

TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON AUGUST 14, 2024 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN MIKE FRANCIS, VICE CHAIRMAN DAVANTE LEWIS, COMMISSIONER ERIC SKRMETTA, COMMISSIONER FOSTER CAMPBELL, AND COMMISSIONER CRAIG GREENE.

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1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**
2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON AUGUST 14,**
3 **2024 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN**
4 **MIKE FRANCIS, VICE CHAIRMAN DAVANTE LEWIS,**
5 **COMMISSIONER ERIC SKRMETTA, COMMISSIONER FOSTER**
6 **CAMPBELL, AND COMMISSIONER CRAIG GREENE.**

7 **CHAIRMAN MIKE FRANCIS:** Good morning. Welcome to Baton Rouge,
8 another B&E meeting. Let's all stand and we'll get this August meeting started. I
9 want to call on Commissioner Craig Greene, give us our blessing and the prayer.

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

11 **CHAIRMAN FRANCIS:** Call on Commissioner Lewis to lead us in the Pledge
12 of Allegiance.

13 **[COMMISSIONER DAVANTE LEWIS LEADS IN THE PLEDGE]**

14 **CHAIRMAN FRANCIS:** Be seated and -- okay. Am I on here? Okay. Let's just
15 go ahead. All right. And before we have announcements, we've got someone --
16 one of our Staff has exited to another career, I believe, and we got a new hire.
17 Would y'all like to introduce the new hire?

18 **MS. KATHRYN BOWMAN:** Yes, sir. Ms. Evans is going to do that for us.

19 **CHAIRMAN FRANCIS:** Okay.

20 **MS. LAUREN EVANS:** Good morning, Commissioners. Lauren Evans on behalf
21 of Staff. I would like to welcome Braeden Smith. He is our new Attorney in the
22 Legal Division. He was clerking for a year last year and he graduated from LSU
23 Law.

1 **CHAIRMAN FRANCIS:** Okay. Stand up there, Braeden, so we can see who you
2 are and [INAUDIBLE]. We'd like to recognize Commissioner Skrmetta for
3 announcement.

4 **COMMISSIONER ERIC SKRMETTA:** Good morning, everybody. I would
5 like to have everybody meet my daughter. She's in the back row by John Shirley,
6 hiding, but my daughter, Elizabeth, she is a entering third year student at
7 Pepperdine Law and she's here visiting.

8 **CHAIRMAN FRANCIS:** I'll recognize Commissioner Lewis.

9 **VICE CHAIRMAN DAVANTE LEWIS:** Thank you, Mr. Chairman. I have a
10 few announcements that I'd like to make. 1) As we did in the January meeting, I
11 mentioned a letter that -- to the Department of Energy, Housing and Urban
12 Development, and the EPA had sent to commissions and commissioners around
13 customer energy usage and data for multi-tenet properties. Just last month, at
14 NARUC Summer Policy Summit in West Palm Beach, Florida, I introduced a
15 resolution that encouraged state commissions to work with utilities and owners of
16 multi-properties to collect standardized whole building utility data, especially in the
17 formats more in line with HUD, DOE, and the EPA standards. Building owners
18 misses out on billions in taxes, incentives, rebates, and grants without this kind of
19 standardization in home building data. Thirty-nine percent of all United States
20 residents in multi-family buildings live in multi-family buildings or low incomes.
21 And so it is my hope that us working together will unlock building energy upgrades
22 and benefits for the people in making our homes and buildings healthier, more
23 affordable, and more resilient. That resolution was passed by the Energy Resources

1 and Environment Community of NARUC and then passed by the Board of
2 Directors of NARUC. So I encourage all of the utilities in Louisiana -- I, at this
3 time, do not intend to make a rulemaking, but I will be engaging with you all
4 independently to move on this resolution that NARUC has and the letter of support
5 that I have. Secondly, Mr. Chairman, briefly I want to talk about FERC Order 1920
6 and express my support for this order. We're going to discuss in greater details
7 when the matter comes up for a vote and our ratifications later on. And I know
8 many will not agree with this, but I wanted to speak out because I am not alone in
9 saying that FERC Order 1920 is actually a good path for our electric system. In
10 fact, since our last B&E, I joined with 32 other commissioners in 15 states in
11 submitting a formal letter to FERC in support and coauthoring an op-ed on this
12 issue with three other commissioners from the other three regional committees in
13 NARUC. Interconnection issues are the Number 1 reason for the congestion and
14 inefficiencies in our energy system that leads to higher prices and I realize this
15 recommendation planned to more proactively work with state commissions is
16 generally about our work in transmission. So I'd like to raise my voice in support
17 of this new way of collaborating and comprehensive planning for long-term
18 wellbeing of our energy system and if this will reduce gridlock, in my opinion,
19 ensure energy reliability, and lower power costs. And so I strongly believe that
20 FERC's new order thoughtfully provides a framework for us to do so and so I just
21 wanted to put in the record my support and thank Chairman Willie Phillips and
22 former Commissioner Allison Clements for their vote and support of FERC Order
23 1920. Thank you, Mr. Chairman.

1 **CHAIRMAN FRANCIS:** Any other announcements? Commissioner Campbell.

2 **COMMISSIONER FOSTER CAMPBELL:** We have a handy tool that I would

3 like for y'all to look at on the front page, Public Service Commission electric

4 utilities, on the very front page of your booklet. I'm alarmed. The average cost of

5 utilities this month in Louisiana, on 1,000 kilowatts, is \$125 -- 12.5 cents. One of

6 the companies I regulate is at \$1.40, 14 cents, \$140, 14 cents. SWEPCO gets a

7 trophy, they got the highest utility rates in the state of Louisiana, the highest, at 14

8 cents. The cheapest, I think, would be -- or the least expensive is, I think -- none

9 of them are cheap. Excuse me. Here, I got you. I got it. Hold on a second here.

10 It's Northeast Co-op in Winnsboro. They're at 10 cents. I say this to tell y'all that

11 we keep looking at these rates. They're up to 15 cents, 12 cents, 14 cents. That's

12 a lots of money. I remember when we had nobody at 10 cents. Now, you can say

13 everything costs more, this, that, and you can use all the excuses you want. Quit

14 telling everybody that Louisiana has the cheapest utility rates in the state -- in the

15 country. That's not true. You say it all the time here. I hear it. We got the cheapest

16 utility rates in the United States. That is not true. That is not the truth. You might

17 figure it some way, but when you get up to 14 cents a kilowatt hour, that's not

18 cheap. So you can tell that at the Alliance Club, at the Rotary Club, or wherever

19 you're speaking, that we got the cheapest utility rates in the country. That is not

20 the truth. We are probably -- maybe a little bit below the middle and it keeps going

21 up, up, up. People in the summertime are using more electricity, as you know, and

22 it's a hardship. We talk -- Mr. Lewis talks about poor people a lot, a whole lot.

23 Well, that's good, but poor people hurt the worst. They're the one that make the

1 least and pay the high bills. So maybe this is just a wake-up call, but look at this.
2 Every month we get this. Brandon puts it in there every month and he can tell you
3 the utilities you regulate, you can tell you exactly what people are paying, and it's
4 not cheap anymore. That's all I got to say, Mr. Chairman.

5 **CHAIRMAN FRANCIS:** Okay. Any other announcements? Okay.

6 **SECRETARY BRANDON FREY:** We do have a -- wanted to let everyone know
7 that shortly after our June meeting, a face that everyone saw in the audience and
8 saw his beard, passed away. Mr. DeWayne Bailey who was a General Manager for
9 Concordia. Great guy. I don't know how many of y'all got to know him, but I'd
10 speak with him with ours. He actually worked for the co-op for 31 years. Started
11 as a construction worker and moved up to General Manager. So DeWayne will be
12 missed, I know by the Concordia folks for sure.

13 **CHAIRMAN FRANCIS:** Yeah, I think we have a Concordia representative here.
14 I see a gentleman in the back there and give our regards to all the folks up in
15 Catahoula Parish and LaSalle and across the land. Also, I want to welcome all of
16 our tow truck drivers. It looks like we got a few here. If you're with a tow truck
17 outfit, raise your hand. Let's see who they are. Okay. All right. I think y'all care
18 about a relationship with us and we're going to try to do our best to make everybody
19 happy. All right. Let's go ahead. We'll start with --

20 **MS. BOWMAN:** So Staff has one more announcement, Commissioner.

21 **CHAIRMAN FRANCIS:** All right.

22 **MS. BOWMAN:** This year's Public Utility Section Annual Meeting and CLE is
23 going to be held at the City Club on Thursday, December the 5th. Please save that

1 date and also make sure that your section membership is current to receive
2 registration information. If you have any questions or suggestions for speakers or
3 topics, please reach out to Ms. Carrie Tournillon.

4 **CHAIRMAN FRANCIS:** All right. Thank you.

5 **MS. BOWMAN:** And then going to the agenda, Exhibit 23 is deferred this month.

6 **CHAIRMAN FRANCIS:** Twenty-three deferred. Okay.

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

8 **CHAIRMAN FRANCIS:** All right. So we want to get started with Exhibit 2?

9 **MS. BOWMAN:** Exhibit Number 2 is Docket Number U-36959. This is
10 Entergy's application for an increase in rates, whether through a formula rate plan
11 extension or a rate review and proposed revisions to certain fees assessed to
12 customers. It's a discussion and possible vote on an uncontested stipulated
13 settlement, pursuant to Rule 57, so this will need two votes. Entergy filed the
14 instant application on August 30, '23, supported by the testimony of several
15 witnesses and workpapers. The application was published in the Commission's
16 Official Bulletin dated September 1, '23, with several parties intervening. After
17 several rounds of formal discovery by Staff and intervenors, technical conferences,
18 informal meetings, and settlement negotiations, the parties were able to resolve all
19 outstanding issues and entered into a stipulated settlement agreement on August 1,
20 2024. The stipulation resolves all pending issues in the docket, as well as a number
21 of other matters pending before the Commission. It extends Entergy's Formula
22 Rate Plan, subject to certain modifications, it reduces late fees and certain other
23 fees assessed to customers, it lowers additional facilities' charge rates, expands

1 eligibility for low-income senior bill discounts, combines residential rates for
2 legacy companies, and provides millions of dollars in rate credits to introduce
3 customers over the next three years. All intervenors have either signed on to the
4 stipulation or indicated their non-opposition. The major terms of the settlement are
5 as follows: Entergy shall implement \$120 million increase in base rate rider
6 revenues for Test Year '23; it shall also implement a \$101.8 million in incremental
7 net decrease as one-time adjustments; it's authorized to extend its FRP for an
8 additional 3-year term with a 9.7 evaluation period cost of equity with a 40-basis
9 point span; there shall be an over-earning in Test Year -- should there be an over-
10 earning in Test Year '24, Entergy has agreed to a one-time customer credit to the
11 corresponding revenue exceeding that 9.7; Entergy is going to reduce its late fees
12 for all customers to 1.5 percent, implemented on a revenue neutral basis; and
13 Entergy will work with Commission Staff on an analysis of patterns and trends
14 concerning energy usage, disconnections for non-payment, delinquency histories,
15 and account write-offs. This analysis will support a low-income affordability
16 working group that will report its findings to the Commission. Staff recommends
17 that the Commission: 1) Assert its original and primary jurisdiction under Rule 57
18 to consider this matter; and 2) Accept the uncontested stipulated settlement filed
19 into the record on August 2, 2024.

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

21 **COMMISSIONER CRAIG GREENE:** Second.

1 **CHAIRMAN FRANCIS:** Move to bring the matter up on 57 by Commissioner
2 Skrmetta, seconded by Commissioner Greene. Any discussion? Any objection?

3 [NONE HEARD] Hearing none, moving forward.

4 **COMMISSIONER SKRMETTA:** Move to accept the uncontested stipulated
5 settlement.

6 **COMMISSIONER GREENE:** Second.

7 **CHAIRMAN FRANCIS:** Moved by Commissioner Skrmetta, seconded by
8 Commissioner Greene, and we'll -- would ask Commissioner Lewis to comment
9 on it.

10 **VICE CHAIRMAN LEWIS:** Thank you, Mr. Chairman. Could I have a
11 representative from Entergy and UPC to the table, please? Came ready, Mr. Hand,
12 I see. Thank you, gentlemen. I'll go ahead because we have a long agenda so I
13 don't want to belabor the point. I want to thank you for the work that we have done.
14 This has been a very, extremely, collaborative, intense process. I've been deeply
15 engaged in this case and so I just have a few questions for Entergy or for you, Mr.
16 Hand or Mr. Barta. What is your plans for notifying customers about the potential
17 rate changes that they will see if we approve this matter today?

18 **MR. LARRY HAND:** And I would say, briefly, Larry Hand on behalf of Entergy
19 Louisiana, we've done two things. We've already done one, we will do another.
20 The first is when, as required by law, when we filed the rate application about a
21 year ago, we did publish a legal notice in all the journals in the parishes where we
22 serve, advising the public of the potential rate changes, and the rate changes
23 published were significantly higher than the ones that are being approved through

1 the settlement because of the negotiations, so that was the first notice. And what
2 we're also going to do is our V.P. of Customer Service will email a letter to all of
3 our customers, notifying them of the rate changes, assuming the Commission votes
4 to approve the settlement as proposed, and they'll be advised of the changes for a
5 Legacy ELL customer as well as a Legacy EGSL customer.

6 **VICE CHAIRMAN LEWIS:** Thank you. And that has been -- as you know,
7 we've discussed part of my concerns to ensure, especially for those Legacy
8 customers that will see a larger increase because of the rates. I'm very encouraged
9 by several components of this deal, especially around affordability. The reduction
10 of late fees, as you know, has been a Number 1 priority of mine and I appreciate
11 the hard work that we've done to get it from 5 percent to 1.5 percent. The
12 elimination of reconnection and disconnection fees, especially with the expansion
13 of AMI meters, I think is extremely important and does a lot for low-income and
14 at-risk communities in our state and, particularly, in my district. There's a few other
15 changes that you have made in this uncontested settlement that I just want to make
16 sure I understand correctly. You are expanding eligibility for low-income senior
17 discounts. Can you explain how that will work and how will you roll that out to
18 those seniors in the state of Louisiana to know about the expanded eligibility?

