

5 **MR. SISUNG:** Well, I think it would have to consider every -- I mean, if -- let's  
6 just say there was some order to say that Entergy and Cleco needed to get out of --  
7 this is a complete hypothetical, but leave one RTO for another, the co-ops would  
8 be impacted, so I think that you have to look at the impacts across everything.

9 **COMMISSIONER GREENE:** Brian, can you come up for a minute?

10 **COMMISSIONER SKRMETTA:** And this is for the initial element. This is  
11 where you go out and then you'll come back to the Commission and explain to the  
12 Commission if we have to take a further step forward.

13 **MR. SISUNG:** Correct.

14 **COMMISSIONER SKRMETTA:** Okay.

15 **MR. SISUNG:** Yes. That's my understanding.

16 **COMMISSIONER SKRMETTA:** Right.

17 **COMMISSIONER GREENE:** Just hang tight for a second. Brian, do you think  
18 that it's healthy to look at the benefit of RTO's continually.

19 **MS. BOWMAN:** And Brian, you actually turned it off, so. There you go. Thank  
20 you.

21 **MR. HOBBS:** Brian Hobbs. I agree with what Mr. Sisung said. It's undeniable  
22 that the RTOs have provided benefits, but it always comes down to increasing costs

1 and how those costs are allocated, so I think it is prudent to continually monitor and  
2 look at that.

3 **COMMISSIONER GREENE:** But the last time this was done, supposedly FERC  
4 spent millions of dollars on this. I mean, I don't think we have those kind of  
5 resources to get that answer. Do you feel like that's going to be that heavy of a lift?

6 **MR. SISUNG:** I mean, I think that's what the purpose of defining the scope is. I  
7 think it could be and if it was that heavy of a lift, I think that the Commission would  
8 have to weigh that in the consideration. I mean, those costs could be, you know,  
9 spread across all the utilities participating.

10 **COMMISSIONER GREENE:** So if we approve this directive, we'll get a chance  
11 to vote on it later based on what the scope is defined as and who bids for it?

12 **MR. SISUNG:** To be honest, I think you'd have to ask Mr. Skrmetta that.

13 **COMMISSIONER SKRMETTA:** You'll come back with a plan that we'll have  
14 to vote on later. But at the same time, the FERC review that you're talking about  
15 was a much larger scope and different thing. You know, what we're talking about  
16 is much more focused and it would be a much lower cost, but at the same time, we  
17 still don't know what it would be until we have them go and engage with the  
18 potential participants in it and see what it is. I think it's going to be a little bit less  
19 problematic, as we're looking at empirical data that we have and then the sort of  
20 the future costs of this transmission. This is something the -- the added transmission  
21 cost is something that's kind of leaped in under the Biden Administration as a new  
22 element that has potentially driven down the value proposition of the RTO world.  
23 And that's sort of not just a local thing, that's a national concern because of the

1 rapid rise in the cost of transmission. So I think it's going to be -- that's going to  
2 be the one that's sort of questionable on the cost, but there are statements as to the  
3 first tranche and the second tranche. The third tranche is the question, but we're  
4 looking at probably \$114 billion on Tranche 1 and 2 and the question is how that's  
5 shared out. That can be done probably just through a quick analysis. The  
6 accumulation of data from the companies is something they should already have in  
7 their books, so it should be a little bit easier to see it, but what they've got out of it,  
8 what their costs were associated in it, but -- and then looking forward, each one will  
9 have to, you know, effectively, you know, estimate what they anticipate their costs  
10 [INAUDIBLE].

11 **COMMISSIONER GREENE:** Are you okay including the co-ops in this  
12 [INAUDIBLE]?

13 **COMMISSIONER SKRMETTA:** Yeah, they absolutely have to be included.  
14 Yeah.

15 **COMMISSIONER LEWIS:** Mr. Chairman.

16 **CHAIRMAN CAMPBELL:** Go ahead.

17 **COMMISSIONER LEWIS:** I think it's extremely fair to ask utilities about their  
18 memberships in RTOs and the organizational benefits to their customers. However,  
19 once again, the language in this directive, from my reading of it, already appears to  
20 assume an answer, that benefit membership do not justify their cost. So I would be  
21 -- while I'm not fully opposed to this, I'm wondering if the Commissioner would  
22 clarify the scope of analysis a little bit because I am concerned that it does not  
23 clarify other options for comparisons, which is required from this analysis. And so

1 almost all of the analyses I've looked at have always showcased significant benefits  
2 from memberships in RTOs, but I am -- I think this is just a significant undertaking  
3 for our Staff, even in the scope that has been derived of and so I would -- would the  
4 Commissioner be open to postponing this to clarify the scope of the analysis just a  
5 bit?

6 **COMMISSIONER SKRMETTA:** Well, I think that Mr. Sisung has pretty much  
7 said it in the right way, which is this is -- it's a preliminary, you know, inquiry with  
8 the utilities and -- when I say utilities, I mean co-ops included. So particularly now  
9 that co-ops are building self gens and other elements, so I consider them all utilities  
10 -- to go to them and make the initial inquiry about how this is going to proceed and  
11 how it's going to be done. Then they're going to come back to us and explain sort  
12 of what you're talking about, about the depth of procedure of how we go from there.  
13 So I think this is, you know, Step 1 in probably a three or four step process. But,  
14 you know, a journey of 1,000 miles begins with one step. So I think we do have to  
15 begin the process. And I, you know, every membership of every organization is  
16 there. I can tell you that there is a nationwide question mark on -- in fact, there has  
17 been a lot of trade journal articles about questioning the value of RTO memberships  
18 in general. Former FERC Commissioners are now writing articles about them and  
19 sort of questioning sort of how the RTOs are going and it's a contradiction of  
20 regulatory process -- of state regulatory process. So I think it's an interesting thing  
21 to look at down the road, but right now it's about is focusing on, you know, when  
22 we first were members, I know we had value. The question is, as we become  
23 regular members in these things and longer members, we should look at the values

1 that we've sustained now and we should look at future costs and will those future  
2 costs offset the values. We need to take the first step of doing a preliminary  
3 investigation which is probably, you know, extremely simple for the Staff to do. I  
4 say extremely simple in this complex world we're in. But then they need to come  
5 back and tell us if there's going to be something -- a harder thing to do.

6 **COMMISSIONER GREENE:** Like this is what this would look like if we take  
7 the next step?

8 **COMMISSIONER SKRMETTA:** Right, exactly, 100 percent. But we need to  
9 get this thing started and this would be the --

10 **COMMISSIONER GREENE:** But this first step is neither a heavy lift nor super  
11 expensive?

12 **COMMISSIONER SKRMETTA:** Nope.

13 **COMMISSIONER GREENE:** Okay.

14 **COMMISSIONER LEWIS:** Do we know who would conduct this analysis? Oh,  
15 I'm sorry.

16 **VICE CHAIRMAN FRANCIS:** I'm sorry. Mr. Sisung.

17 **MR. SISUNG:** Yes, sir?

18 **VICE CHAIRMAN FRANCIS:** I've got a KISS questions for you, you know,  
19 keep it simple, stupid.

20 **MR. SISUNG:** Okay.

21 **VICE CHAIRMAN FRANCIS:** People in south Louisiana are not interested in  
22 paying for transmission lines to windmills in the Midwest, okay. I think that's one

1 of the problems about whether we get in or out of the MISO or SPP grid. Isn't that  
2 pretty well simplified with what we're talking about here?

3 **MR. SISUNG:** Well, I do believe that the question becomes whether there is a  
4 benefit to lines being built in the Midwest to south Louisiana. And I think the better  
5 saying is south Louisianan's don't want to pay for something that they don't see  
6 the benefit in. If you recall, MISO only -- I mean, we -- when we actually protested  
7 some proposed allocations and we're not being allocated those costs with those  
8 projects. I think what Commissioner Skrmetta is talking about is there is a Tranche  
9 3 in MISO that is going to be built in MISO South and that will provide benefits  
10 and it will provide costs and sort of start rolling that into the analysis.