19 **MR. HAND:** Yeah. So the discount itself is basically a waiver of the customer
20 charge for an eligible low-income senior. The expand eligibility will come in the
21 form of, I think, historically the threshold for, quote/unquote, low-income was from
22 the 1980s. It was a \$10,000 income threshold, so we're adjusting that upward to
23 allow more people to qualify. It'll be equivalent to the LIHEAP eligibility, so any

1 senior who is LIHEAP eligible, they will automatically, you know, get that discount
2 on their bill, which is a waiver of the customer charge.

3 **VICE CHAIRMAN LEWIS:** Thank you. And I would encourage you to please
4 -- Laura can contact Louisiana Housing Corporation, who oversees LIHEAP, so
5 they can make sure, as seniors are applying, that they know about these benefits,
6 and especially the Council on Agings that I know are all in our districts who call
7 our offices quite often about helping seniors. So if we can help improve those
8 communications, get that out into the community, it'd be really beneficial. I know
9 also in this uncontested settlement you are creating a low-income affordability
10 working group that creates frameworks for us to continue some of these very
11 conversations we're having today about assessing how we help more vulnerable
12 people pay for their bills. Can you just briefly describe what is Entergy's hopes out
13 of this working group?

14 **MR. HAND:** Yeah. I mean, not only this working group, but I think as a general
15 matter, you know, we have worked very hard to try to connect our low-income
16 customers. And as you all know, we have a very large percentage of Louisiana
17 residents who live at or below the poverty line and so we've always had a number
18 of programs to try to connect them with funding sources, whether it's LIHEAP,
19 other things. I think this initiative, you know, we're going to draw from a lot of the
20 experiences. North Carolina, for example, had an initiative like this. So really try
21 to dig in with stakeholders and look at ways we can understand, you know, where
22 our customers are, where the low-income customers are, what we can do to connect
23 them, and better serve them, and try to reduce some of the energy burdens. So it's

1 not a prescriptive, we're going to look at these little things. It's going to be more
2 of a wide-open approach and see what information we can gather, what programs
3 we can develop, and we'll work with a lot of the stakeholders, many of whom I
4 think are in the rate case with us. The Alliance for Affordable Energy I expect to
5 be a major stake hold on that effort and we'd welcome the opportunity to work with
6 each of your offices, to the extent you want to send any of your Staff there.

7 **VICE CHAIRMAN LEWIS:** Absolutely. Thank you. And I plan to engage and
8 get a lot of partners. This is an extremely important initiative that I push for and
9 that you've accepted and I look forward to this affordability working group. It is
10 my hope that, in this process, we all generously are listening openly and enjoying
11 the conversation and direction that could really tackle affordability. I think as
12 Commissioner Campbell was talking about, we have one of the highest energy
13 burdens in the nation where people are spending over 30 percent of their income on
14 their utility bills. And so this type of work I think is extremely important and I just
15 want to commit that, even if the timeline that we have established in this contested
16 settlement is too short, that we come back before this Commission, continue the
17 work, do not cut it short, and be as open and honest with as many stakeholders as
18 possible to tackle all of the issues that we have in Louisiana. So I will thank you.
19 I'm going to switch really quickly to you, Mr. Sisung from UPC. A sticking point
20 in the negotiations was the prudence review and our ability to assess the
21 frameworks and working practices of each year. What opportunities are there for
22 us to interrogate the annual reports based off of this plan and how will we know it
23 is working as intended before the next either extension of an FRP or a rate case?

1 **MR. LANE SISUNG:** Certainly. Every year, Entergy will have an annual filing,
2 which will -- we have increased the reporting of their distribution spending and
3 their transmission spending and Staff will have the opportunity to review all of its
4 investments and to ask questions on those investments. And, you know, Staff and
5 Entergy haven't always agreed on the finality of the FRPs, but for now we're
6 agreeing that Staff's reserving its rights to look at those further in future rate cases
7 and we'll have that argument as we move forward. But we have the right to look
8 every year and we will be looking as the filings are made.

9 **VICE CHAIRMAN LEWIS:** Thank you. And I know one of the major places
10 we were looking at was depreciation rates, so can you explain how we arrived at
11 that \$15 million figure for depreciation?

12 **MR. SISUNG:** Certainly. So Entergy had asked for an overall increase in all their
13 depreciation rates. In the analysis that we've done and our discussions with them,
14 the biggest driver or the biggest laggard in updates of depreciation rates have been
15 associated with their nuclear units. The nuclear units just take a tremendous amount
16 of recurring annual investment and the old depreciation rates simply weren't
17 keeping up with the amount of spending. So that 15 million was derived from
18 conversations, negotiations surrounding the nuclear depreciation and that's how we
19 agreed on that amount.

20 **VICE CHAIRMAN LEWIS:** Thank you. And, Mr. Hand, is it my understanding
21 correctly that under this agreement, Entergy Louisiana is looking to sell off its
22 portions of Grand Gulf?

1 **MR. HAND:** I think that would be Exhibit 3. It's not part of the rate case
2 settlement that's before you, but we have representatives from System Energy
3 Resources who are happy to discuss that on Exhibit 3.

4 **VICE CHAIRMAN LEWIS:** Thank you. And the last thing for all of you before
5 I'm done is -- primarily to you, Lane, the transmission and distribution recovery
6 mechanisms has been a big project. How are they treated in this deal and do you
7 think we have adequate guardrails for the distribution and transmission recovery
8 mechanisms that are in this uncontested settlement?

9 **MR. SISUNG:** Sure. So let's talk about the transmission first. The transmission
10 recovery mechanism never had a cap on it before. We have implemented a cap for
11 the first time. That cap was derived with the knowledge that the way that
12 transmission is planned in the open is MISO's MTEP, and so there are projects that
13 get approved and we are aware of certain projects that are so large or so significant,
14 they're going to receive certification. So they're going to come to this Commission
15 separate and distinct and have to have separate certification hearings for specific
16 transmission projects. We created a cap for the projects that weren't in that bucket
17 and so we have complete visibility into the MTEP process. We're going to have
18 complete visibility into all the transmission projects that are inside the other cap, so
19 we're going to be able to monitor that. With regards to the DRM, the distribution
20 recovery mechanism, there was already a cap and we did agree to expand that cap,
21 but we also continue the accountability and the reporting associated with it. And
22 just over the last cycle of the last FRP, that accountability had ratepayers receive
23 \$6 million in refunds. It looks like, based on some of the things we saw in the rate

1 case, there may be another \$4 million benefit coming to ratepayers. So I think it's
2 a win-win. Entergy is able to have cash and certainty in how they're going to invest
3 in their distribution system, and it also provides ratepayers with some guarantee
4 that they're going to receive increased benefits, and if they don't, then some of that
5 money gets taken back.

6 **VICE CHAIRMAN LEWIS:** Thank you. And, Mr. Hand, I would love to stay
7 engaged. As you know, this is a portion of the deal that I'm not as pleased with,
8 but I want to engage more on the DRM and TRM and to make sure that those
9 investments are heading in the right direction. And so I want to thank you all. I'll
10 be very frank, as my concluding comments, I didn't get everything I wanted in this
11 deal. This is not a deal that I love. I will be keeping my eye, especially, on the
12 transmission and distribution recovery. But I want to thank you for how you
13 engaged in this process, to get all of the intervenors to support an uncontested
14 settlement is a big, big feat. We've had constructive, long dialogues, particularly
15 with my office, I know with the Staff. We've settled a bunch of outstanding
16 questions that provides millions of dollars of customer credits, we create this new
17 working group to expand and ensure our bills stay affordable. And so I have chosen
18 to remain engaged in this process, even though I was skeptical, and I think the result
19 that we have arrived to date is the best case scenario among a lot of outcomes. So
20 I do support this settlement. It is my sincere hope that this is a clear way for us to
21 continue the work, ensure that we modernize our grid, we help folks pay their
22 energy bill, and we turn Entergy into a premier utility company. And so, while I

1 entered skeptical, I want to thank you for the hard work and let you know that I will
2 support this deal today. Thank you, Mr. Chairman.

3 **MR. HAND:** Thank you, Commissioner. I would just say that we started this
4 process, the negotiation, many miles apart from the Staff, intervenors. And I want
5 to thank everybody because we all -- we listened to the Commissioners, we listened
6 to the other parties, and continued working until we got to where we are today,
7 which I think is a fair and balanced outcome for customers with a lot of new
8 customer protections. But also provides certainty for a rate construct for Entergy
9 so that we can continue to make the investment y'all expect us to make to benefit
10 our customers, whether it's distribution, transmission, generation. So we thank all
11 the parties because it was -- there were eight intervenors, Staff, it took a lot of heads
12 getting together and figuring this out. So I want to extend your thanks to the other
13 parties involved as well.

14 **CHAIRMAN FRANCIS:** Mr. Hand, just to be clear, any of these suggestions and
15 remodeling some of our rates will come before us for a vote before we apply that;
16 isn't that true?

17 **MR. HAND:** Yes. So what's being approved today -- I hope is being approved
18 today is the initial rate change that will occur in September of this year. There may
19 be some other rate changes, depending on Exhibit 3 approval. Those would occur
20 probably in the First Quarter of '25. But as Mr. Sisung explained, every year going
21 forward we will look at the test year revenues and expenses, file a report, Staff will
22 look at it, intervenors will look at it, that will come back to you for future approval.

1 So it is a formula rate, but it's subject to your review and approval, as well as
2 Staff's.

3 **CHAIRMAN FRANCIS:** All right. Any other discussion on Exhibit 3? [NONE
4 HEARD] Hearing none, Exhibit 3 is approved.

5 **MS. BOWMAN:** Exhibit 2.

6 **COMMISSIONER GREENE:** That was 2.

7 **MS. BOWMAN:** That was 2. Yes, sir.

8 **CHAIRMAN FRANCIS:** I'm sorry.

9 **COMMISSIONER GREENE:** Yeah. I have a 3 question.

10 **CHAIRMAN FRANCIS:** Correction there. Okay. Now, we move up to Exhibit
11 3. Thank y'all.

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

13 **COMMISSIONER GREENE:** You can stay seated.

14 **MS. BOWMAN:** I would say, y'all might just -- yeah.

15 **COMMISSIONER SKRMETTA:** No, just stay. Larry, just stay.

16 **CHAIRMAN FRANCIS:** Okay.

17 **MS. BOWMAN:** Exhibit Number 3 is -- it's a decent amount of FERC dockets.
18 It's FERC Docket Numbers EL18-152, EL17-41, EL18 --

19 **CHAIRMAN FRANCIS:** Ms. Bowman.

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

21 **CHAIRMAN FRANCIS:** Hold up just a second. I'm sorry. I need to recognize
22 Commissioner Campbell.

23 **MS. BOWMAN:** Oh, I'm sorry.

1 **COMMISSIONER CAMPBELL:** Mr. Chairman, just a suggestion, or I'm
2 asking, is there any way we can bring some of these items up that's going to be
3 heavily contested or argued and a lot of people here are waiting on it? Is there any
4 way we could bring up 24?

5 **CHAIRMAN FRANCIS:** No, I've discussed all that. I think we'll just follow the
6 agenda we have right now, I think.

7 **SECRETARY FREY:** I think, just to be clear, 24 is the actual Southern Spirit
8 docket. I think you're just asking to bring it up after this.

9 **COMMISSIONER CAMPBELL:** Yeah.

10 **SECRETARY FREY:** It's one of the contested dockets.

11 **COMMISSIONER CAMPBELL:** I would like to bring it up because it's a lots
12 of people here, it's going to be very controversial, and it's going to take a lot of
13 time. I don't want to wait two hours to bring it up and people be here at 1:00
14 arguing. That's what I'm saying.

15 **COMMISSIONER SKRMETTA:** Mr. Chairman, I'm okay with that, other than
16 if we could take up the towing issue first, so we could clear the room. I think that
17 might move out fairly quickly.

18 **CHAIRMAN FRANCIS:** Yeah. What number is towing?

19 **MS. BOWMAN:** That's Exhibit 5.

20 **SECRETARY FREY:** It's 5, so we have -- yeah.

21 **COMMISSIONER CAMPBELL:** Let me say something, please, if you don't
22 mind, Mr. Chairman.

23 **CHAIRMAN FRANCIS:** Go ahead.