11 **VICE CHAIRMAN FRANCIS:** Okay. All right. So we just do the research and  
12 then we'll see if we open or a docket or where we go from there. Okay.

13 **MR. SISUNG:** Believe so.

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

15 **COMMISSIONER LEWIS:** From Staff, do we know who will conduct this  
16 analysis?

17 **MS. BOWMAN:** So it will be a cooperative effort with Lane and his crew from  
18 UPC as well as Stone Pigman working with the jurisdictional utilities to kind of  
19 figure out a scope and figure out the, you know, the cost benefit analysis, the scope  
20 of that. And then obviously, like Commissioner Skrmetta said, for at least past  
21 costs, the utilities have that. So it would be a group effort from that point. I think  
22 the utilities would take the stab of putting together that analysis and then letting us

1 look at it and figure out do we agree, do we disagree, do we think the assumptions  
2 are correct. But I -- Lane, did I -- are you agreeing with that?

3 **MR. SISUNG:** That was my understanding is that we would have to engage the  
4 utilities and we would have those discussions with them and as Commissioner  
5 Skrmetta said, develop a scope. I mean, I don't think that, you know, we can get  
6 some initial information, initial costs, and pull all that together, but before we would  
7 engage in the kind of analysis that Commissioner Greene was talking about, there  
8 would have to be a scope set up. What are we comparing it against? Are we  
9 comparing it, you know, against a single BA? Are we comparing it against  
10 changing RTOs? Are we comparing it against if, you know, SPPs got a market plus  
11 product, which is just a market? SEEM has since been approved, maybe, it's kind  
12 of on rehearing. So I think we'd have to work with utilities across all of that and  
13 try to see if there was a scope that could be defined.

14 **COMMISSIONER SKRMETTA:** Yeah. We just want the best for our  
15 ratepayers, that's all.

16 **COMMISSIONER LEWIS:** And that makes sense to me. Don't we -- or some  
17 of the utilities, didn't they perform an analysis showing the cost benefits of MISO  
18 in their IRPs?

19 **MS. BOWMAN:** I don't know if it's in the IRPs.

20 **MR. SISUNG:** Yeah. I'm not in the IRPs, but they --

21 **COMMISSIONER LEWIS:** So they did year mark?

22 **MR. SISUNG:** -- at the five year mark, they were mandated to do a cost benefit  
23 analysis for continued membership and so that analysis was done. And as I stated,

1 it did show and Staff agreed, me being Staff in testimony, that there were benefits  
2 for continued membership in MISO based on that analysis. I think the question  
3 always about that analysis, and to the utilities' credit there was no other options at  
4 the time, but the only thing they were comparing it against would be ELL just  
5 operating as its own independent -- so they would have to create their own new  
6 balancing authority. They would have to pay hurdle rate for transmission. There  
7 were a lot of additional costs. So I think, as I'm understanding this directive, it's  
8 to see if there's any way to broaden that with the utilities, to see what other options  
9 are there.

10 **MS. BOWMAN:** And I'm sorry, and just to add one more thing to Lane. So that  
11 was done with Cleco and Entergy related to MISO benefits, but it's never been done  
12 related to SWEPCO and SPP benefits.

13 **COMMISSIONER LEWIS:** So we've never had them file an annual benefit  
14 analysis from SWEPCO?

15 **MS. BOWMAN:** No.

16 **SECRETARY FREY:** To my knowledge, no. That was part of the MISO order  
17 when Cleco and Entergy went into MISO that you were going to have those  
18 periodic reviews.

19 **COMMISSIONER LEWIS:** Yeah. And this sounds good. I think my concern  
20 is that this is infusing uncertainty into our regulatory environment in Louisiana,  
21 especially as we are starting to see co-ops participate in MISO and I'm just not clear  
22 on what problem that we're meant to -- we're identifying or addressing with this at



1 this time. So I just have some concerns with this language, so I'm probably going  
2 to have to object again.

3 **COMMISSIONER SKRMETTA:** Can we call for a vote? We'll get it done.

4 **COMMISSIONER GREENE:** Thank y'all.

5 **COMMISSIONER SKRMETTA:** Thanks.

6 **MS. BOWMAN:** Okay. So Commissioner Lewis objects, so vote is no.  
7 Commissioner Francis?

8 **VICE CHAIRMAN FRANCIS:** Yes.

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

10 **COMMISSIONER GREENE:** Yes.

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

12 **COMMISSIONER SKRMETTA:** Yes.

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

14 **CHAIRMAN CAMPBELL:** Yes.

15 **MS. BOWMAN:** So the directive passes. We will move on to the next directive,  
16 which is a directive to Staff to study and track the development of advanced nuclear  
17 power technology, at the request of Commissioner Skrmetta. And the directive is  
18 as follows: I direct Staff to open a docket to study and track the development of  
19 advanced nuclear power technology that can be used to provide electricity for  
20 ratepayers. The docket should include the study of small modular reactors,  
21 microreactors, and small nuclear reactor battery configurations. The study shall  
22 include a study of all relevant statutes, whether from the United States or foreign  
23 governments, to determine the barriers, if any, to the entry of such systems into the

1 Louisiana Resource Profile. With the continued pressure from the federal  
2 government to reduce carbon dioxide levels, modern nuclear power systems should  
3 be explored to determine if they can provide baseload resources for the grid and  
4 assist in transitioning from geologic fuels. Approximately 50 percent of all  
5 generated electricity in Louisiana is consumed by industrial customers and those  
6 systems require baseload power. While renewables can provide some power, it is  
7 not baseload and nuclear can fill that portion of the requirement. It is important  
8 that Louisiana look to the future of nuclear power systems as a potential solution.  
9 Staff is authorized, if determined necessary, to issue an RFP to assist with said  
10 analysis. Further, Staff is encouraged to use the resources and expertise from the  
11 US Department of Energy, the Idaho National Laboratory, and the nuclear Energy  
12 Institute in this study.

13 **COMMISSIONER SKRMETTA:** The NARUC is establishing a subcommittee  
14 on small modular reactors and microreactors. The SEARUC representatives are  
15 meeting next month at the Vogtle Nuclear Plant with a presentation by the Idaho  
16 Labs on small modular reactor technology. In an effort to achieve carbon dioxide  
17 zero, we have to look at how this can transition over time. These small modular  
18 reactors may actually buy more time from the federal government for the transition,  
19 which has been previously stated as no coal after 2030, no natural gas after 2060.  
20 The Europeans are looking at taking SMRs and shifting them out as the boilers for  
21 their existing coal plants to utilize their current turbines and transmission  
22 interconnect. It could be an answer for Louisiana for our slow transition out.  
23 There's a national movement to garner participants to where if they can get more

1 than 16 to 20 commitments, that manufacturer would actually bring it within the  
2 cost of combined cycle gas turbine boiler systems. So I think it's important for the  
3 Commission to get greater understanding, for the Staff and the members of the  
4 Commission to, you know, gain greater knowledge, and to look at what we may  
5 define as our resource plan. I've had meetings in my office with some Louisiana  
6 industrials who have explained that they are looking towards SMR technology as  
7 co-gen potential with Louisiana utilities, so I think we ought to be on the near side  
8 of knowing what's coming versus the back end of it, so I think this is a good thing  
9 for us to be doing as we move toward the future.

10 **CHAIRMAN CAMPBELL:** I have no problem, but let me ask you something.  
11 Mr. Skrmetta, how many directives did you have today?

12 **COMMISSIONER SKRMETTA:** I didn't have anything to do all summer,  
13 Foster. I sat around --

14 **CHAIRMAN CAMPBELL:** I know you didn't.

15 **COMMISSIONER SKRMETTA:** But I won't have any next month.

16 **CHAIRMAN CAMPBELL:** Well, I'm the one that had to stop you by just saying  
17 I direct, I direct, I direct, and you never brought them up and I made you bring them  
18 up, but Jesus, man.

19 **COMMISSIONER SKRMETTA:** Then I won't do any next month.