1 **COMMISSIONER CAMPBELL:** I don't mind the towing deal, I understand
2 that, but then can we take up 24 after the towing?
3 **COMMISSIONER SKRMETTA:** Yeah.
4 **CHAIRMAN FRANCIS:** I think [INAUDIBLE] is up. Any objection with that?
5 **COMMISSIONER SKRMETTA:** No.
6 **CHAIRMAN FRANCIS:** Okay. Let's do 5 and then 24.
7 **SECRETARY FREY:** We'll do 3, 5, and then 24.
8 **MS. BOWMAN:** We need to do 3, since everyone's already -- yeah.
9 **CHAIRMAN FRANCIS:** Okay. 3, 5, and 24.
10 **COMMISSIONER CAMPBELL:** That's fine.
11 **COMMISSIONER SKRMETTA:** Yeah. If we clear the towing out, get
12 everything worked out, I think we'll have places for people to sit.
13 **CHAIRMAN FRANCIS:** All right.
14 **MS. BOWMAN:** So Exhibit Number 3 is FERC Docket Numbers EL18-152,
15 EL17-41, EL18-142, EL18-204, ER18-1182, EL20-72, EL21-56, ER21-117,
16 ER21-129, ER21-748, EL21-24, EL21-46, ER22-958, ER23-816, ER23-1164,
17 ER23-435, EL23-11, ER23-1022, ER24-1203, and EL24-5. This is a possible
18 executive session to discuss litigation strategy, pursuant to the revised statutes, and
19 a discussion and possible vote on a proposed SERI global settlement and SERI
20 retail term sheet. The SERI global settlement, if approved, would resolve all
21 outstanding issues in the aforementioned dockets that are pending contested
22 proceedings at the FERC and in the United States Court of Appeal, except for FERC
23 Docket Number ER22-24. This global settlement is an agreement between

1 Commission Staff and SERI to a black box refund from SERI to Entergy Louisiana
2 in the amount of \$95 million, inclusive of FERC interest, which will then flow to
3 its customers. This amount represents Entergy's allocation percentage of the Grand
4 Gulf output of approximately 16 percent. Entergy Louisiana has already provided
5 \$19.5 million in credits to customers, leaving an additional 75.5 million in credits
6 due to customers. Should the Commission approve this global settlement, Staff and
7 Entergy Services entered into a SERI retail term sheet, which revised the mechanics
8 and the retail treatment for the additional credits to flow back to customers. The
9 SERI retail term sheet indicates that Entergy will provide an annual credit of
10 approximately \$25 million for three years to retail customers through formula rate
11 plan, as further described in the stipulated settlement in Commission Docket
12 Number U-36959. Staff recommends that -- excuse me. In addition to the refunds,
13 Entergy agrees to divest all of its Grand Gulf capacity and associated energy under
14 the UPSA and its additional percentage of Grand Gulf capacity and associated
15 energy it purchases from Entergy Arkansas to Entergy Mississippi as soon as
16 possible, currently projected to be in January of 2025 after all of the regulatory
17 approvals are obtained. Upon divestiture, neither Entergy Louisiana nor its
18 customers will be required to pay the cost of the Grand Gulf capacity and energy,
19 and will not be subject to FERC jurisdiction over Entergy Louisiana's Grand Gulf
20 purchases. Staff recommends that the Commission accept the SERI global
21 settlement, accept the SERI retail term sheet, and instruct Staff to move forward
22 with filing the appropriate documents seeking dismissal of the appropriate
23 proceedings and seeking approval of the same.

1 **COMMISSIONER SKRMETTA:** Mr. Chairman, I move that the Commission
2 accept the SERI global settlement; 2) Accept the SERI retail term sheet; and 3)
3 Instruct the Staff to move forward with filing the appropriate documents seeking
4 dismissal of the appropriate proceedings and seeking approval of the same.

5 **COMMISSIONER GREENE:** I second. I do have a question.

6 **CHAIRMAN FRANCIS:** Motion by Commissioner Skrmetta, seconded by
7 Commissioner Greene. And Chair recognizes Commissioner Greene.

8 **COMMISSIONER GREENE:** Thank y'all for y'all's hard work on this. What
9 assurances do we have there will be no more Enron math when it comes to
10 Entergy's tax approach and how that gets sent down to customers?

11 **MR. HAND:** Again, Larry Hand on behalf of Entergy Louisiana. I am joined by
12 Andrea Weinstein, who represents System Energy Resources. But your question I
13 think generally is regarding some tax strategies we have used over the years, and I
14 want to be clear, we have deployed those with great success in collaboration with
15 the Commission to provide tax savings for customers. And I think the framework
16 we have, working with Mr. Sisung, we have a framework that if we do anymore,
17 there's an appropriate sharing of those benefits with customers that's kind of baked
18 in to the retail settlement. So I don't want to say we will never try to, you know,
19 make tax deductions within the confines of the law that benefit our customers, but
20 what I commit to you is we want to do it in a transparent way with the Commission,
21 so that we all go in arm-in-arm about what are the risks and the benefits and sharing
22 those benefits with customers. So I don't know if that answers your --

1 **COMMISSIONER GREENE:** No, it does. I'm just really trying to get away
2 from the ratepayers having to pay \$1,500 an hour legal fees when we have a
3 disagreement with y'all's tax strategies. So if we can on the -- our priority, say, be
4 transparent about a tax strategy that's mutually beneficial, then that seems to, in
5 theory, avoid the aftershock of \$1,500 an hour employees.

6 **MR. HAND:** We, 100 percent, share that objective and I think that is one of the
7 benefits of both of these settlements is it avoids ongoing legal fees for both the
8 Commission's representation and ours, so we concur.

9 **COMMISSIONER GREENE:** Lane, is there a checks and balances?

10 **MR. SISUNG:** Yes, there absolutely is. With regards to SERI, of course, there's
11 an agreement to dispose of SERI, so none of the tax issues occur there. Circling
12 back to the docket, separate and distinct, that you just voted on in the rate case, we
13 have built in prior notifications and we have built in default sharing percentages, so
14 that we have to be told and we all know going in what the sharing percentages are
15 going to be, unless they want to propose something else, which they're free to do,
16 but they have to disclose it and then they have to propose it.

17 **COMMISSIONER GREENE:** So is the language such that they just have to tell
18 us they're going to kick us in the face or they get to ask us, hey, can we do this tax
19 strategy?

20 **MR. SISUNG:** Well, no. So they have the right to do the tax strategy, then they
21 have to notify us, and then the majority of the benefits inure to ratepayers. So that's
22 the default position.

23 **COMMISSIONER GREENE:** Okay. That's a condition. Okay.

1 **MR. SISUNG:** That is the default position.

2 **COMMISSIONER GREENE:** All right.

3 **CHAIRMAN FRANCIS:** Okay. I want to recognize the work of Mike Fontham
4 and Dana Shelton on this SERI case. Thanks for helping us bring this to a close
5 and we can all move on. All come here with a fresh, new [INAUDIBLE] all the
6 challenges. So thanks, again. Any other questions? [NONE HEARD] Hearing
7 none, is there any objection to approving Exhibit 3? [NONE HEARD] Hearing
8 none, Exhibit 3 is approved. Thank you.

9 **MR. SISUNG:** Thank you, Commissioners.

10 **MR. HAND:** Thank you.

11 **CHAIRMAN FRANCIS:** Now, we go to 5; is that right?

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

13 **CHAIRMAN FRANCIS:** Okay. We're going to jump forward, go to 5.

14 **MS. BOWMAN:** Exhibit Number 5 is Docket Number R-35595. This is the
15 Commission's review of the schedule of prescribed rates and requirements for
16 towing and recovery services in General Order dated August 5, 2016. It's a
17 discussion and possible vote on a second interim rate request by Towing and
18 Recovery Professionals of Louisiana, at the request of Commissioner Skrmetta. It
19 is Staff's understanding that the Towing and Recovery Professionals of Louisiana
20 Association is seeking a second interim rate request from the Commission. Staff
21 has not received any additional information regarding this requested interim, nor
22 support for the requested increase. At the January 2, 2022 B&E, the Commission
23 authorized a 15 percent increase on the towing and recovery rates, and during this

1 interim timeframe, Staff has been working with the TRPL, including conducting a
2 technical conference and informal meetings, to receive the requisite information
3 needed to conduct a rate analysis and recommend a permanent rate increase for the
4 non-consensual towing and recovery rates. Staff filed its Report and
5 Recommendation on August 9, 2024 in anticipation of Commission consideration
6 at its September 2024 B&E and Staff's recommended rate is an additional 15
7 percent increase in non-consensual towing and recovery rates, for a total rate
8 increase of 30 percent. Given Staff's analysis justifies only a 15 percent increase
9 in rates, Staff objects to the Towing and Recovery Professionals Association and
10 the second interim rate request at this time, and therefore, recommends that the
11 Commission reject that second interim rate request.

12 **COMMISSIONER SKRMETTA:** I have a motion that I'd like the Staff to read
13 on my behalf.

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

15 **CHAIRMAN FRANCIS:** A motion, Commissioner Skrmetta.

16 **MS. BOWMAN:** Commissioner Skrmetta's motion is --

17 **COMMISSIONER CAMPBELL:** What's his motion?

18 **COMMISSIONER SKRMETTA:** I don't have a copy of it with me, but if you
19 read --

20 **MS. BOWMAN:** Yeah. So Commissioner Skrmetta's motion is: Based on Staff's
21 recommended rate increase filed into the record on August 9, 2024, I move that we
22 implement Staff's recommended 15 percent increase to the current towing and
23 recovery rates. To be clear, this motion only approves Staff's filed recommended

1 increase for the current rates and is not, at this time, approving Staff's other
2 proposed revisions to General Order dated August 5, 2016. My motion also does
3 not take a position on Staff's other recommendations, which will include potential
4 changes to the definitions of General Order dated August 5, 2016, as well as
5 proposed new rates, as those recommendations are open for public comment with
6 anticipated Commission consideration at our September meeting.

7 **COMMISSIONER SKRMETTA:** That's my motion.

8 **COMMISSIONER GREENE:** Second.

9 **CHAIRMAN FRANCIS:** We got a motion by Commissioner Skrmetta, a second
10 by Commissioner Greene.

11 **VICE CHAIRMAN LEWIS:** And an objection by Commissioner Lewis.

12 **COMMISSIONER CAMPBELL:** I got a question.

13 **CHAIRMAN FRANCIS:** Question by Commissioner Campbell to start with.

14 **COMMISSIONER CAMPBELL:** Mr. Skrmetta -- is it on?

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

16 **COMMISSIONER CAMPBELL:** Is this raise that we're voting on 15 percent;
17 is that correct?

18 **COMMISSIONER SKRMETTA:** Yes, sir. And 15 percent interim, correct?

19 **MS. BOWMAN:** Yes, sir. That's your motion.

20 **COMMISSIONER SKRMETTA:** Right.

21 **COMMISSIONER CAMPBELL:** What was the discussion about 30 percent?
22 That's what y'all wanted, is 30 percent?

23 **MR. RUDY SMITH:** [INAUDIBLE].

1 **COMMISSIONER CAMPBELL:** Do what?

2 **MS. BOWMAN:** Rudy, put on -- yep. Mic and introduce yourself.

3 **MR. SMITH:** Rudy Smith, Towing New Orleans, Towing and Recovery
4 Professionals of Louisiana. Thirty percent is what is needed. The people you see
5 behind me in this room are losing money every day, so Commissioner Skrmetta's
6 request is to give them some relief while we continue to work with the Staff and try
7 and get a suitable rate. It's not close. We can't agree on the specifics because
8 towing companies' non-consensual is mixed with consensual and in other
9 businesses, body shops, farms, all kinds of things. They work on a tax basis
10 accounting system. They don't have the wherewithal to pay accountants to change
11 their books to a financial accounting system, which is what this Commission needs
12 to verify it. This docket we're working on is 2016. We're not there yet, but you've
13 got owners and you've got drivers and you've got employees back here that are
14 being affected and we need some relief while we continue to negotiate.

15 **COMMISSIONER CAMPBELL:** I support the 15 percent, but I was talking to
16 a operator up in my area and he wanted the 30 percent and he said his insurance
17 was high. I listened to him, very nice fellow. I listened to him, but insurance is
18 high for everybody, not just towing operators. So if that was the argument that we
19 have to give everybody a raise because of insurance, car insurance is high for
20 everybody. Home insurance, you can't buy the insurance, nobody wants to write it
21 in the state of Louisiana. But I can support 15 percent, but I cannot support 30
22 percent. If this is for 15 percent, I think it's fair. I can support that, but not 30.

1 **MR. SMITH:** Commissioner Campbell, I know you've been in the insurance
2 industry, and yes, I'm sympathized with everybody's insurance predicament.
3 Homeowners are getting a percentage increase yearly. These gentlemen behind
4 me, insurance has tripled in the last five years, two times.

5 **COMMISSIONER CAMPBELL:** I can understand that.

6 **MR. SMITH:** Thank you. Thank you for supporting.

7 **CHAIRMAN FRANCIS:** Commissioner Lewis.

8 **VICE CHAIRMAN LEWIS:** Thank you, Mr. Chairman. Mr. Smith, I want to
9 thank you for meeting with my Staff and discussing this issue, but I'm going to be
10 very blunt. Getting a motion five minutes before the meeting for a 15 percent
11 increase on my consumers, I can't go with. This is not how this process should
12 work. We had a docket filed, we have asked for data requests. I've asked the Staff
13 to pull this data request that was sent to all on December 10, 2021. Could someone
14 from Staff tell me how many responses did we get from this data request?

15 **MS. ROBIN PENDERGRASS:** Three.

16 **VICE CHAIRMAN LEWIS:** Three. I can't evaluate that when three -- I see more
17 than three companies in this room, Mr. Smith. There was ways to engage the
18 companies and I want to help, but I'm not -- just like a utility, I'm not going to let
19 you just make up numbers and then throw them to us and then not provide the
20 adequate data. So can you explain to me, in the context of why this Commission,
21 who has consumers who are not really not notified about this to give their side of
22 the story, we should adopt an interim rate when we have a docketed proceeding
23 with a Staff recommendation filed for September that is in the record that is now

1 open for comment, that we can engage state police, we can engage a lot of the other
2 things to ensure. I'm not saying anything is not factual, but I have a very serious
3 problem with this process of how we have engaged, typically with just one
4 Commissioner making up a motion, and then now the other four of us are
5 responding to your negotiations with him and not necessarily engagement with the
6 rest of us.

7 **MR. SMITH:** So the start of this proceeding to get to this point started in 2022
8 and there's been consistent back and forth. The issue is these people work 60 hours
9 a week, they don't have the money to find the support that a utility would have to
10 bring up these things. So we're always working behind the eight ball. I know that
11 some of it has come in late, but much of this has been ongoing for two and a half
12 years and that's only what's been since 2016 and I have little confidence that this
13 docket is going to be ready in September. So therefore, that just pushes the further
14 back and there's no relief. These people are losing money every day and have for
15 many years. We've not gotten to a rate that they can survive. In the last two years,
16 we've lost 30 percent of the industry. They're just closing doors. So those are
17 employees and people who were productive in society are doing something else.