20 **CHAIRMAN CAMPBELL:** Well, hey, you can hold them up for three years, it'd  
21 be all right with me.

22 **COMMISSIONER SKRMETTA:** Well, I've been busy with NARUC and with  
23 other meetings, so I wanted to share all the information that I've learned.

1     **CHAIRMAN CAMPBELL:** Yeah. Well, anybody have any idea -- and I'm just  
2     asking, seeking information. If we do all of these things, how much money -- now,  
3     don't sit over there and tell me, shake your head like this, that it don't cost anything.  
4     How much damn money, if we do all of these directives, how much money -- and  
5     we hire -- how much money are we fixing to spend?

6     **SECRETARY FREY:** We've got, I guess, about three of them that contemplate  
7     hires; is that right?

8     **COMMISSIONER SKRMETTA:** Carbon capture costs 600 million.

9     **CHAIRMAN CAMPBELL:** Do what?

10    **COMMISSIONER SKRMETTA:** Carbon capture costs 600 million, we know  
11    that part so far.

12    **SECRETARY FREY:** I think there's three of them that contemplate hire, so if  
13    we hire outside on the typical rulemaking, what are we looking at, 100,000 per  
14    consultant, roughly, give or take.

15    **CHAIRMAN CAMPBELL:** That's just where they start. Now, come on,  
16    Brandon. We ain't buying used shoes here, we're buying new stuff, man. Don't  
17    try to please everybody. Tell it like it is. You know who Aaron Neville is? He had  
18    a great son, Tell It Like It Is. That's what I want to hear. Tell me like it is.

19    **COMMISSIONER SKRMETTA:** It doesn't cost any money to tell the utilities  
20    to give people their money back.

21    **SECRETARY FREY:** You know, Foster, its -- unfortunately it's not a simple  
22    answer. I mean, we've got some rulemakings where its 50,000, some where its

1 600,000. So, you know, it could -- I mean that's the range you're looking at,  
2 probably.

3 **COMMISSIONER SKRMETTA:** These are not -- I mean, these aren't big ones.

4 **CHAIRMAN CAMPBELL:** You know, you load up everybody with things to  
5 do, and I'm talking to you, Eric. You load up everybody, then the Staff's loaded  
6 up and they're just doing all this stuff. I understand that. But I mean, its five people  
7 up here and to come with 15 or 12 or 8 directives, loading everybody up is a lot.

8 **COMMISSIONER SKRMETTA:** Well, it's either that or we don't just do our  
9 job.

10 **CHAIRMAN CAMPBELL:** Yeah, right.

11 **VICE CHAIRMAN FRANCIS:** Mr. Chairman, in defense of Commissioner  
12 Skrmetta, we're not creating a docket yet, we haven't hired anybody or voted to  
13 hire anybody yet, have we?

14 **SECRETARY FREY:** No.

15 **VICE CHAIRMAN FRANCIS:** Okay.

16 **SECRETARY FREY:** Like I said, there's three of them that contemplates hires.

17 **VICE CHAIRMAN FRANCIS:** We can vote those down, we can say no, we're  
18 not going to hire someone, so the horse is still in the barn. Okay? All right.

19 **COMMISSIONER GREENE:** I have a question.

20 **CHAIRMAN CAMPBELL:** Thank you, Mr. Republican. That don't work, by  
21 the way.

1 **COMMISSIONER GREENE:** Could we specify that, for this one, I think it is a  
2 very potent part of our future, but we don't have a lot of answers to it, so it's  
3 important to get these answers. But can we specify to hire a nuclear expert?  
4 **SECRETARY FREY:** I think that would be --  
5 **COMMISSIONER SKRMETTA:** That was part of it.  
6 **SECRETARY FREY:** If we issued an RFP, I think that would be part of it.  
7 **MS. BOWMAN:** I would think if we have to -- I mean, I think at first we would  
8 reach out to, you know, these -- the Idaho National Laboratory, the Nuclear  
9 Institute, and Department of Energy and see what we can get from them, just to  
10 kick off and start the process and then, yes, I think a nuclear expert would be  
11 appropriate.  
12 **COMMISSIONER GREENE:** And then kind of like one of our former topics,  
13 would it be okay if we got a report of, like, maybe the utilities have this information  
14 already in their IRPs and then decide do we need to open a docket.  
15 **COMMISSIONER SKRMETTA:** Yeah. The Idaho Nuclear Labs offered to  
16 come in and work with us on this.  
17 **COMMISSIONER GREENE:** Okay.  
18 **COMMISSIONER SKRMETTA:** They're really the primary source of  
19 information on SMRs and small nukes and so that's why they're mentioned in the  
20 directive.  
21 **COMMISSIONER LEWIS:** I agree with -- and I think this is a real technology  
22 we should study. Would the Commissioner be open, once again, to opening this as  
23 a docket so we can --

1    **SECRETARY FREY:** This one is a docket.

2    **COMMISSIONER LEWIS:** This is a docket?

3    **SECRETARY FREY:** Yes.

4    **COMMISSIONER SKRMETTA:** Yep. It's a docket.

5    **COMMISSIONER LEWIS:** Okay. I'm sorry. I missed that. And I agree with

6    the Commissioner. I plan to join that tour and I think, further, what we should do

7    maybe later down the line is have this be part of the integrated resource planning

8    about advanced nuclear technology and include it in their process and make sure

9    they do it.

10   **COMMISSIONER SKRMETTA:** I think it's already part of integrated resource

11   planning as nuclear.

12   **COMMISSIONER LEWIS:** I don't think it's directly stated.

13   **SECRETARY FREY:** Yeah, maybe nuclear just in general, but I don't know that

14   they're getting that specific. I'm looking --

15   **COMMISSIONER SKRMETTA:** You can redefine it because nuclear has been

16   dormant for a while.

17   **SECRETARY FREY:** It has. I know we had that docket looking at it about 15

18   years ago and it kind of [INAUDIBLE].

19   **COMMISSIONER LEWIS:** Well, I want to work with the Commissioner to

20   make sure we can start collecting all of that information.

21   **COMMISSIONER SKRMETTA:** It's just the, you know, got to know if you

22   want to be able to work with it, so.

1 **CHAIRMAN CAMPBELL:** Is there any objection? No objection? [NONE  
2 HEARD]

3 **COMMISSIONER SKRMETTA:** No.

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

5 **SECRETARY FREY:** We've got one more directive.

6 **MS. BOWMAN:** One more directive.

7 **COMMISSIONER SKRMETTA:** I know you can't say no to this one.

8 **MS. BOWMAN:** Okay. So it's a directive to Staff to expand Docket Number R-  
9 36630, which is a docket open to look at the consumer bill of rights, to include a  
10 review and analysis of improved standards for customer service call centers of  
11 jurisdictional utilities.

12 **CHAIRMAN CAMPBELL:** Fine. I'm for this.

13 **COMMISSIONER SKRMETTA:** Told you.

14 **COMMISSIONER GREENE:** Can I say something? I want to thank  
15 Commissioner Skrmetta for bringing this back up. I know former Commissioner  
16 Boissiere brought it up as he was exiting, and I want to suggest on the record that  
17 part of the standards for customer service call centers include looking into the  
18 benefit and cost impacts of requiring those call centers to be inside Louisiana. If a  
19 customer calls, one of the reasons they did is they get connected to a call center in  
20 Iowa or Indiana or somewhere and they don't even know -- the people they're  
21 talking to don't even know where it is that this person that's calling from lives. So  
22 I know Mississippi deals with something like that as well, so I think it could bring  
23 customer service jobs back to Louisiana and could be a win-win, so.



1 **CHAIRMAN CAMPBELL:** No objection? [NONE HEARD] It's passed.  
2 Number 16.