18 **VICE CHAIRMAN LEWIS:** And I understand that, Mr. Smith. I guess my
19 question, as I'm thinking about it, which I had in my district recently, a single
20 mother working a minimum wage job who got hit on I-10; what do we tell her?
21 That no fault of her own, now had to have her car towed and her insurance rates
22 have gone up, inflation has gone up, and there's a host of issues. And my point is

1 we need to have the dialogue. I would love to help. I cannot help when there is no
2 data to be provided.

3 **MR. SMITH:** So of note is that the Commission's Staff has indicated that 15
4 percent is justifiable. There's still a whole lot of things to negotiate in the docket.
5 So all we're doing is accelerating the suggestion right now, because even after this,
6 if we get a favorable vote, it still takes two weeks to get that promulgated and
7 enforceable. And again, we're behind the eight ball.

8 **VICE CHAIRMAN LEWIS:** But wouldn't that put us close to September 11th,
9 when we would take up the proceeding anyway?

10 **MR. SMITH:** And the September 11th is still sticking it back another two weeks.
11 It just keeps going on, and like I said, I have no confidence that September 11th
12 we'll have an agreement because it's not just rates, it's terminology, and a lot of
13 other things that are yet to come up. I saw Staff proposed, what, five minutes to
14 5:00 Friday. So to respond to you and your Staff, a day, I have to respond to what
15 they're giving me to say, hey, this is where we going on September.

16 **VICE CHAIRMAN LEWIS:** But that's the docketed proceeding, Mr. Smith.
17 They filed the comments and you're an intervenor and now you would respond to
18 it. I mean, Staff didn't ask for this to be on the agenda because it's a docketed
19 proceeding. So I'm not following your point against Staff, who has, to my
20 knowledge in talking with them, have done everything they can to work with -- as
21 I've mentioned, this data request, our great Staff, our Auditing Staff and Ms. Burl,
22 can't do anything if they don't have the information. And so my point is we want
23 to help you, but you have to help yourself. We need the financial documents to be

1 able to verify, so when we get calls from our consumers about why when they got
2 hit on the side of the road, they're paying this fee; I can successfully say, look, I've
3 looked at financial documents, these businesses are struggling, this is the reasonable
4 rate. I cannot say that at this moment. I don't have enough evidence. We had three
5 -- as Ms. Robin has said, we had three, when I asked them, they're not even
6 regionally spread out. So I cannot make an evaluation, determination. And so
7 while I appreciated that, I am asking how am I supposed to, in good faith, represent
8 my consumers and say yes, this is a reasonable rate, from an industry that is not
9 being responsive to provide the information for me to say so?

10 **MR. SMITH:** The only other comment I can say is we've starved the industry to
11 a point where they don't have the resources to respond correctly to your inquiries
12 and that's why you had 3 and not 300. And I'm sorry that -- that's part of the reason
13 that this docket just goes on and on and on.

14 **VICE CHAIRMAN LEWIS:** But isn't there an association? What does the
15 association do?

16 **MR. SMITH:** The association is underfunded. I mean, literally, if you talk to your
17 constituents that are in this business, they'll tell you that they're losing money, not
18 for a year, not for two years, but for six or seven years. Every year, a deficit. And
19 so to put in all of the needs that they have and to put in for an accountant to come
20 in and recoup their books or reestablish their books in a format that the Commission
21 needs, I'd say for 75 percent of these people it's not even possible. We'll never get
22 the response.

1 **VICE CHAIRMAN LEWIS:** Just a few more questions. Ms. Burl, I have some
2 questions for you. Can you -- I know you've been our Transportation Administrator
3 for quite some time. Can you walk me through all what has happened? I keep
4 hearing that this has been open since 2016, not much has been moving. Can you
5 explain to me, from Staff's perspective, what has proceeded in this docket, in this
6 item?

7 **MS. TAMMY BURL:** Good morning, Commissioners. Tammy Burl with
8 Commission Staff. Yes, I have been involved with this docket from the beginning.
9 Some of the history that goes behind it is I know in 2016 that there was once before
10 that a CPI, where we evaluated the CPI two years -- or two times in a row because
11 it was every two years. The CPI did ask for a decrease on the rates. We did not
12 push a decrease, we let the rates remain as they were, and then that's what pushed
13 this docket forward is the back and forth on whether we would use CPI, PPI,
14 because that was a request of the association was to use PPI instead of CPI. Then
15 we went into a request for proposal, I believe, or a under 50 bid to get someone to
16 come in and evaluate -- to help Staff to evaluate. We weren't able to get that, that
17 wasn't able to go through, so that pushed the docket back yet again, and so then we
18 reissued our request for the data from the industry. We came in and did the 15
19 percent interim in 2022. That's what's been in place ever since, and I know Ms.
20 Pendergrass has been working on this, trying to find a way to get information from
21 the tow companies to be able to give this Commission something to be able to
22 evaluate those rates.

1 **SECRETARY FREY:** And, Commissioner, just to add on one of the points that
2 Tammy brought up, we did issue an RFP in either this docket or a predecessor
3 docket to hire an outside consultant to assist us in performing that analysis. Initially
4 we got no responses, we then reissued it. We had someone -- I think you and I
5 discussed this, but just so everyone knows, we had someone retained and once they
6 met with us and understand what all is going to be involved and the way they would
7 be compensated, they withdrew. So that's what Tammy is referring to there, that
8 we actually did hire someone and once they got involved in it, they withdrew before
9 they actually did anything.

10 **VICE CHAIRMAN LEWIS:** And my last question is you were calling this an
11 interim rate, and to my understanding, as we have done with other regulated
12 entities, if it's an interim rate, we require them to bond it in case we reduce it. How
13 would we handle if we adopt a 15 percent interim rate and then the Commission
14 approves something other than 15 percent?

15 **SECRETARY FREY:** So Kathryn and I looked at this and under the -- that's the
16 constitutional mandate for public utilities. It does not apply to towing because it's
17 a public utility requirement. If, as you mentioned, a water or electric company
18 comes in and asks for interim rates, they're required by the constitution to put up a
19 bond. There is no such requirement for transportation companies.

20 **VICE CHAIRMAN LEWIS:** Okay. Thank you.

21 **CHAIRMAN FRANCIS:** Commissioner Campbell, did you have something else?

22 **COMMISSIONER CAMPBELL:** Yeah, I had a question. When's the last time
23 y'all had a rate increase?

1 **MR. SMITH:** We had an interim rate increase in 2022.

2 **COMMISSIONER CAMPBELL:** 2022.

3 **MR. SMITH:** But at that time, it was not enough. People were losing money then
4 and we just didn't catch up.

5 **COMMISSIONER CAMPBELL:** 2022. How much do you charge? I know you
6 got different charges, but say that you tow my car in, how much do you charge?

7 **MR. SMITH:** So I'm in an urban area. Our average minimum fee now is probably
8 \$165.

9 **COMMISSIONER CAMPBELL:** 165 and you want to go up 15 percent.

10 **MR. SMITH:** That's consensual. That's if I tow your car. The regulated rates are
11 in the docket and it just depends on the parameters on each case.

12 **COMMISSIONER CAMPBELL:** So how much is it?

13 **SECRETARY FREY:** Kathryn's got those, Commissioner. She can read out
14 what the 15 percent --

15 **MS. BOWMAN:** Well, I have all of them and actually Ms. Burl put this together,
16 but this is just a standard scenario. It's a car towed using repositioning equipment
17 from private property on a Saturday and retrieved from the tow company the next
18 day. So say you go to a football game, you park illegally, you get towed. That's a
19 non-consensual tow. The current rate for that is \$276.12. If the 15 percent increase
20 is approved, it would go up to \$317.32.

21 **[AUDIENCE: INAUDIBLE SHOUTING]**

22 **COMMISSIONER CAMPBELL:** Wait a minute. Hold up.

23 **CHAIRMAN FRANCIS:** Get in order. Okay. Ms. Bowman. We'll have order.

1 **MR. SMITH:** Commissioner Campbell, so that is indeed the rate, but another
2 thing that's very important and we're still in this docket on this discussion is that
3 there is a 40 to 45 percent non-pay rate. So even though the rate may seem high on
4 the charge, that's not what they're getting when they take the aggregate.

5 **COMMISSIONER CAMPBELL:** Somebody needs to explain this. Somebody
6 is saying \$165, I hear that. Tell me about that.

7 **MR. SMITH:** That's the differing fees, right? Kathryn's example was one out of
8 a measured of different scenarios. You take a scenario, you put in the definition,
9 but understand that whatever this Commission's rate schedule is and is set as, that's
10 not what these people are getting. They are getting a 40-plus percent non-pay.

11 **MS. BOWMAN:** Rudy, could you hold on one second? Guys in the audience,
12 could you please stop? The transcript and the live feed cannot pick up anyone
13 speaking if you guys are talking in the background. I appreciate it. Thank you.

14 **COMMISSIONER CAMPBELL:** Go ahead.

15 **CHAIRMAN FRANCIS:** Thank you.

16 **MR. SMITH:** So one of the issues is, and it is a reoccurring issue in discussions
17 with Staff is that we have to account for that 47 percent no-pay, and it is --

18 **COMMISSIONER CAMPBELL:** Well, let me ask you something. Every
19 business has money they can't collect, that's just part of it, you know. But why
20 don't you collect the money? Why is it you're towing somebody's car, you take it
21 to your place; you're telling me some of them don't pay you and get their car back?

22 **MR. SMITH:** No. They don't receive the car back, but what's happening on these
23 no-pays is the value of the vehicle is not worth the fees and they abandon it. Or

1 they don't have it licensed or they don't have it insured or for all kinds of problems,
2 they just cannot get the car. And not only that --

3 **COMMISSIONER CAMPBELL:** You keep the car, correct?

4 **MR. SMITH:** Well, it multiplies.

5 **COMMISSIONER CAMPBELL:** And then you charge them so much a day for
6 keeping their car?

7 **MR. SMITH:** Right.

8 **COMMISSIONER CAMPBELL:** There you go.

9 **MR. SMITH:** But so much of --

10 **[AUDIENCE: INAUDIBLE SHOUTING]**

11 **MR. SMITH:** All right. Gentlemen, I can't do this if you all keep it up, please.

12 **COMMISSIONER SKRMETTA:** Mr. Chairman, I have a question for Rudy.

13 **CHAIRMAN FRANCIS:** Wait a minute. Hold on. Commissioner Campbell,
14 you through?

15 **MR. SMITH:** So we have to stow the car because they didn't pick it up, so by the
16 time we go through the state process, the legal process to get a permit to sell or
17 dismantle, then we can get rid of the car, is averaging 175 days. That car is kept in
18 insured, secured storage. I gave a document to Staff four weeks ago, possibly.
19 We're paid on 14 percent of our storage days. Now, that is only looking at my
20 books, but they're representative. If I'm wrong by 50 percent, so they get paid on
21 20 percent of their storage. There's a lot of money spent at storage. And one-on-
22 one, if any Commissioner or any Staff, I can pick apart each thing and explain to
23 your satisfaction why it is definitely -- the fact of the matter is they're losing money

1 and the reason why 30 percent of the industry is gone is they finally just shut the
2 doors and said I'm not losing any more money.

3 **COMMISSIONER CAMPBELL:** And you're telling me -- what you stated
4 earlier is that a lot of your cohorts here are dropping out because they can't afford
5 the insurance, this, that, and the other; is that what you're saying?

6 **MR. SMITH:** That is correct.

7 **[AUDIENCE: INAUDIBLE SHOUTING]**

8 **COMMISSIONER CAMPBELL:** Tell that guy to -- hey, do me a favor, be quiet
9 for a while.

10 **SECRETARY FREY:** Yeah. If somebody wants to speak, please fill out a card,
11 and come to the microphone. Otherwise, we'll have to clear the room.

12 **COMMISSIONER CAMPBELL:** You, be quiet. I'm trying to get to the bottom
13 of this. What you're saying you're losing participants in your business?

14 **MR. SMITH:** Yes. For example, and I won't name him just because it could be
15 embarrassing, there is a gentleman who's not here today who closed his doors about
16 two weeks ago. He closed his doors when his insurance was due. He's not coming
17 back. He probably had 10-12 employees. But it's happening every week.

18 **COMMISSIONER SKRMETTA:** Mr. Chairman.

19 **CHAIRMAN FRANCIS:** Commissioner Skrmetta.

20 **COMMISSIONER SKRMETTA:** I think it's also important to understand that
21 not every car that gets towed is a viable car. The non-consensual tows a lot of times
22 are wrecked vehicles, they're junk, they're things that are just pulled in and put in
23 storage. And when they get around to getting through this 180-day period, they've

1 got, you know, a \$10-\$20 thing they send to the scrapyards, but they've got all the
2 costs associated with storage. So, you know, this particular issue is just really when
3 we look at it with CPI originally with Tammy, we should be looking at it at PPI
4 because CPI, just like bread, milk, eggs. PPI is dealing with fuel, insurance, and
5 other issues and it's a higher rate of dealing with looking at inflationary causes.
6 And, you know, I've looked at this with Rudy and the metric on McDonald's alone
7 shows between 2019 and 2024 that McDonald's prices have gone up 142 percent.
8 So I think what the important thing to do, and I think that we've had plenty of
9 discussion on this, I think we should go ahead, and I think the votes are there to
10 move this forward to do the 15 percent as an interim, according to my motion, to
11 get this matter moving forward. But I do think it's not an unburdensome request to
12 the industry to ask you guys, not only to work individually, but to work with the
13 guys you know to get the data and the information to us. But the other thing I want
14 to ask is instead of going outside of the Staff, is for Brandon to try to figure out if
15 we want to bring in an intern, if we want to bring in a designated staffer, to put them
16 to work to gather data and to work on this internally, so we don't have to go outside
17 and hire somebody and try to put that cost onto the industry because, again, they're
18 not a multi-billion dollar electric utility or gas utility or whatever. And these are a
19 series of independent business people who can't share the burden and the cost of
20 what we would, you know, approach as a typical type of assessment. And I think
21 we can get there if we look at this. We talked about even -- Rudy and I talked about
22 trying to go to universities and getting like an economic student to study it, but at
23 the same time, we could ask for a university to send over a grad student to come in

1 here and work the project for us. But again, we've got to get the numbers from you
2 guys. And the ones who are providing numbers are great, and the ones who aren't
3 -- get the guys who are to work with the guys who aren't and, you know, work
4 through a mutual action to get us the information. That'll help us to get to a
5 permanency, but in the meantime, I would like to go ahead and call for the vote.
6 Let's move this matter forward, let's get us down the road, and, you know, I'm
7 sympathetic to the issues you've got because I know that a lot of times you end up
8 with a bunch of scrap that you're not going to get paid back for it. But you're paying
9 the insurance on and all the costs associated with it and the property taxes on your
10 storage yard and all the other things, but you ain't getting your money back for
11 what you did as a service, a lot of times ordered by the police to go do. So I
12 understand that that's another issue of them dropping costs on you from state police
13 as well. So these are the issues that we've got to deal with, but in the meantime,
14 we need to move this matter forward, get some revenue moving into the industry,
15 and let's kind of get us into a position where we can take it to the next step and try
16 to find the way to balance this off because a lot of people don't think about the
17 difference between consensual and non-consensual tows. What you do in
18 consensual, that's totally different, you're making a contract with somebody. Non-
19 consensual tows is a public service to deal with the issues either addressed by law
20 enforcement or abandonment or all the other issues we have to deal with and that
21 is an effective public service that we have to deal with and we've got to find a way
22 to manage the costs associated with it. So that's it.

1 **CHAIRMAN FRANCIS:** Okay. We've got a motion by Commissioner Skrmetta,
2 seconded by Commissioner Greene.

3 **MS. BOWMAN:** But, Commissioner, we do have several yellow cards. I don't
4 know if everyone still wishes to speak, but you have the opportunity to. If they do,
5 I would recommend maybe limiting to three minutes or so just so we could get
6 through because there are several.

7 **CHAIRMAN FRANCIS:** Okay. I didn't realize you had some cards. Okay.

8 **MS. BOWMAN:** Yes, sir. We have several cards.

9 **CHAIRMAN FRANCIS:** Okay. Want to call those up?

10 **COMMISSIONER SKRMETTA:** Rudy, you want to talk to them and see what
11 they want to do? Want to take a minute?

12 **MR. SMITH:** So, industry members, I would ask that everybody stand down on
13 today and we will work really hard with Staff to try and get to the next meeting and
14 at that point, we'll bring up a new proposal and we can go from there.

15 **COMMISSIONER SKRMETTA:** Rudy, somebody wants to speak.

16 **SECRETARY FREY:** If you filled out a card, let us know your name when you
17 get up here and we'll put it up.

18 **MR. CAYLEY JOYNER:** My name is Caley Joyner.

19 **COMMISSIONER SKRMETTA:** You've got to say it in the microphone. Just
20 got to say it into the microphone, please.

21 **MS. BOWMAN:** Mr. Joyner, did you fill out a card already?

22 **MR. JOYNER:** Yes, ma'am, I did.

23 **MS. BOWMAN:** Oh, I got it. Thank you.

1 **SECRETARY FREY:** And then hit the button, make sure the green light comes
2 on.

3 **MR. JOYNER:** My name is Caley Joyner. Some of the PPI information you asked
4 for, because I had short notice on this, I was able to gather from the Federal Reserve.
5 The numbers in their report are incorrect, from what I see. The one thing you used,
6 I'm holding in my hand, from January of '16 until Monday is a 26 percent increase
7 -- I'm sorry, is a 27 percent increase. From -- I'm sorry. Yeah. From January of
8 '20 to '24 is a 26 percent increase. In this report, it shows us at 144, which was a
9 number that dropped dramatically in July, turned around, and spiked right back up
10 to 151 as of Monday. I've gone through a lot when I could to try to look through
11 some of this stuff on these numbers. The referenced consumer price index, you
12 know, fuel is up 80-something percent on the consumer price index, and I got all
13 this stuff off the Federal Reserve. Truck costs, you know, I got a truck that we
14 bought in '20, turned onto the exact same truck, identical to it, I received in
15 December of '23, is up 47 percent on cost. I did the same thing on one of our
16 heavies, it's 49 percent increase on cost. Also, another thing that I would like to --
17 that you had asked about was our participation in this. TRPL is a board representing
18 most of us. I am a board member on that board, so they represented us. The Staff
19 only asked for three or four. We were all willing to do that, and when it come down
20 to it, they only wanted three or four. I have several people I polled before I walked
21 up here that agree with me. We were ready to do more than just three or four
22 people. So that's all I got. I just wanted to know --

23 **COMMISSIONER GREENE:** I just want to make a comment to -- may I?

1 **CHAIRMAN FRANCIS:** Sure.

2 **COMMISSIONER GREENE:** Tell everyone thank you for coming. I believe in,
3 not a democracy, but a representative republic. I just want you to know your voice
4 has been heard and being heard and this will be an ongoing solution to the problem
5 of economics and our government. So we will continue to work with you. To
6 Commissioner Lewis’ point, the more information that we can get, and if y’all can
7 streamline your financial reporting, then we can help y’all more. To agree with you,
8 the PPI from 2020 to now is 22 percent increase and the PPI increase from 2016 to
9 today is 35 percent. So I think we’re not quite where y’all need to be at, but if y’all
10 can let us vote on this, I think we can get you a 15 percent bump until we can figure
11 out, based on the accuracy of the data that y’all provide, what is a fair right for y’all
12 to earn a reasonable rate of return for a service that we very much need in our
13 society. So with that, I’d like to proceed with a vote and continue to work with
14 y’all.

15 **CHAIRMAN FRANCIS:** Okay. Any other discussion here? [NONE HEARD]
16 Hearing none, we have a motion and a second.

17 **MS. BOWMAN:** And we do have an objection from Commissioner Lewis, so it
18 will need a roll call vote.

19 **CHAIRMAN FRANCIS:** Okay. Well, let’s call the roll. Commissioner
20 Skrmetta, how do you vote?

21 **COMMISSIONER SKRMETTA:** Yes.

22 **CHAIRMAN FRANCIS:** Commissioner Greene, how do you vote?

23 **COMMISSIONER GREENE:** Yes.

1 **CHAIRMAN FRANCIS:** Commissioner Campbell, how do you vote?

2 **COMMISSIONER CAMPBELL:** Yes.

3 **CHAIRMAN FRANCIS:** Commissioner Lewis, how do you vote?

4 **VICE CHAIRMAN LEWIS:** No.

5 **CHAIRMAN FRANCIS:** Chair votes yes, so it passes, four to one.

6 **MR. SMITH:** Thank you, gentlemen.

7 **COMMISSIONER SKRMETTA:** Thank you. And, Rudy, get with me when

8 you can, okay?

9 **MR. SMITH:** Yes, sir.

10 **COMMISSIONER GREENE:** If y'all parked illegally, it's on you all today,

11 okay?

12 **COMMISSIONER SKRMETTA:** Don't go towing nobody.

13 **MS. BOWMAN:** If everyone could leave the room quietly and efficiently, it would

14 be greatly appreciated. We're still in our meeting.

15 **CHAIRMAN FRANCIS:** Okay. Let's clear the room, please. Okay. We're up

16 to 24?

17 **MS. BOWMAN:** Yes, sir. We're ready to go to Exhibit 24.

18 **COMMISSIONER CAMPBELL:** Hey, let them get out of the room, would you?

19 **COMMISSIONER SKRMETTA:** Don't forget about Number 4 later. It's small,

20 but it's important.

21 **MS. BOWMAN:** It is important, you're right.

22 **CHAIRMAN FRANCIS:** Okay. We're on Exhibit 24.

1 **MS. BOWMAN:** Exhibit Number 24 is Docket Number U-36669. It's Southern
2 Spirit Transmission's request for certification, or in the alternative exemption, of
3 the Southern Spirit Transmission project pursuant to the Commission's General
4 Order dated October 10, 2013, which is the Transmission Siting Order. This is a
5 discussion and possible vote on a Final Recommendation of the ALJ. Southern
6 Spirit filed its certification in front of the Commission pursuant to its general order
7 for a transmission project including a 324-mile high voltage direct current
8 transmission line that will traverse Louisiana from the Texas border to Entergy
9 Mississippi's Wolf Creek substation in Choctaw, Mississippi. The project will
10 connect the Electric Reliability Council of Texas with the SERC Reliability
11 Corporation and MISO. Numerous affected landowners intervened and also
12 intervening were Cleco Power, LUS, ELL, and MISO. A two-day hearing was held
13 on December 20 and 21, 2023. A Proposed Recommendation was issued on May
14 16, '24, and after consideration of exceptions, a Final Recommendation was issued
15 on June 5, '24. In summary, the ALJ concluded that Southern Spirit meets the
16 definition of a Transco, making the Commission's Transmission Siting Order
17 applicable to Southern Spirit, consistent with the Commission's intention to retain
18 its jurisdiction over transmission siting. Further, Southern Spirit is not exempt from
19 the Transmission Siting Rules and Southern Spirit has subjected itself to
20 Commission regulation. The ALJ further concluded that Southern Spirit has met
21 its burden of proving that the project is in the public interest, given that it is a
22 merchant transmission project and that will, upon obtaining all necessary regulatory
23 approvals, increase transmission capacity on the electric grid, and therefore provide

1 an opportunity for utilities to lower the cost of electricity to their ratepayers. The
2 ALJ found that the cost-benefit and ratepayer impact analysis was inapplicable to
3 Southern Spirit, since they are a merchant transmission company with no captive
4 ratepayers. Landowner opposition included the failure of Southern Spirit to
5 conduct the aforementioned analysis as well as the burdens on their property from
6 the project. The ALJ found that the landowners' concerns regarding burdens on
7 their property are not jurisdictional to the Commission. In accordance with the
8 Transmission Siting Order, the Commission does not consider or approve a specific
9 parcel-by-parcel routing of a proposed transmission facility. After consideration of
10 all the testimony and argument, the ALJ filed its Final Recommendation on June 5,
11 2024, which recommends certification of the project with conditions as set forth in
12 the proposed ordering language in the Final Recommendation at Pages 25 through
13 26, which includes the following: Southern Spirit shall comply with the
14 Commission's transmission related orders, including General Orders dated
15 September 21, 1977 and November 16, 1992, General Order dated September 13,
16 1993, General Order Number R-31831 dated May 25, 2011; Southern Spirit shall
17 also consent to the Commission's jurisdiction insofar as required for enforcement
18 of any orders issued in this proceeding and other applicable Commission rules and
19 regulations; the company shall comply with the requirements and obligations of
20 MISO including, but not limited to, MISO's Open Access Transmission, Energy
21 and Operating Reserve Markets Tariff, and MISO's Business Practice Manuals;
22 Southern Spirit shall solely bear all costs of MISO interconnection studies; the
23 company shall also solely bear all costs of any additional or different facilities

1 necessary for reliable connection with MISO; Southern Spirit shall also comply
2 with all reliability and cybersecurity standards issued pursuant to Section 215 of
3 the Federal Power Act; the company shall also provide the Commission with a copy
4 of all regulatory approvals or denials associated with the project; any regulatory
5 commitments contained in other regulatory approvals shall be incorporated herein
6 if applicable; and Southern Spirit shall notify the Commission before the start of
7 construction and provide regular reports on construction progress. I also have a
8 motion by Commissioner Skrmetta.

9 **COMMISSIONER SKRMETTA:** Mine is a -- I think Commissioner Campbell's
10 is a primary?

11 **SECRETARY FREY:** Yes.

12 **COMMISSIONER SKRMETTA:** Mine's a substitute.

13 **SECRETARY FREY:** Yes. So you want me to read Commissioner Campbell's?
14 Okay.

15 **COMMISSIONER SKRMETTA:** And if Commissioner Campbell has one, it's
16 a primary. Mine's a substitute motion, I guess. So do it that way.

17 **SECRETARY FREY:** Okay. So I'll read Commissioner Campbell's motion. Our
18 ALJ concluded in her recommendation the Transmission Siting Order applies to
19 Southern Spirit Transmission project finding the proposed project of the
20 transmission facility. I agree with this conclusion. However, I disagree with the
21 ALJ's conclusion that the Southern Spirit Transmission project is in the public
22 interest. The Marston family, intervenors in this docket, filed extensive exceptions
23 to the ALJ's proposal.

1 **COMMISSIONER CAMPBELL:** Wait a minute. Hold on a second. Is that my
2 --
3 **SECRETARY FREY:** Yes.
4 **COMMISSIONER CAMPBELL:** Well, I don't want it right now.
5 **SECRETARY FREY:** Okay. All right.
6 **COMMISSIONER SKRMETTA:** Then read mine instead.
7 **COMMISSIONER CAMPBELL:** I don't want it right now. I don't want you to
8 read it right now.
9 **SECRETARY FREY:** Okay.
10 **COMMISSIONER CAMPBELL:** I got a few things I want to say before we start
11 judging.
12 **COMMISSIONER SKRMETTA:** Okay. I'll take mine first.
13 **COMMISSIONER CAMPBELL:** Okay. Good. Don't take my amendments for
14 me. I'm still here.
15 **COMMISSIONER SKRMETTA:** Well, I thought it was a motion. I'm sorry.
16 **COMMISSIONER CAMPBELL:** And I want to take my own amendments.
17 Okay. When I want to take them, not somebody else take my amendments for me,
18 for the record, if that's okay. If that's not okay, we got a problem. Okay. First of
19 all, this thing has been talked up, down, around. You've heard everything about it.
20 They've hired some really powerful people, good people, and they've talked a lot.
21 But I'm an old politician and there's a famous word that politicians should know
22 about. When you're shaking hands with people and you're talking to people, you

1 ask them: Can you vote for me? You know what the most famous word there is?
2 But I'm a republican, that means taking off.

3 **COMMISSIONER GREENE:** There's a lot of us.