3 **MS. BOWMAN:** Exhibit Number 16 is Docket Number U-36383. This is  
4 National Water Infrastructure's application for adjustment in rates for current and  
5 acquired systems, including certification of a regionalization project and  
6 construction work in progress recovery of capital expenditures and associated  
7 financing, and for letter of non-opposition of acquisition of Ascension Parish  
8 Wastewater assets. It's a discussion and possible vote on a regionalization project  
9 and conditional term sheet, pursuant to Rule 57, at the request of Commissioner  
10 Lewis. On June 6, 2022, NWI filed its application. Notice was published in the  
11 Commission's Official Bulletin, with no party intervening. The application seeks  
12 approval to purchase certain assets in Ascension Parish and to construct a  
13 wastewater collection system near the State Highway 73/42 corridor in Ascension  
14 Parish that would tie into the proposed central treatment plant. That treatment plant  
15 would be located in the industrial corridor of Ascension Parish along State Highway  
16 LA 75. The application was supported by two letters from the Secretary of  
17 Louisiana Department of Environmental Quality. The letter stated the necessity  
18 and urgency of the project and urged its approval. Staff and NWI entered into a  
19 proposed settlement term sheet filed into the record on August 10, 2023, and in that  
20 term sheet, the parties agreed that the regionalization project is necessary and urgent  
21 to provide needed water quality and environmental benefits to Ascension Parish  
22 waterways. However, Staff was concerned that all of the costs would initially be  
23 on NWI's customers while benefiting the entire parish. Therefore, both parties

1 believe that the authority to proceed with the regionalization project is a policy  
2 decision to be made by the Commission. In the term sheet, the parties agreed to  
3 have certain terms and conditions that would apply in the event the Commission  
4 were to approve the regionalization project. The terms and conditions were created  
5 for the protection of ratepayers include the following: A prudence review for the  
6 recoupment of costs associated with the project; construction work in progress  
7 recovery, which would limit the rate increases to no more than \$10 per calendar  
8 year; create a vulnerable customer stabilization fund; and NWI agreed to pursue  
9 financing under the EPA's WIFIA program to obtain the most favorable terms  
10 available to reduce customer costs. On August 10, 2023, Staff and NWI filed their  
11 unopposed joint motion for consideration by the Commission pursuant to Rule 57  
12 and approval of the proposed settlement term sheet and should the Commission  
13 approve the regionalization project. Staff's recommendation is that event that the  
14 Commission approves the regionalization project, Staff recommends that the  
15 project only be approved subject to the term sheet filed on August 10, 2023.

16 **CHAIRMAN CAMPBELL:** We need a --

17 **COMMISSIONER GREENE:** Motion to take it up under Rule 57.

18 **CHAIRMAN CAMPBELL:** There's a motion --

19 **COMMISSIONER SKRMETTA:** Second.

20 **CHAIRMAN CAMPBELL:** -- on the floor to take it up under Rule 57.

21 **COMMISSIONER SKRMETTA:** Second.

22 **CHAIRMAN CAMPBELL:** There's a motion to accept Staff recommendation.

23 **COMMISSIONER SKRMETTA:** Second on the 57 by Skrmetta.

1 **COMMISSIONER GREENE:** I have a comment, too. I'd like to second or  
2 motion to approve the NWI regionalization project subject to the term sheet agreed  
3 upon by NWI and Staff that ensures certain cost caps and protections exists for  
4 NWI customers.

5 **COMMISSIONER SKRMETTA:** Second.

6 **CHAIRMAN CAMPBELL:** Is there any objection? [NONE HEARD] No  
7 objection.

8 **COMMISSIONER SKRMETTA:** Move to adjourn.

9 **CHAIRMAN CAMPBELL:** It's approved.

10 **MS. BOWMAN:** Wait, wait. There's two more items.

11 **COMMISSIONER GREENE:** Two left.

12 **COMMISSIONER SKRMETTA:** Oh, there's two left? I was trying to help you,  
13 Foster.

14 **COMMISSIONER LEWIS:** Mr. Chairman, I just want to thank the Ascension  
15 Parish government for working so diligently on this with Commissioner Greene  
16 and myself. This process started for the Ascension Parish in 1996 when I was four  
17 years old, so I've made it all the way to the Commission. But they have worked  
18 tirelessly and I just want it on the record, I know the Parish President may still be  
19 in the room, I'm not sure if he -- there he is. Their commitment -- we're still having  
20 conversations about what we'll do there -- NWI's commitment to low income  
21 customers in the region and I just -- I know the time is short, but I just wanted to  
22 publicly thank them for their work they did on this that will benefit some of my  
23 constituents.

1     **CHAIRMAN CAMPBELL:** I want to apologize to you, Mr. Lewis. I shouldn't  
2     have made that motion, you should have made it. But anyway, I did, it passed,  
3     that's all. But I apologize.

4     **SECRETARY FREY:** While Mr. Cointment's is here, I got to pick on him. You  
5     know, he looks a lot younger than me, but we actually played football together. I  
6     blocked for him a lot, he's a pretty damn good running back, so good seeing you,  
7     Clint.

8     **CHAIRMAN CAMPBELL:** All right. We got one more?

9     **MS. BOWMAN:** We have two more.

10    **CHAIRMAN CAMPBELL:** All right. What are they?

11    **MS. BOWMAN:** Exhibit Number 17 is Docket Number U-36582. It's Cleco  
12    Power's formula rate plan annual earnings monitoring report for the twelve months  
13    ended June 30, 2022. It's a discussion and possible vote on a joint report and draft  
14    order, at the request of Commissioner Skrmetta. Cleco Power filed its filing on  
15    October 31, 2022 pursuant to Order Number 32779. Notice of the proceeding was  
16    published in the Official Bulletin, with PCA and IP being the intervenors. Cleco  
17    Power's second amended and restated FRP utilizes a target return on equity of 9.5  
18    percent. On May 1, 2023, Staff filed its Staff report into the record indicating that  
19    the Cleco Power's filing complied with Order Number U-35529, but it reserved its  
20    right to maintain its dispute regarding the inclusion of some regulatory assets in  
21    rate base in Cleco Power's future rate base proceedings. Recognition of those  
22    regulatory assets does not result in any change to a potential rate refund in the filing.  
23    Because Cleco Power earned a ROE of 8.37 percent, there was no excess base

1 revenues that would result in a refund. Cleco Power filed its response, which  
2 indicated it concurred with Staff's recommendation and reserved its rights to  
3 dispute Staff's position regarding the regulatory assets in its future base rate  
4 proceeding, which is now currently pending at the Commission. On August 9,  
5 2023, Staff and Cleco Power filed the joint report and draft order, summarizing the  
6 proceedings and stating that there are no unresolved issues. As there are no  
7 unresolved issues, Staff recommends that the Commission accept the joint report  
8 and issue the draft order filed into the record on August 9, 2023.

9 **COMMISSIONER SKRMETTA:** Move to accept the Staff recommendation that  
10 the Commission accept the joint report and issue the draft order.

11 **CHAIRMAN CAMPBELL:** Is there any objection?

12 **MS. BOWMAN:** Is there a second?

13 **COMMISSIONER GREENE:** Second.

14 **CHAIRMAN CAMPBELL:** I'll second. You can second that, you've been  
15 wanting to all day, so you might as well. All right. It's the last one. What is it?

16 **MS. BOWMAN:** Last one. Exhibit Number 18 is undocketed. It's an update from  
17 Entergy Louisiana regarding outages and storm restoration efforts after the July 31,  
18 2023 storms and frequent outages in the Baton Rouge area. It is at the request of  
19 Commissioner Lewis. We do have a few yellow cards for public to speak, but I'm  
20 assuming, Commissioner Lewis, you'd like Entergy to go first?

21 **COMMISSIONER LEWIS:** Either one's fine. I mean -- let's hear from the  
22 people first.

23 **MS. BOWMAN:** Sure.

1 **COMMISSIONER LEWIS:** I think it makes more sense. They've been waiting  
2 diligently to speak, so I think we should hear from consumers.

3 **MS. BOWMAN:** So we have a Ms. Laura Dalton and Mr. Steven Bengard. If I  
4 butchered that, I'm sorry. Oh, you're with Entergy. Okay.

5 **CHAIRMAN CAMPBELL:** Thank you for waiting. I apologize for being so  
6 long.

7 **SECRETARY FREY:** And just hit the button and when the light turns green,  
8 you're on.

9 **MS. LAURA DALTON:** My name's Laura Dalton. I live in the Sherwood Forest  
10 subdivision in Baton Rouge. And we have about 171 homes that lose power  
11 consistently and it's for many hours. Any time the wind blows, the power goes out.  
12 Any time it rains hard, the power goes out.

13 **CHAIRMAN CAMPBELL:** You're on Entergy; is that correct?

14 **MS. DALTON:** Yes, sir. Yes, sir. We called the last -- the first week in August,  
15 we lost power three different times and my husband called Entergy to ask how  
16 many times we had lost power in the last year. They could only tell us since May  
17 17<sup>th</sup> to August 1<sup>st</sup>, we had lost power seven times, so that was three more times that  
18 week, so 10 times within, you know, two and a half months. And he asked was that  
19 excessive and of course the lady had no idea if that was excessive or not, but we  
20 asked for Entergy to give us a call and asked for how many times we'd lost power  
21 in the last year, nobody ever called us back. So I am here speaking for those 171  
22 homes, just to ask that something be done for our little area so that we don't lose

1 power all the time. It is extremely hot and when you lose power three times in one  
2 week when it's over 100 degrees, that's pretty miserable.

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

4 **COMMISSIONER GREENE:** Are you Sherwood Forest?

5 **MS. DALTON:** Yes.

6 **COMMISSIONER GREENE:** So my PA lives near there and he said that he's  
7 had -- his generator has been on 45 hours in the last 8 days.

8 **MS. DALTON:** Yeah.

9 **COMMISSIONER GREENE:** And just the on and off surge and he lost all of his  
10 freezer, his deer meat and all. So we're hearing this a lot and we do have some  
11 things we're looking into, but, yeah. This is 2023, this shouldn't happen on sunny  
12 days.

13 **MS. DALTON:** Right, right. Yeah.

14 **COMMISSIONER GREENE:** So, thank you. Know that it's in process, but it's  
15 not, pun intended, a switch to flip right now, but we're trying to make it a higher  
16 level of excellence.

17 **MS. DALTON:** Okay.

18 **COMMISSIONER LEWIS:** And I want to thank you and your neighbors, my  
19 constituents, for reaching out. I mean, this has been, for my colleagues to know,  
20 something that my office in the last few weeks have gotten significant numbers,  
21 from businesses, from consumers. This is a challenge. This neighborhood, we've  
22 been talking, and I'm going to go over there, we're going to ask Entergy to join us

1 at a town hall in the neighborhood, but that's why I wanted you to show up because  
2 I think we have to contextualize this. As you see, we vote on a lot of things.

3 **MS. DALTON:** Right.

4 **COMMISSIONER LEWIS:** And every vote that we take matters to you and your  
5 constituents. And as Commissioner Campbell said, I know when he got first got  
6 here, when I say when I first got here, look around this room. There's not many  
7 people who are not being paid to be here right now.

8 **MS. DALTON:** Right.

9 **COMMISSIONER LEWIS:** And these decisions and the infrastructure that we're  
10 making, these investments matter. And so that's why I wanted you and I invited  
11 your neighbors -- I know there were some others who have come, but I want you to  
12 be known that my office, my team, we've been responding to yours, we sent these  
13 in to Entergy right away, and I look forward to kind of hearing the update on what  
14 they can provide us. And I'll assure you, there will be some accountability at the  
15 end to ensure that we are rectifying this because you're right, if we're losing this  
16 right now, what happens when there's a hurricane? What happens when we're  
17 facing severe winter storms or, as we are, excessive heat? And I keep harping on  
18 this, but for me, these are life and death decisions. I'm not just looking at earnings,  
19 right. And so I want to thank you for coming and voicing your story. I think we  
20 should do a better job as a Commission having public meetings so we can hear more  
21 from you and less from the companies because that determines how we make  
22 decisions. We should be making the best decision for you, not what they tell us is  
23 the best decision for you.



1 **CHAIRMAN CAMPBELL:** Thank you.

2 **MS. DALTON:** Thank you.

3 **CHAIRMAN CAMPBELL:** Thank you a lot for coming. I'm sorry it took so  
4 long.

5 **MS. DALTON:** I learned a lot.

6 **CHAIRMAN CAMPBELL:** We don't have a clock on the wall for today. There's  
7 a good reason for that.

8 **MS. DALTON:** I see.

9 **COMMISSIONER LEWIS:** And Mr. Chairman, before Entergy comes up, I  
10 want to share another constituent story who unfortunately can't be here but  
11 contextualizes why I added this to the agenda. This is Ms. Celeste Carter who lives  
12 within my district and she says, I'm writing to share an incredibly challenging  
13 experience that my family recently endured due to an extended power outage. As  
14 a single mother with two toddlers and a senior parent, the ordeal we went through  
15 Friday night to Monday morning was not shortsighted of distressing and I hope  
16 sheds light on the impact it has on our lives. The power outage, which occurred  
17 unexpectedly, brought it with a wave of anxiety and hardships that deeply affected  
18 the wellbeing of my family. As a single mother, I'm accustomed to navigating the  
19 demands of raising two young children and caring for my senior parent, Eunice.  
20 However, the power outage magnified our vulnerabilities and placed us in an  
21 extreme difficult situation. During those three days without power, we faced a  
22 multitude of challenges that tested our resiliency and our resourcefulness. The loss  
23 of electricity lead to the spoiling of our food that we had carefully stocked for the

1 week, causing financial stress and future uncertainty. More significantly, the health  
2 and the safety of my mother became a pressing concern, as she relies on medical  
3 equipment that requires electricity to function properly. Witnessing her and the  
4 distress and the potential risk to her health was a constant source of my worry. In  
5 efforts to alleviate the 100 degree stifling heat that premeditated our home, I found  
6 myself making a decision I never thought I would have to make: Connecting an  
7 electric cord from our car to a fan in order to generate some air flow. While this  
8 decision was made out of necessity and with the safety of my family in mind, it  
9 serves as a stark reminder of the dire circumstances we were forced to endure. I  
10 understand that unforeseen events can impact power supply and I appreciate the  
11 complexities involving in maintaining a reliable electric infrastructure. However,  
12 I urge you to consider the real world consequences that power outages can have on  
13 our vulnerable individuals and in families. As a provider of essential services, the  
14 wellbeing and safety of your customers, particularly those who are the most  
15 susceptible, should remain a top priority. I kindly request that you review and  
16 assess the procedures in place for addressing power outages, with a specific focus  
17 on minimizing disruptions for families like mine. Additionally, I hope that Entergy  
18 can explore initiatives to provide better communication and support during such  
19 challenging times, including correct and timely updates after hours of customer  
20 assistance and in after hours of customer assistance. Thank you for the time of  
21 reading my letter and for your consideration of the impact of outages can have on  
22 families of need. I have provided a timeline of statues updates received on my end  
23 from Entergy that align it from what is actually happened at the time. Sincerely,

1 Ms. Carter. I read that letter because when we talk about this, I do not want us to  
2 lose sight of the humanistic aspect of what we are doing here in these Commission  
3 meetings. I know we had a very lengthy meeting, I know we debated some serious  
4 issues, but at the end of the day, everything that we vote on, everything that we talk  
5 about, every standard that we pass, every general rule that we initiate is making a  
6 decision whether or not somebody can survive. And we cannot just keep talking  
7 about the same things and not looking at the serious consequences of that faced. I  
8 mean, the same article that we were talking about -- when we talk about Entergy,  
9 let's talk the facts. Their earnings for the 3-month period and their earnings call  
10 that they just recently had was \$391 million, a 1.5 times higher than it was the last  
11 quarter. And then the CEO says that when they are talking about a 3-year plan of  
12 formula rate plan that, quote, it would need to make up for a lagging investment.  
13 And so when we talk about reliability that we heard earlier and from this letter, this  
14 simply cannot be valued based off of under-earnings and earnings, it has to be  
15 valued on people's lives. And so I'm really looking forward to asking some  
16 questions and I would invite Entergy Louisiana up at this time to provide the status  
17 update that I have requested.