4 **COMMISSIONER CAMPBELL:** But I'm a democrat, that means it's all over.
5 When you're talking to people and you think you're doing good, when he puts that
6 word "but" on you, it's all over. Well, they got a famous word they're using in this
7 whole discussion. You know what that famous word is, Emory? May, may. Y'all
8 don't forget that word, may. We may bring some power to Ringgold or Rayville
9 or Delhi or Tallulah or to Monroe or to Many. We may. I said, well, tell me where
10 it's going to be. We may do that. Now, when people tell you I like you, but; I got
11 the picture, you have the picture. But when you guys are spending \$2.3 billion and
12 all you can tell me, and that's the ALJ saying, they may bring some power to
13 Louisiana. May is not good enough for me. I got the picture when I'm campaigning
14 and a guy says I like everything. Well, you know, I did this and I did that. Yeah,
15 you did that, but that was the right thing to do. You did the right thing. But can
16 you vote for me? No, I can't, Mr. Campbell, but I'm a republican. I got it. But I'm
17 a democrat. Well, all this money has been spent and all the lobbyists have been
18 hired and all the patting on the backs and buying the steaks and all that. I got all
19 that. Y'all done a wonderful job patting up people on the back and taking them out
20 to eat and doing all that. That's great. I got it, I know how it works. Y'all get an
21 A-plus on lobbying, A-plus. All of it ain't true though because I was in a meeting
22 when it said all the police juries are for this. I represent all these police juries, every
23 one of them, eight of them. And we had a lobbyist, I'm looking at you right now,

1 Emory. When you told me in a meeting that the police juries were for it, well, guess
2 how many calls I've got from a police jury member? And there's eight of them and
3 maybe there's ten of them on each one, that's eighty people. Guess how many calls
4 I've got. As they say in the country, nary a one, nary a one, zero. You had a meeting
5 in Red River Parish or DeSoto Parish and you tell me about these police juries and
6 that's right in my next door. None of them called me and said you know I want this
7 highline, we want it. I hadn't had one. Now, that's something; isn't it? I represent
8 the whole -- let me tell you, it goes across the Sabine River, it goes across the Red
9 River, it goes across the Ouachita River, and then crosses the Mississippi River.
10 Four rivers it's crossing. I hadn't one police juryman tell me they had passed a
11 resolution. Maybe they got one, I don't know, but they never sent it to me and I'm
12 the Public Service Commissioner for north Louisiana. I hadn't heard a word. Now,
13 we did something a little special. The ALJ said that she could find a need and
14 necessity. She did that without asking for any of the stuff that you put other people
15 to. Mississippi is looking at it, they're doing all kind of discovery. How in the
16 world do we have a project -- 2.3 billion, this might be the largest line that's gone
17 through Louisiana ever, maybe not. Maybe the one going across the Mississippi
18 River is bigger. I asked Mr. Mayor about that. I don't know if it is or not, if Entergy
19 has got a bigger line. He didn't know. He said maybe they do. This is a huge line
20 that will be there forever and it ain't going away, it's 180 foot wide. Now, there's
21 some talk about, well, there's some rich people up there in Mr. Campbell's district
22 that don't want it. That's true, that's true. There's some rich people that don't want
23 it, but there's some poor folks that don't want it, too. They don't want it either. I

1 had a guy call me from Bastrop and he was all upset. He said, Mr. Campbell, I
2 heard the Public Service Commission is going to let this line go right through. I
3 said, well, I'm not. He said, well, I hope you don't. I got 80 acres, 60 acres, and
4 my wife and I got this property and we want to stay here and we want to give it to
5 our grandkids. Everybody in there know what 60 acres look like or 40 acres, take
6 180 foot and go right through the middle of it, see how that makes you feel. You
7 know, we got a company from Canada, California, energy going to Texas to help
8 Texas, but the guy up there said the line is going right through him. How you think
9 that makes him feel? Well, I know how it'll make me feel. I don't know anybody
10 that's for this unless they want the money. This is about money. This ain't about
11 a little money, this is about big money. A corporation in Canada -- I mean, a group
12 in Canada, a teacher's group put up the money, goes to California, comes here, goes
13 across the state, and they may -- and they may let Delhi have some electricity. They
14 may, but none of them want to tell you where the electricity is going. So what do
15 we do here? We give them special treatment. We give them special treatment at
16 the Commission. We don't ask them about -- like we do every other company, we
17 don't ask them to come up with where is it going, how much does it cost, who's
18 doing it, is it worth it? We don't have a docket and we have hired a docket specialist
19 for little bitty things. This is a big, big deal and we didn't hire one; how you like
20 that? Now, Mississippi is all tangled up in it and they got it and they're asking all
21 kind of questions. Then they hadn't got the clear in Mississippi, but we're going to
22 give it to them in Louisiana. Mississippi is where it's going to, but Louisiana
23 doesn't get anything and we're going to jump over Mississippi and say y'all do all

1 the due diligence, we're not going to do that over here. But we're going to give
2 you permission to cross our state and if y'all do right over there, down the road,
3 somewhere down the road, hook or crook, we may give Delhi a little electricity.
4 We may do that, but if we don't, don't worry about it. We appreciate what you did,
5 you let us go across the state, and now we can tell everybody we hooked up
6 Louisiana for it. Go tell Texas or Mississippi tomorrow, hey, it passed Louisiana,
7 they let us across. Come on, let us across, do what we got to do in Mississippi.
8 This is wrong-headed from the get-go. This is about the richest of the rich. Go on,
9 Texas wants the electricity. Well, you know why Texas wants electricity. It's the
10 fastest -- one of the fastest growing states in the South. We're going this way; y'all
11 know that? Louisiana population, this way. Poverty, this way. Texas poverty, this
12 way. Growth in Texas, this way. Now, Texas needs some electricity. Sure, they
13 need it. Houston is growing, San Antonio is growing, Austin is growing. They
14 need electricity. So how do they do it? Now, we'll come on, we'll do it. And we'll
15 switch it from DC to AC, AC to DC, and whatever we've got to go. We'll go across
16 Louisiana. Well, what about Louisiana? Don't worry about them, man. We'll take
17 care of them. We know how to deal with Louisiana. Poor folks over there, hell,
18 they won't realize what's going on. We'll just get through them and we won't
19 promise them anything. We won't promise them anything and not a lobbyist they
20 got will sit up here and tell you today where this line is going in Louisiana because
21 they can't. They even say it may go to Louisiana. It may go to Louisiana. And in
22 Mississippi, they're looking at it right now. So why is this Commission a decision
23 with no consultant or delivery before Mississippi has completed their evaluation?

1 Why are they making an exception for Southern Spirit to part from the
2 Commission's precedent, ignore the requirements of their own Siting Order, to
3 issue a public interest finding for a project that does not serve a single customer?
4 Well, what kills me about this deal, I first called Brandon when this had come
5 [INAUDIBLE]. First thing Brandon told me -- what Brandon told me, oh, we don't
6 have any jurisdiction. He had the religion. We do not have the jurisdiction because
7 you told them we don't. We don't have it. I got to digging around and I said,
8 Brandon, that don't sound right. You mean this thing is coming across the state of
9 Louisiana, we don't have any jurisdiction? That's exactly what they wanted to
10 hear, so they came to the Commission and the Commission said we don't have any
11 jurisdiction. Put you behind the eight ball right off the bat, rather than saying, hey,
12 let's look at this thing and let's hire a consultant and let's really look at it, let him
13 ask all the questions. I don't know all the answers, I'm not that sophisticated. I'm
14 listening to lobbyists, and lobbyists are getting paid by the company, you got the
15 picture? I'm listening to lobbyists, lobbyists are getting paid by people from
16 Canada, and the lobbyists is all for it, and the lobbyists are getting a big check. Old
17 Foster ain't getting anything, and the folks that's going across the 40 acres, they
18 ain't getting anything, that's their properties ruined. And then the Legislature
19 passes a law, you think that would do it. Know what they wanted to do first? They
20 want to take your property, condemn, they wanted those rights, be able to do that.
21 But the Legislature and that Wilson said, no, you can't do that in Louisiana. It
22 wasn't a real close vote. What was it Brandon, 90 something to 5 or 10 or
23 something? It was an overwhelming vote in the Legislature not to let this company

1 take your property for this highline when they did not provide one kilowatt of
2 electricity to Louisiana. The Legislature just did that. Now, you thought that
3 would've stopped them. No, that didn't stop them. Well, why wouldn't it stop
4 them? How are you going to go across the state if you can't take people's property?
5 Well, we might have another little trick. We might go to FERC or we might get it
6 declared a emergency, some kind of right-of-way. You know, this has been heavy,
7 heavy lobbied by for some powerful people. And I know they do their job, and I
8 know they get paid, and I understand that., but you think about all the little folks,
9 you the little folk's man, now come on and join me, I've been with you. Think
10 about all the little folks from Logansport all the way up Lake Providence up that
11 way. Lot of little people, everybody don't have a big river bottom farm. I got one,
12 but everybody don't have one. I ain't for it, I wouldn't be for it coming through
13 my farm. And that guy up in Bastrop -- Bastrop, Louisiana. Bastrop Rams, you
14 heard of them. They won the state championship two or three times. Blue and
15 white, that's where my wife's from, Bastrop. He's got a little bitty place like this.
16 Called Mr. Campbell and said the Public Service Commission said they're fixing
17 to let them take our property. I said, well, that's not true, keep your shirt on. We
18 still in the fight. And then in Winn Parish, it goes right through Winn Parish. Y'all
19 know where Winn Parish is, that's where Winnfield is, home of three governors.
20 Give you a little history lesson this morning. Pine trees. Pine trees, timber
21 companies own most of the parishes, big timber companies. But there's some small
22 people there that have farms, and you're going right through them. They're not for
23 this, they're not for it. And you cannot look yourself in the face and say, well,

1 we're going to have some power in Winnfield, we're going to have some power in
2 Rayville, or we're going to do something for Tallulah, or we're going to do
3 something for Oak Grove, or Jonesboro. You can't say that. You won't say that.
4 None of you will get up here today and tell me we will have power in a town, give
5 me the town. You can't do that. That's just like that guy said, I can't vote for you,
6 Mr. Campbell, because I'm a republican. But you know about that, this is worse.
7 I may. Well, Mr. Lobbyist, you a -- yeah. How you doing today? I'm fine. So
8 you want to put this across my state? Yeah. Yeah, I do. Well, Mr. Lobbyist, let
9 me ask you a question. Show me one place that you're going to deliver power. Oh,
10 you can't? Now, Mr. Lobbyist, does that mean you want me to believe you, and
11 you're representing a Canadian company coming out of California with plenty of
12 money. Mr. Lobbyist, you really want power for Texas; is that right? That's where
13 the money -- you know how they used to say the gold's in Bear Hills? Well, the
14 gold in the there hills is in Texas. It ain't in Louisiana, it's in Texas. Texas is
15 growing, they need power, this is a scheme to give them power across us, and we
16 don't get a damn dime out of it. Now, he's going to -- they say we're going to build
17 a station here -- that you know when they build highlines, I'm sure you know all
18 about it, that's lots of construction going on, but once they leave, they spray the
19 lines to keep the weeds from growing up. You can't build a house under them, you
20 do know that, don't you? When they got 180-foot coming across your place, it's
21 over with. That is dead, over. It's just -- you got them. So this thing goes across
22 my area completely, and I know a little bit about it. I've been up there a while, and
23 like I said, I hadn't got one police juryman ever call me and say we got to have this,

1 and I'm surprised, but the word here today is just like I told you about somebody
2 trying to vote for you. Boy, when you're doing good, you think you go in a store
3 and everybody shaking your hand. How you doing, how you doing, how you
4 doing? You're doing good until that man tells you, I like you, but. When he tells
5 you that, it's over. It's all over, you can leave. I like you, but; this is the same
6 thing. It may, it may have some power here. Well, where abouts? Give me a town.
7 Well, I don't know that, but it may. So I hope that we turn this down, and I think
8 this -- I don't know how this woman, in her wisdom, the Judge, how she says that
9 you don't have a need and necessity -- or she said and grant them the authority. I
10 don't know how she does that. I think her judgement is upside down or wrong
11 sided, however she does that. She said it's under the Commission, but there may
12 be need and necessity, or may be. She can't tell you either. So anyway, if you can't
13 tell, I'm not for this. I'm not for it. I'm not even doubtful. I think it's a bad deal,
14 bad precedent, and we have something coming right after this, will correct this, that
15 if they come across the state of Louisiana, they will have to come to the Public
16 Service Commission. I won't have to call Brandon and ask him. He will give me
17 the rule that says that we have a rule that if it comes across the State of Louisiana,
18 it has to come before the Public Service Commission. I had hell getting that out
19 when we started talking about this.

20 **CHAIRMAN FRANCIS:** Okay. We had a discussion --

21 **SECRETARY BRANDON FREY:** You want me to finish? You want me to read
22 your motion now?

23 **COMMISSIONER CAMPBELL:** Yes. You can read my motion.

1 **SECRETARY FREY:** Okay. So I'll start back from the beginning. It says: Our
2 ALJ concluded in her recommendation that the Transmission Siting Order applies
3 to the Southern Spirit Transmission Project, finding that the proposed project is a
4 transmission facility. I agree with this conclusion; however, I disagree with the
5 ALJ's conclusion that the Southern Spirit Transmission Project is in the public
6 interest. The Marston family, intervenors in the docket, filed extensive exceptions
7 to the ALJ's proposed recommendation, pointing out several issues with the
8 ultimate public interest finding. While the following recommendation attempts to
9 address these exceptions, it does not address those concerns sufficiently, and
10 accordingly, the Commission should not find that Southern Spirit has shown this
11 project is in the public interest. Accordingly, I move as follows: 1) The Southern
12 Spirit Transmission Project is subject to the requirement to the General Order dated
13 October 10, 2013, referred to as the Transmission Siting Order; and 2) This
14 Commission finds, for the reasons included in the exceptions to the ALJ's
15 recommendation filed by intervenors, that this project is not in the public interest.
16 And that's the motion.

17 **COMMISSIONER SKRMETTA:** And I -- sorry, go ahead. See if they have a
18 second --

19 **COMMISSIONER CAMPBELL:** What did he say?

20 **CHAIRMAN FRANCIS:** I'm sorry?

21 **COMMISSIONER SKRMETTA:** I was waiting for them to finish with their
22 motion.

1 **COMMISSIONER CAMPBELL:** Give me the -- where are we, I have the
2 motion?

3 **SECRETARY FREY:** You have the motion.

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

5 **COMMISSIONER CAMPBELL:** I have the motion?

6 **SECRETARY FREY:** Yes.

7 **COMMISSIONER CAMPBELL:** Okay. I make a motion.

8 **CHAIRMAN FRANCIS:** The substitute motion?

9 **SECRETARY FREY:** No. It's the primary motion on the floor right now.

10 **COMMISSIONER GREENE:** Can you explain how that impacts the subject to
11 the requirements of the General Order dated October 10, 2013?

12 **SECRETARY FREY:** Sure. So that's -- as Commissioner Campbell's talking
13 about, Staff's position was the order did not apply to this project because of some
14 of the exceptions contained in the order. Southern Spirit, when they filed, said
15 we're going to come in under the order, even though we think an exception might
16 apply, and the ALJ said I believe the order does apply. So that's what the first
17 portion of the motion is saying, that our order, as it exists now, does apply to this
18 type of project.

19 **COMMISSIONER GREENE:** So if the substitute motion passes, what does that
20 do to the original --

21 **MS. BOWMAN:** We don't have access to it.

22 **SECRETARY FREY:** I haven't heard the substitute motion yet.

23 **COMMISSIONER GREENE:** Well, it's his -- the thing is --

1 **SECRETARY FREY:** Oh, his motion, the primary motion?

2 **COMMISSIONER GREENE:** Yeah. Oh, that's the primary motion?

3 **SECRETARY FREY:** Yes.

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

5 **COMMISSIONER GREENE:** So it's his motion to pass it with these two, or to

6 not pass it?

7 **MS. BOWMAN:** To not.

8 **SECRETARY FREY:** It's to say yes, our order does apply, but I disagree with

9 the ALJ that this is in the public interest. So it votes against the project.

10 **COMMISSIONER SKRMETTA:** It votes against it.

11 **COMMISSIONER GREENE:** I got you. Okay.

12 **COMMISSIONER SKRMETTA:** And I'd like to offer a substitute motion.

13 **CHAIRMAN FRANCIS:** So we got a substitute motion. Recognize

14 Commissioner Skrmetta, substitute motion.

15 **COMMISSIONER SKRMETTA:** There was no second, so.

16 **MS. BOWMAN:** Yeah.

17 **SECRETARY FREY:** I mean, is there a second on that motion, on Commissioner

18 Campbell's motion?

19 **CHAIRMAN FRANCIS:** Do we wait to see if can get a second?

20 **SECRETARY FREY:** We can, or we can go straight to the substitute, either way.

21 **COMMISSIONER SKRMETTA:** We can push through it. We can go do the

22 substitute.

1 **CHAIRMAN FRANCIS:** Let's go to the substitute motion. So Commissioner
2 Skrmetta?

3 **MS. BOWMAN:** So Commissioner Skrmetta's substitute motion is: As regards
4 to the request for approval of the Southern Spirit Transmission line, the
5 Commission takes note that Pattern Energy, during the ALJ proceeding, provided
6 no cost benefit analysis of the project, as it was stated by the applicant during
7 testimony. There would be no cost of any kind assessed to the ratepayers
8 attributable to the proposed design and construction of the proposed transmission
9 facility. Because of those two separate and distinct facts, I move that the
10 Commission approve the ALJ recommendation with the single condition that at no
11 point, now or in the future, shall any design and construction cost associated with
12 this transmission line be borne by the ratepayers of the state of Louisiana. This
13 matter is always subject to future Commission review.

14 **COMMISSIONER SKRMETTA:** The basics of my motion are that --

15 **COMMISSIONER CAMPBELL:** Brandon --

16 **CHAIRMAN FRANCIS:** Commissioner Skrmetta.

17 **COMMISSIONER SKRMETTA:** The basics of my motion are that this, you
18 know, is to approve the Pattern Energy transmission line, but at the same time, if
19 we're not going to be investigating the aspects of the construction of this line and
20 we're not going to be moving it from the front, I don't want us to be looking at it
21 in hindsight with some future context of, well, we'll drop off the line in the future
22 and serve somebody down the road and we'll let you know what it costs then
23 because Pattern may be receiving ROE from FERC related ROE, which may be

1 above what we would normally give, and it also may be dealing with double
2 leveraging of equity, which we prohibit. And so I'll leave it up to the future on
3 that, but until such time as the Commission would take it up again to allow for a
4 cost recovery, that they would be prohibited from recovering any costs on this
5 transmission line from the ratepayers, but to go ahead and allow for an approval of
6 them to go forward from the Commission.

7 **CHAIRMAN FRANCIS:** Chair recognizes Commissioner Lewis. I believe you
8 had seconded -- do you second that motion?

9 **VICE CHAIRMAN LEWIS:** I'll second, Commissioner.

10 **CHAIRMAN FRANCIS:** All right.

11 **VICE CHAIRMAN LEWIS:** Can I have a representative from Southern Spirit?

12 **CHAIRMAN FRANCIS:** Southern Spirits come up, please.

13 **VICE CHAIRMAN LEWIS:** I just have two simple questions for you regarding
14 this.

15 **CHAIRMAN FRANCIS:** All right.

16 **COMMISSIONER CAMPBELL:** I want to speak on the motion.

17 **CHAIRMAN FRANCIS:** Okay. Well, just in order, just hang on. Commissioner
18 Lewis got a question for you.

19 **MR. KYLE MARIONNEAUX:** Commissioners, Kyle Marionneaux and John
20 Grinton, Marionneaux Kantrow Law Firm on behalf of Southern Spirit
21 Transmission, LLC.

1 **VICE CHAIRMAN LEWIS:** Thank you. And regarding to the motion that I've
2 seconded from Commissioner Skrmetta, could you potentially produce a cost
3 benefit analysis in the early -- this early in the project?

4 **MR. MARIONNEAUX:** No, because at this point we have no cost. That would
5 come, and I think from what he was saying, that I agree with that, that would come
6 if some utility in Louisiana subscribed to the line, and then at that point, you could
7 analyze the cost benefit. And so we support what you made a motion for.

8 **VICE CHAIRMAN LEWIS:** So that's when you were --

9 **COMMISSIONER SKRMETTA:** Don't infer what I'm thinking.

10 **MR. MARIONNEAUX:** Okay. Well I hope I stated it the way it was, but.

11 **COMMISSIONER SKRMETTA:** No. What I'm thinking is is that the company
12 can't put any cost for this line on the public. Now, the future, the Commission can
13 make a future determination on it. But at this point, it shall not put -- and this,
14 Commissioner Campbell knows the difference between shall and may, that it shall
15 not put any cost for this transmission line on the ratepayers of the state of Louisiana.
16 Now, the Commission can always bring any matter up, in the future, on its own.
17 But it just -- because they're not going to go through a process, which is the normal
18 process that we would subject Entergy or Cleco through, or anybody else, that they
19 cannot put these costs on the ratepayers. I'm not in favor of standing in the way of
20 them building this transmission line, but that's not anything that I haven't told you
21 from the beginning of this, Kyle.

22 **MR. MARIONNEAUX:** That's correct.

1 **COMMISSIONER SKRMETTA:** And that I actually suggested carving it in
2 granite that the ratepayers wouldn't be paying for this line. And I think that this
3 line is highly speculative, because I know that your company is building them
4 across, I think, New Mexico, and Arizona, and California, and trying to move
5 power from one area over to California on those lines, and you're basically using it
6 as transitory power. But, you know, if you're looking at moving power into
7 Louisiana later and doing other things, well that's your problem for later. But one
8 of the things I want to make sure is is that Louisiana ratepayers aren't going to do
9 it, we're not going to get charged for any of this. Now, as far as, you know, the
10 Legislature has protected the Louisiana landowners in this situation. You can have,
11 you know, we've discussed this with the Solicitor General, and, you know, we see
12 where they are on this, but at some point, you know, you can't just go take people's
13 property. And I doubt that this becomes a FERC related, you know, expropriation.
14 I think that, you know, you're going to end up having to buy right-of-ways and, you
15 know, just like you would have to buy any other right-of-way. But I do think,
16 because of the highly speculative nature of where it's going and who is it going to,
17 and I think I heard a description of every town in north Louisiana, and this things
18 going to look like a zigzag stitched on a pair of pants, that, you know, the one thing
19 I can guarantee through this motion is to the ratepayers of Louisiana, would be
20 protected from the cost of a multibillion-dollar transmission line and high
21 undetermined rates of return that might be awarded by the FERC that we would not
22 award to this company. So until such time that, you know, something happens, I
23 want protections for our ratepayers.

1 **MR. MARIONNEAUX:** And we framed it up like that and the company does
2 have three of these transmission lines in operation. Another one, the SunZia project
3 that is in construction. That's a 580-mile line and they have not taken anyone's
4 property that didn't want the line. And as Commissioner Skrmetta said, under the
5 laws that's been changed, they can't do that.

6 **COMMISSIONER CAMPBELL:** I got a question for you.

7 **CHAIRMAN FRANCIS:** Okay. Well, just hold up. We still got Commissioner
8 Lewis, this is his time right now. He's borrowing some from Commissioner
9 Skrmetta. All right. Go ahead.

10 **VICE CHAIRMAN LEWIS:** Thank you, Mr. Chairman. Going back to the
11 questions that I was asking. So if a cost benefit analysis can't be produced this
12 early in the project, at what point would one be eligible, or you believe you could
13 do a cost benefit analysis?

14 **MR. MARIONNEAUX:** Well, a cost benefit analysis would only come if there
15 was a cost to Louisiana. And again, unless down the line, Louisiana utilities
16 subscribes to it, there won't be.

17 **VICE CHAIRMAN LEWIS:** And that's when you would go through the process?

18 **MR. MARIONNEAUX:** And the reason we can't do a cost benefit analysis, we've
19 itemized and, you know, made clear what the benefits are. We have no cost to
20 compare them to, and we won't unless a Louisiana utility comes in, subscribes to
21 the capacity, in which case they'll be before you. And then you'll consider whether
22 the acquisition of it through a power purchase agreement is, you know, the most
23 reliable, least cost option.

1 **VICE CHAIRMAN LEWIS:** Thank you. And as Commissioner Campbell
2 mentioned, we do have a siting order later on the agenda. So you are willing to
3 comply with the rules if they change and there's a new requirement that you need
4 to do?

5 **MR. MARIONNEAUX:** Yes.

6 **VICE CHAIRMAN LEWIS:** Okay. Thank you.

7 **CHAIRMAN FRANCIS:** Wouldn't you say this could be considered like an
8 airplane flying over Louisiana, that we don't control this airspace? I think an
9 airplane pilot might look at it that way. Commissioner Greene, you're next.

10 **COMMISSIONER GREENE:** Yeah. So do we have any idea when Mississippi
11 might vote on this?

12 **MR. MARIONNEAUX:** They have a different process, but they do have -- and
13 we have a gentleman back here that can give more detail on it, but within a couple
14 of months or something like that, they have a, you know, whatever level of hearing
15 they have.

16 **COMMISSIONER GREENE:** Well, as long as you want my attention, a couple
17 of months fits into that, because I think I like his second motion, but I think this is
18 a little premature. So I'm not necessarily a no, I'm a not now. If you show me that
19 Mississippi has approved it, MISO's approved it, and there is a viable pathway. So
20 far when I've asked about viable -- like what's the pathway of this line, all I get
21 from the various excellent lobbyists is I assure you there's a potential pathway.
22 And that's not an answer to me. So look, just all I'm saying is answer those
23 questions, and then circle back, and I think that could be a very beneficial

1 conversation, but it seems premature for us to vote on this if the recipient of all of
2 this electricity has not even approved it yet.

3 **MR. MARIONNEAUX:** But at the same time, it is a merchant transmission
4 project, so it's different than the one's you've had and your process, as it's stated
5 in the order, is not one that, okay, get everything else done, and then come back to
6 us. It's actually written the other way, and it gave Louisiana the opportunity to,
7 you know, combine with Mississippi on the hearing. Those options are out there,
8 and they're in the order, and we filed an application, we did everything we were
9 supposed to do.

10 **COMMISSIONER GREENE:** So what's the pathway of the transmission line?

11 **MR. MARIONNEAUX:** The pathway of the transmission line is to negotiate, like
12 I talked about --

13 **COMMISSIONER GREENE:** But can you show me on a map where it goes?

14 **MR. MARIONNEAUX:** Yes.

15 **COMMISSIONER GREENE:** No, where it's, like, it's already -- landowners are
16 okay with it, this is approved, this is -- everybody's on board?

17 **MR. MARIONNEAUX:** We've signed on about 46 percent. They don't have all
18 landowners on board, so that will likely change, but again, you guys approve a
19 corridor. You don't, and Ms. Bowman said, you don't approve a parcel-by-parcel
20 routing, so that's not what you do, and that comes after your approval. I mean, it's
21 very clear in the order because -- and again, expropriation doesn't apply to us, but
22 a utility can use your finding in an expropriation proceeding. So that's saying that
23 you won't have the route necessarily sewed up before you guys rule.

1 **COMMISSIONER GREENE:** I'm just shocked that y'all wouldn't come to us
2 at an appropriate time where like, hey, the person wanting to send the electricity,
3 and the people wanting to receive it, and the people that its land is going to go
4 across, everybody's on board. That's like a five minute, five to nothing vote. And
5 I wasn't here in 2013, so I don't understand why we have to approve the concept
6 and not -- we do that all the time where people come in and say, hey, this is
7 approved, everybody's on board. And so it just seems premature because there's
8 some I's not dotted and T's not crossed yet that just haven't come yet.