18 **CHAIRMAN CAMPBELL:** Thank you, Mr. Lewis. I'd like to hear this, too. At  
19 1:00. Y'all make it fast, but tell us. I'd like to hear about all this money you made  
20 and how good -- I did, by the way, check their reliability out. It's a lot better than  
21 some. Not great, but -- it's not the national average, but its maybe close to it.

22 **MR. HAND:** Good afternoon, Commissioners. Larry Hand on behalf of Entergy  
23 Louisiana. I'm joined by Phillip May and Steven Benyard to provide an update,

1 not only on the July 31<sup>st</sup> outages but to more directly address Commissioner Lewis,  
2 the customer who was here today and the customer whose letter you read. And I  
3 want to reemphasize, you know, what I said earlier. When we think about our  
4 objectives, our mission, it is centric on those customers to make sure they have the  
5 power when they need it. Nonetheless, we realize, you know, there are outages,  
6 whether planned, unplanned. The causes of the outages are many. You know,  
7 Louisiana is a challenging environment in which to provide, you know, highly  
8 reliable electric service, whether it's the, you know, the dense tree population, the  
9 canopy we have in Baton Rouge, the vegetation growth cycles, soil conditions. You  
10 know, I think Baton Rouge, New Orleans area has some of the highest lightning  
11 strikes in the entire country which can inflict significant damage, cause outages.  
12 Other causes of outages that we see, public inflicted damages, vehicles hitting  
13 equipment. But one of the causes we focus on is I think what is triggering some of  
14 these outages is equipment failures and that is something that we have been  
15 targeting in our investments for the last five years to increase investment in the  
16 distribution grid to reduce equipment failures and the number of customer  
17 interruptions that are occasioned by equipment failures. We've made significant  
18 progress in that regard. I think we've seen success in the reduction in roughly about  
19 35 percent. We've reduced the number of customer interruptions associated with  
20 equipment failures, but clearly, we have more to do. We have multiple dockets  
21 pending before the Commission where we want to advance things, where we can  
22 further arrest customer interruptions associated with the equipment failure. And so  
23 while we've made significant progress moving that forward, we still have a lot of

1 work to do and in working with you. With regard to the neighborhoods you've  
2 identified, Commissioner Lewis, we are gathering the information, trying to assess  
3 the frequency of the outages, the causes. And you'll see when we get the data  
4 pulled that the causes will fall into those big buckets, you know, vegetation,  
5 encroaching the right of way, equipment failure, public inflicted damage, weather.  
6 So we'll get all that information and come up with an action plan to, you know, to  
7 identify what the issues are and how can we focus our efforts to further reduce the  
8 outages. And not only in those neighborhoods, but really our objective is to do that  
9 in every neighborhood. It's going to take time, we started down that path, we want  
10 to continue down that path with the Commission's support. So pending any  
11 questions, Commissioner Lewis and Commissioner Greene, you know, we will  
12 report back to you all with the information with an action -- kind of an action plan,  
13 get your feedback, and move forward with it. But unless there's any questions, I  
14 guess I will turn it over to Mr. Benyard to provide an update on the July 31<sup>st</sup> weather  
15 event that moved through Baton Rouge and caused some significant outages. We  
16 were able to get a lot of customers restored rather quickly, but I'll let Mr. Benyard  
17 provide that.

18 **COMMISSIONER LEWIS:** I have just some questions before we go to the power  
19 [INAUDIBLE]. One of the issues that keeps coming up if after hour call centers.  
20 Is that something you're looking into? That's been, I think, one of the biggest  
21 frustrations. Like I said, I think all of the constituents recognize, especially when  
22 we get to this severe weather issue, that outages happen. I think where some of the  
23 frustrations come from is that communication stream, so I would be very interested

1 to work with you to see if there's something that we can do. I know some of the  
2 complaints that have come in our office that we've looked into have said that when  
3 they go to the map, the map shows power restoration and not and then they call and  
4 then they say, oh, your power's on but they're not, and so I think that may be part  
5 of the frustration, even if we can find a way. And I don't know, there may be some  
6 technology issues that we can discuss, but I just wanted to separate and flag that  
7 [INAUDIBLE]. Some of the concerns I've heard about has been mostly just about  
8 communication and I think if we improve that, I think we improve our -- the  
9 relationship with consumers and customers at a better rate.

10 **MR. PHILLIP MAY:** Those are all great points. Phillip May for Entergy, and I  
11 will tell you that we are not perfect, we do have issues with data in our system. In  
12 fact, I will tell you my home had a similar issue, where, you know, when it was off,  
13 it was on and when it was on, it was off. So we can help the customers with that  
14 information once we are aware of that information, but, you know, a lot of times,  
15 we don't have that awareness of generally a mapping issue, where maybe they're  
16 not mapped to the right transformer or it's a right switch or something along that  
17 line. Once we find that out, we can correct that, but it's -- with a million and one  
18 customers, you will have some of those issues, but we endeavor to fix those as  
19 quickly as possible.

20 **COMMISSIONER LEWIS:** Absolutely. Thank you.

21 **COMMISSIONER GREENE:** I have one thing. I know that we have had  
22 weather and y'all do a good job of trying to rally when we do, but is there a way to  
23 quantify and dig deeper into why people lose power when there's not bad weather?

1 **MR. HAND:** Yeah. Larry Hand again. I think that is what we're endeavoring to  
2 do with those neighborhoods, so we can look at the outage. It's categorized by  
3 cause. You know, did this neighborhood see outages because of vegetation, was it  
4 lightning, was it a weather related event, was it public inflicted damage, a vehicle  
5 hitting a pole, and so forth. So we have the ability to look at on a feeder by feeder  
6 basis.

7 **COMMISSIONER GREENE:** Okay.

8 **MR. HAND:** And that's part of what we do with the SAIFI/SAIDI annual reports.  
9 One of the things we set forth is, you know, what are the five worst performing  
10 feeders or circuits and identify those. All right, these were the lowest or the worst  
11 SAIFI and SAIDI scores on the system, the five lowest, what's our plan to arrest  
12 those? And I think we have the ability to try to figure out for these neighborhoods  
13 in particular what are the causes on, you know, blue sky days? What is causing the  
14 equipment to fail? As we talked about extensively today, the extreme heat has an  
15 effect on the infrastructure, whether it's a transformer or other equipment.

16 **COMMISSIONER GREENE:** Once you get this data mining process going, will  
17 you be able to convey that to us on a regular basis, like quarterly or so?

18 **MR. HAND:** I guess it would depend on the extent of -- are we trying to target a  
19 neighborhood or street or, you know --

20 **COMMISSIONER GREENE:** District.

21 **MR. HAND:** Yes. I'll have to go take that up back, if I could, think about what  
22 we could realistically provide timely without --

1 **COMMISSIONER GREENE:** Because I think it would be important, too, for us  
2 to track, okay, it was this initially and this is where we're heading or trending, so  
3 just to create a trend line with that, it would be helpful for all of us.

4 **MR. STEVEN BENYARD:** And Commissioner, Steven Benyard, vice president  
5 of reliability for Entergy Louisiana. We do provide those reports on a, you know,  
6 a certain cadence where we do tell on a larger, broader, you know, scope of where  
7 we are as far as the outage cause. We don't go to district level because we're tied  
8 to the grid. We want to make sure across the grid that everyone's performing at an  
9 optimal level. With that said, I know we talked about a lot of different things. I  
10 don't want to speculate, but we will dive into the data to truly understand what's  
11 happening in the Sherwood Forest neighborhood. The thing is, when outages do  
12 occur, like for example if a car hits a pole, a lot of people don't understand what  
13 happened. Typically, it may be blocks away from that actual incident and that  
14 affects a homeowner and their neighborhood. My folks are the folks that are  
15 working the field, that restore customers, and we see everything that occurs and  
16 happens, but oftentimes, we don't say, hey, your neighbor did this. We don't say,  
17 hey, this drunken driver did this. We just say, hey, we had damage, this is what we  
18 did, it's more generic. We can do a better job and make sure we communicate with  
19 you all so you can give that information to your constituents.

20 **COMMISSIONER GREENE:** The reason that would be important is because  
21 then if somebody goes, yeah, we lose power on a sunny day, the breast milk went  
22 bad, like what do we do? If that's happening repeatedly, it's not a car every time.

23 **MR. BENYARD:** It's not.



1 **COMMISSIONER GREENE:** We can point to it and say this was the cause of  
2 that and this cause has been dealt with. So I think that will be helpful for us to  
3 communicate to people who have that frustration.

4 **MR. BENYARD:** I agree. And as Larry said, we'll dig into the neighborhood and  
5 get you that information as well.

6 **COMMISSIONER LEWIS:** And one last thing before we go to the presentation  
7 is when -- I know I've heard from some constituents that vegetation around  
8 especially East Baton Rouge, vegetation management around trees has been an  
9 issue. Is that -- in the right of ways -- is that still -- are you noticing a significant  
10 increase or still systematic problems with that and that should be a conversation  
11 that we take up with the Metro Council of East Baton Rouge Parish?

12 **MR. BENYARD:** Yeah. That's a great question. I'll tell you yes because what  
13 we're seeing is even when I go through the data with this particular outage event,  
14 some of the longer durations were not in the right of way, which we are responsible  
15 for trimming, it's actually outside of the right of the way that caused longer  
16 duration, so we need to get the word out there that, hey, it's not only Entergy's  
17 responsibility but also the customers and as well as the municipalities that, you  
18 know, manage those out of right of way trees.

19 **COMMISSIONER LEWIS:** Perfect. And I will contact you separately to  
20 hopefully set up a meeting or maybe even do a presentation on that to the Metro  
21 Council because I think it's important for my fellow elected officials who are  
22 making some of those decisions to know that that could impact their constituents

1 and the work that they expect me to do. So I'll look forward to being a conduit in  
2 that conversation with the Metropolitan and the Mayor-President on that issue.

3 **MR. BENYARD:** I appreciate that.

4 **MR. MAY:** And if I could just add one thing on outages that occur on a blue sky  
5 day. We do see damage to our system from lightning and from other events,  
6 animals and so forth. That may not show up when you have that storm, but when  
7 you have the extreme stress we've been seeing placed on the grid as of late, you  
8 know, wires that have become weakened because of vegetation or lightning strikes,  
9 that shows up when that hottest day of the year -- transformers that were -- had  
10 some issues from a lightning strike, that shows up on the hottest day of the year.  
11 Those are things unfortunately you go out and you have a lineman that spends some  
12 time walking down that line to identify all the problems, they don't see those  
13 smaller issues that then show up when that grid is stressed at its highest amount.

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

15 **COMMISSIONER SKRMETTA:** Yeah, I've got one quick question.  
16 Percentage-wise, what do you attribute sort of the biggest failures across vegetation  
17 sort of effect, animal incursions, and sort of a design equipment failure, whether  
18 it's a design issue or, like you said, some sort of equipment injury that eventually  
19 comes up? Sort of do you have like a sort of a running perspective on percentages  
20 of differential?

21 **MR. BENYARD:** The exact percentages I don't have. I do know the heavy hitters  
22 is typically vegetation, lightning, equipment failure are the top hitters for us as far  
23 as the repeat offenders.

1 **COMMISSIONER SKRMETTA:** Yeah. I know one of the problems that we  
2 have, particularly in my district, in some of the developed communities that like --  
3 particularly in Jefferson Parish is that half of the homes are served behind the  
4 houses and there's a lot of vegetation that does not get managed in the same way  
5 that in front of the houses. And also there's a lot of towns, not that we regulate  
6 New Orleans, but in the old oak tree growth and heavy tree growth, that the cities  
7 are hesitant to have the trees trimmed, that there's a lot of problems with vegetation  
8 that causes problems. But what is the current status of the rule about you going  
9 into people's properties that are served behind the homes for repairs or vegetation  
10 control?

11 **MR. BENYARD:** Great question. You're touching closely on a lot of the  
12 frustrations that we do have. We don't have the right to go and, you know, trim  
13 public or private property unless we get permission. We'll go out there and move  
14 trees if we get permission. With that said, you'll see in our presentation, there's a  
15 lot of the things that hindered us throughout this restoration, challenging when you  
16 go into the rural areas trying to restore, it's hard to assess and it's hard to make  
17 those repairs. It takes a lot of specialized equipment, matting, all kinds of other  
18 equipment, extends the duration of the outages. We brought up New Orleans and  
19 some of the different parishes as well, we can only trim four feet, so we're back  
20 trimming and trimming and trimming, which is costing more money to the  
21 ratepayers, that we have to -- in order to maintain. So you know that we live in the  
22 southwest, you know, south part of the United States wherein we get typically we  
23 have a lot of rain and moisture, that our vegetation rates move a lot faster. So

1 there's a lot of benefit to changing the way we do vegetation management. The  
2 rules that apply to us where we can actually see trees the right way, have a longer  
3 duration before we have to go trim, and also have access to homeowners and them  
4 planting the right trees and giving us access to remove the trees to make sure that  
5 we can do the things we need to do to restore power.

6 **COMMISSIONER SKRMETTA:** Right. And the one thing I was getting at is  
7 what -- my understanding is that you have legal impediments from going on  
8 people's property to do corrective action; is that correct?

9 **MR. BENYARD:** We have a right to maintain our facilities. With that said, we  
10 do have pushback from homeowners at times to access the properties. You know,  
11 we try not to involve law enforcement in those things. We have to have those rights,  
12 but we try to make sure that we're doing the best and working with constituents.

13 **COMMISSIONER SKRMETTA:** So, I mean, do y'all -- is it still a trespass  
14 situation by law for you to go onto people's property to assess and do repair?

15 **MR. HAND:** Commissioner, I'll take that one. I'm not answering as a lawyer, but  
16 --

17 **COMMISSIONER SKRMETTA:** No, no. I mean, is it still the current status of  
18 the legislature for that?

19 **MR. HAND:** I think generally utilities are excepted from that trespass statute, have  
20 the ability to enter property to access right of way, but it doesn't solve the challenge  
21 of vegetation that is -- a tree, for example, that's rooted outside of the right of way,  
22 we have no right to trim that tree. That's an outside of right of way, we need  
23 permission to do so.

1 **COMMISSIONER SKRMETTA:** Well, the reason I'm asking this is that it's a  
2 particular question that comes into play, especially after, like, storm related issues  
3 about going behind homes and, you know, whatever damage is there, that there's  
4 been questions about the right of the utility to access without having law  
5 enforcement in place to gain them access. And the reason I'm asking this is is it --  
6 would it be beneficial to have the utility or the Commission interact with the  
7 legislature to provide or present legislation in the next session that would create a  
8 real viable mechanism to help with vegetation management, access for repair, and  
9 to do so that works, you know, with a fairness to the homeowner, but also to help  
10 get the system back up and running?

11 **MR. HAND:** We're certainly willing to work in that regard because I think it could  
12 be helpful, added to what we have today, but no matter what laws we put in place,  
13 you know, we still have the risk of homeowners with firearms, you know, acting  
14 out.

15 **COMMISSIONER SKRMETTA:** I got that.

16 **MR. HAND:** So that is always a risk and we support looking at laws to improve  
17 the access rights, the trimming rights, because it could be beneficial.

18 **COMMISSIONER SKRMETTA:** Okay. All right. Thank you very much.

19 **CHAIRMAN CAMPBELL:** Hey. You got a presentation?

20 **MR. BENYARD:** We do.

21 **CHAIRMAN CAMPBELL:** Huh? Is that right?

22 **MR. BENYARD:** We do.

23 **CHAIRMAN CAMPBELL:** Okay. Good. Can you do it quick as you can?

1 **MR. BENYARD:** I can.

2 **CHAIRMAN CAMPBELL:** Okay. I want to say one thing before I forget. Thank  
3 you, Phillip, if you stopped those people from cutting off people's electricity.  
4 That's good common sense. I appreciate that. I didn't think y'all would do that.  
5 You were doing it and you stopped it. I just want to say thank you because you  
6 used your head there. Those people are suffering and they're getting by one day  
7 and you cut them off the next day. All right. Let's go with the presentation. And  
8 I'm not trying to rush you but do the best you can, okay?

9 **MR. BENYARD:** Got it. All right. Thank you, Commissioner. We're here to  
10 talk about the July 31<sup>st</sup> weather impacts. A quick summary: We did have a strong  
11 cluster of storms that started out in Arkansas that headed towards the  
12 Louisiana/Arkansas border. As it crossed, it got further intensified by the heat of  
13 the day. We all know that, we've been talking about this throughout the  
14 Commission meeting, is the heat has really affected the difference in our weather.  
15 I know a lot of us talk about climate change and if it's real or not, but we're seeing  
16 a lot of different impacts that are not normal. As it surged and got towards the south  
17 part of the state, it did intensify to some strong, straight-lined winds and some gusts  
18 of over 50 miles an hour and heavy, heavy concentrations of lightning. We do have  
19 the heat maps of the lightning to prove and show that it was a big issue for us during  
20 this storm. So we brought in over 285 resources. Our team came in between  
21 linemen, vegetation arborists, as well as our transmission folks to come in and  
22 restore our customers as quickly and safely as possible. That said, the peak of our  
23 outages when the first initial devastation came from this storm was around 14,000

1 customers, customers interrupted on the 31<sup>st</sup> around that 5:00 hour. With that said,  
2 over 90 percent of those customers restored rather quickly, within four and a half  
3 hours. That's a testament to the hard work of our men and women in the field. With  
4 that said, the wind and rain, the straight-line winds, the lightning and all the other  
5 vegetation issues we dealt with continue to impede our progress because we ended  
6 up -- had an uptick in tickets where we had a second peak on the 2<sup>nd</sup>, over 2,000  
7 customers were out of lights. So we essentially restored all the customers by the  
8 4<sup>th</sup>, but it was a slow go because of some of the things we discussed prior to getting  
9 into the presentation as far as vegetation, lightning, and all other damages and  
10 equipment damage that we had to deal with during this event. Overall, high level  
11 summary, we had over 200 cases, 30,000 customers interrupted overall during this  
12 event. We had four transmission lines sections affected. As far as the weather, like  
13 I mentioned, this was not a normal event, this was not a afternoon, you know, rain,  
14 it was an intense straight-line wind event, some things that you typically see -- more  
15 intense weather events you can get. To your right, you'll see the lightning activity  
16 that we saw. It kind of really shows the picture of what we were dealing with that  
17 evening. You know, our folks in the field work in a lot of things. Lightning's not  
18 one of them, so we do have to stand down once lightning's in the area until it clears  
19 so we can get back to work. But nothing else impedes us other than lightning, so  
20 we'll work in the rains, snow, whatever comes at us, we'll go after except for  
21 lightning. As far as distribution lines, we had over 200 cases. When you focus  
22 direct on distribution, if you look to the right, that's a picture kind of gives you an  
23 example. We trim out the line that we're responsible for as far as within the right

1 of way, but as you can see, there's trees that come from outside the right of way  
2 that take out our structures as well. We had to deal with that throughout the storm,  
3 so we had a lot of trimming throughout this event. Eighteen percent of the D-line  
4 was attributed to vegetation and 70 percent was attributed to equipment failure,  
5 that's probably due to the lightning. As far as transmission lines, we had some  
6 unique situations throughout this event. We had two sections due to wind, lightning,  
7 and debris. If you can see the picture to the right, this is from the actual event where  
8 we had a roof from one of our neighbors in the community come off and break our  
9 transmission structures and take down our lines. So the good thing is our crews  
10 worked tirelessly here. We got all the structures and the lines isolated, so we're  
11 able to get the substations back within the first few days, but we had to replace the  
12 structures. It took until the fourth day, so we did have a small amount of customers  
13 out until we could do so. So these are real life situations, things that we deal with  
14 in the field. So we talked a little bit about this, challenges and restoration,  
15 accessibility. Sometimes it's hard to get into those backyards and things. We do  
16 have rights to get back there, but sometimes it's, you know, folks like their trees,  
17 they don't want them cut, and when we do restore, we typically have to cut trees to  
18 repair lines, to even repair underground at times, depending if a tree were to pull  
19 them up. The extreme heat is another thing that we had to combat in the field,  
20 between our equipment and our personnel. And then lightning, I have some  
21 pictures in the appendix that shows very detailed lightning of different parts of  
22 different parishes, showing the abundance of lightning during this particular event.  
23 And then the foreign debris I mentioned, and there's a picture here that shows that



1 roof again as well as some of the tree damage from outside of the right of way that  
2 we don't have jurisdiction to trim. With that said, just kind of stepping back, when  
3 we talked about lightning, this is the Gonzales area, you kind of see the lightning  
4 strikes during that event. The White Castle area, same thing. And the St.  
5 Francisville area as well as the Walker area. So these are some of the things that  
6 we deal with lately with the increase in temperatures, with increase of the severity  
7 of the weather systems that come into our area. That's the end of my report,  
8 pending any questions.

9 **COMMISSIONER LEWIS:** Thank you. I want to thank you for this. I think it's  
10 very helpful, especially to some of my constituents who are really, really, really  
11 concerned. I also want to echo Chairman Campbell's comments thanking you for  
12 reversing that. I know I'm a stern regulator, but you all -- publicly, I want to tell  
13 you, you have been very diligent in working with me and hearing me out and talking  
14 with me. I know we don't always agree, we won't always see it eye-to-eye, but I  
15 don't think it should go unmentioned, the work that you are at least doing to engage  
16 with me, and I think that is the most important. The only real question I have, and  
17 I know it's late so I'm not going to belabor the point, is in these events, it kind of  
18 goes back to the other question. I think one of the places where I've heard most of  
19 the constituents is information after a storm. And I know it's very hard to assess,  
20 so I would be very engaged in working with you on just some way that we can start  
21 to -- not necessarily -- I know we won't have the details of every outage, of how  
22 many, but I think that's been a place where, especially when something happens as  
23 this would happen in the 5:00, 6:00 hour, after your call centers are done, they're

1 just looking to like, hey, should I get a hotel? Should I go to my family's house?  
2 And I think if we can find some way to improve just slightly the generic information  
3 so that people can make real-time decisions, I think that would go a long way for  
4 them while we still assess what the actual damage may be, so that's the only request  
5 from this presentation that I had that was the most significant concern that I've  
6 heard from my constituents. So I'm really eager to work with you on  
7 communication.

8 **MR. MAY:** Yes, sir. I think that's absolutely right. The most important thing we  
9 can provide to customers when we have an outage is guidance so they can make  
10 decisions on what they're going to do. Are they going to try to wait to cook dinner,  
11 are they going to go out to eat, do they need to go find a different place to stay?  
12 That is a conversation we had after these events. How can we improve? And I  
13 know Steven and we have others involved in how we can improve that  
14 communication. We know that is the most important thing we can provide in the  
15 wake of an outage. Thank you.

16 **COMMISSIONER LEWIS:** Thank you.

17 **VICE CHAIRMAN FRANCIS:** Thank you, Entergy. Any other questions or  
18 comments?

19 **COMMISSIONER SKRMETTA:** Move to adjourn.

20 **VICE CHAIRMAN FRANCIS:** Okay. Second. Adjourned.

21

22

23

**(WHEREUPON THE MEETING WAS ADJOURNED)**


24

1 I certify that the forgoing pages 1 through 168 are true and correct to the best  
2 of my knowledge of the Open Session of the Business and Executive Meeting  
3 held on ?? in Baton Rouge, Louisiana.

4 \*\*\*\*\*

5 **Rough Draft prepared by:**


6  September 1, 2023  
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