9 **MR. MARIONNEAUX:** Well, my answer to you on that is that your order
10 provides the other path, and that's the one we took. And I would say that if we
11 waited that long that someone would complain that we didn't do what we're
12 supposed to do because we're supposed to come in in advance of that, and that's
13 what we did. We filed it in February of 2023. Working hard and continue --

14 **COMMISSIONER GREENE:** So your response to why we don't stick to a more
15 logical order of procession is because of the 2013 Order?

16 **MR. MARIONNEAUX:** I wouldn't state it that way. I'd state that you have to
17 seek compliance with the orders that you issue until you change them, and we have
18 -- we did some things that weren't required in the order. You know, we let all the
19 landowners know about this filing. That's not required, we did it because it's done
20 in Mississippi, and the company thinks it's the right thing to do. So it's not like we
21 didn't do things that weren't in there, but, I mean, if you have an order that says,
22 hey, you come in advance and you do this, and I think that would be presumptuous
23 of us to say hey, we're not going to do it like that.

1 **COMMISSIONER GREENE:** So does the 2013 Order, maybe you can update
2 me on that. Does that say they can't do it in a different procedural order? They
3 have to get approval --

4 **SECRETARY FREY:** So Kathryn and I were just talking about this. My
5 appreciation of the 2013 Order, and I didn't work in it, but that order was -- or the
6 rulemaking was open about the time a lot of our utilities were getting ready to join
7 an RTO, and the concern there was you could have large transmission projects
8 approved by the RTO, MISO, and the company coming and saying well MISO's
9 approved this so you have to give me cost recovery. And it was for the Commission
10 to preserve jurisdiction kind of at the front to prevent an Entergy or Cleco from
11 coming in and saying, well, MISO already approved this you've got to give me cost
12 recovery. To require them -- with exceptions, there are some for emergency
13 purposes and there's another big exception that's I'm drawing a blank on right now,
14 but that they would have to come to us before that process conceptually. So it kind
15 of is a conceptual type thing, and I'm going to look at Lauren to chime in more
16 because I know she's worked on the rulemaking or maybe Noel because they
17 worked on the initial one but --

18 **COMMISSIONER GREENE:** Before they chime in, follow up question.

19 **SECRETARY FREY:** Sure.

20 **COMMISSIONER GREENE:** This seems like a big enough deal, why don't we
21 have a Staff consultant or a docket to study this?

1 **SECRETARY FREY:** That is an interesting question, and partially because Staff
2 believed that this was an exception to the rule. The Pattern project was not
3 contemplated by the rule in our reading.

4 **COMMISSIONER GREENE:** Okay.

5 **SECRETARY FREY:** And the ALJ disagreed with us on that. The new rule will
6 say for any future type project, it absolutely has to come in, so it'll close that
7 loophole, but that was the way we wrote the rule back then. I guess this type of
8 project wasn't contemplated.

9 **COMMISSIONER GREENE:** So if this is -- when do those new rules come out?

10 **SECRETARY FREY:** You're voting on them today.

11 **COMMISSIONER GREENE:** On this?

12 **SECRETARY FREY:** They're on the supplemental agenda.

13 **COMMISSIONER GREENE:** Supplemental agenda?

14 **SECRETARY FREY:** Yes, yes.

15 **COMMISSIONER GREENE:** Okay. So if this matter were to come up after
16 today, it would be more likely that we would hire a Staff consultant, and take a
17 deeper dive into it?

18 **SECRETARY FREY:** It's --

19 **MS. EVANS:** Lauren Evans on behalf of Staff. I don't think so, because of the no
20 cost in the -- and I didn't work on the Southern Spirit docket, so bear with me. But
21 because there were no costs associated because there were no offtakers from the
22 line, there wasn't a cost analysis. So we wouldn't have needed to hire someone to
23 look at a cost analysis that didn't exist.

1 **MR. MARIONNEAUX:** There's nothing in there that, in the proposed order, that
2 changes anything on the hiring of a consultant. Again, we have no control over
3 what the Commission does there. We filed our application under the rules and we
4 -- it calls for a 90-day uncontested best efforts, you know, for the Commission to
5 rule on it, 180 days to contest it. We filed it in February of '23?

6 **MR. JOHN GRINTON:** February of 2023.

7 **COMMISSIONER GREENE:** I guess I'll just flip it around on y'all and say I'm
8 optimistic for a potential pathway forward for y'all, but there's some other dominos
9 that need to fall before I would be in fully support of this.

10 **MR. MARIONNEAUX:** And I [INAUDIBLE] one other point I'll make is that
11 the order applies to all, and so that's the standard that you're applying to Southern
12 Spirit, that it, you know, applies to everybody who comes in under the order, that
13 hey, you're saying no, go ahead and get all your right-of-ways and stuff signed up
14 before you come here. I don't know that that's what -- I know that's what wasn't
15 intended by the order and I don't know if that's what you want to do.

16 **COMMISSIONER GREENE:** I'll let you know what I want to do.

17 **CHAIRMAN FRANCIS:** Okay. Let's recognize Commissioner Campbell.

18 **COMMISSIONER CAMPBELL:** Mr. Marionneaux?

19 **MR. MARIONNEAUX:** Yes, sir.

20 **COMMISSIONER CAMPBELL:** You said it doesn't affect ratepayers in
21 Louisiana at all?

22 **MR. MARIONNEAUX:** That's what I said, yes.

1 **COMMISSIONER CAMPBELL:** Yeah. And then you also said it doesn't hurt
2 anybody in Louisiana. That's what you said.

3 **MR. MARIONNEAUX:** When did I say --

4 **COMMISSIONER CAMPBELL:** That was about 10 minutes ago.

5 **MR. MARIONNEAUX:** I said it doesn't hurt anybody in Louisiana?

6 **CHAIRMAN FRANCIS:** What's the definition of hurt?

7 **MR. MARIONNEAUX:** I mean, I think it's --

8 **COMMISSIONER CAMPBELL:** It didn't hurt anybody in Louisiana.

9 **MR. MARIONNEAUX:** Well, I think it's substantially true, because they can't
10 go and take someone's property so --

11 **COMMISSIONER CAMPBELL:** Is substantially true, true, or is it halfway true?

12 **MR. MARIONNEAUX:** I think it's true, okay, because they --

13 **COMMISSIONER CAMPBELL:** That's as far as you need to go.

14 **MR. MARIONNEAUX:** Okay.

15 **COMMISSIONER CAMPBELL:** I'm doing the asking. Okay.

16 **MR. MARIONNEAUX:** Sure.

17 **COMMISSIONER CAMPBELL:** And I like you, you're a nice fellow. Would
18 you say that if you had a piece of property -- you said it didn't hurt the people of
19 Louisiana any. Would you say that if you had a piece of property or 60 acres, like
20 the little guy up there in Bastrop had, and you put a 180-foot highline right through
21 the middle of his property, would you think that would hurt his property?

22 **MR. MARIONNEAUX:** I think it would hurt him, but I think he has an option
23 under the law to say I don't want it there.

1 **COMMISSIONER CAMPBELL:** You know, I'm glad you brought that up,
2 options. You know, when we first started this out, I want y'all to listen to this now.
3 We all met in a big room up in Shreveport. We had all of them, and we'd ask them,
4 how about this option, once we had -- can we get into Entergy's highline deal?
5 They would help us, we'd help -- they already have this, that, and the other. Well,
6 we couldn't do that, that's what Southern Spirit said. We offered them a bunch of
7 ways to go around; couldn't do it, always a reason they couldn't do it. And I
8 understand it because it cost them too much money or whatever. But we offered
9 them a lot of options to help people. They did some, but on the big scope, they did
10 it just like they want to. Would you -- of course I'm going to ask you this question.
11 You wouldn't mind sending this back to the ALJ and let them look, do the studies
12 like everybody else has, would you?

13 **MR. MARIONNEAUX:** I'm not sure what studies you're referring to.

14 **COMMISSIONER CAMPBELL:** Yes, you are Mr. --

15 **MR. MARIONNEAUX:** I mean, are you talking about a cost benefit analysis?
16 Again, there is no cost.

17 **COMMISSIONER CAMPBELL:** No, no, no. I'm talking about a study like
18 everybody goes through that puts highlines through the state. Would you object to
19 it?

20 **MR. MARIONNEAUX:** I would object to sending it back to the ALJ at this point.
21 I don't think there's anything else that needs to be said.

22 **COMMISSIONER CAMPBELL:** I got you. You don't want to have to go
23 through what everybody else goes through.

1 **MR. MARIONNEAUX:** Oh, I think we went through everything that we were
2 required to.

3 **COMMISSIONER CAMPBELL:** No, you didn't. Now, Kyle, I love you like a
4 brother, but don't say that. You know you didn't go through the same things as the
5 other people.

6 **MR. MARIONNEAUX:** We didn't --

7 **COMMISSIONER CAMPBELL:** We did not have a consultant hired to come
8 and ask y'all, you know we didn't.

9 **MR. MARIONNEAUX:** We can't control that.

10 **COMMISSIONER CAMPBELL:** What?

11 **MR. MARIONNEAUX:** You guys make that decision. We don't go and hire a
12 consultant. I mean we did, we have our own consultant and they testified.

13 **COMMISSIONER CAMPBELL:** I understand, but we never -- I'm asking you,
14 would you object for us sending that back to the ALJ --

15 **MR. MARIONNEAUX:** I do object.

16 **COMMISSIONER CAMPBELL:** -- and hire a consultant like everybody else
17 goes through?

18 **MR. MARIONNEAUX:** We're way beyond the time frame.

19 **COMMISSIONER CAMPBELL:** The answer is yes or no.

20 **MR. MARIONNEAUX:** Yes, I object to it.

21 **COMMISSIONER CAMPBELL:** Oh, you object to that? You don't want to be
22 treated like the rest of the people. You don't want to have --

23 **MR. MARIONNEAUX:** I actually do.

1 **COMMISSIONER CAMPBELL:** You don't want to have to go through
2 everything everybody else has gone through.

3 **MR. MARIONNEAUX:** I do and we did. And the ALJ said that we complied
4 with everything in the order. And she's a very experienced ALJ and she does a
5 good job.

6 **COMMISSIONER CAMPBELL:** I don't agree with the ALJ. She's not my final
7 decision maker. I don't think that you went through the same scrutiny that the other
8 companies have had to go through. That's my opinion and you don't want to.
9 You're right, you don't want to.

10 **MR. MARIONNEAUX:** I disagree with that.

11 **COMMISSIONER CAMPBELL:** Yeah.

12 **MR. MARIONNEAUX:** I don't want to go back to the ALJ, but I disagree with
13 the statement.

14 **COMMISSIONER CAMPBELL:** You say the word about you got 48 percent of
15 the people signed up and you use the word, all people are on board. Have you said
16 that, everybody's on board?

17 **MR. MARIONNEAUX:** I didn't say that.

18 **COMMISSIONER CAMPBELL:** Do you say it now?

19 **MR. MARIONNEAUX:** No, but I'll say that everybody whose property the line
20 will go through, will be on board necessarily because they don't have expropriation
21 authority. So the answer to the question is yes, they all will be on board,
22 necessarily.

1 **COMMISSIONER CAMPBELL:** Have you talked to them since you told them
2 you don't have -- that's a good question, I'm glad you brought that up too. Since
3 the law has changed in the Legislature, and they now know that you cannot make
4 them sell. I appreciate you telling me that. Damn, that is a good question.

5 **MR. MARIONNEAUX:** Okay.

6 **COMMISSIONER CAMPBELL:** You just told me the key to unlock the door.

7 **MR. MARIONNEAUX:** Okay.

8 **COMMISSIONER CAMPBELL:** Have you gone back to all of them, Emory,
9 the people that you have signed up? Have you gone back and said, Mr. Jones, by
10 the way, the Legislature just changed the law, and we can't take your property.
11 Have you done that?

12 **MR. GRINTON:** Commissioner, a point on that is I can confidentially say that
13 nobody was threatened with expropriation --

14 **COMMISSIONER CAMPBELL:** Woah, I'm not asking that. Sure, some of
15 them were. That's not true, they were threatened. What do you call threatened?
16 You say we're going to take -- we'll work with you, where do you want it?

17 **MR. GRINTON:** The issue was never brought up.

18 **COMMISSIONER CAMPBELL:** Call it whatever you want. Some of the people
19 that I know that you talked to, told them you wanted to go through, and you wanted
20 to work out a way that you could go through their property, that's a threat. Look, I
21 won't go this way, but I will go this way. That's the deal you made. That ain't no
22 damn deal. The deal is, I won't go through it all. I don't want you to go through,
23 we got a deal. That's not the deal you make. You say we can rearrange the route

1 that you went, that's what you said. But I'm asking this question, and thank you,
2 Mr. Marionneaux, I appreciate that very much. Have you gone back to these 46
3 people that you signed up and told them, hello, the law has been changed in
4 Louisiana and we cannot expropriate your property because the law has been
5 changed? Now, if you're not happy with your deal, let's -- have you notified those
6 people? And some of them said, well, I don't want it but I'll go over here to keep
7 from going over there.

8 **MR. MARIONNEAUX:** We do --

9 **COMMISSIONER CAMPBELL:** I saw hundreds of those people. The way you
10 get 46 is, you're going through the middle of it and they say, no you don't have to
11 go through the middle, go to the edge of it. Okay. I'm all for that, but now you
12 need to go back and say, Mr. Jones, we got a new ballgame. You know what I told
13 you? You don't have to go for it at all, the law changed in Louisiana. Guess what
14 Mr. Jones is going to tell you? I don't want you at all. You owe a duty to these
15 people that you got their property from to tell them the law has changed, incite the
16 law, and tell them about there is no expropriation rights because some of these
17 people thought that there were, that you could take their property, like the man who
18 called me. Some of them are under the misconception that you guys could get
19 through their property, but now you can't because the law has changed, and they
20 ought to know that before they sign a deal saying come on through. That's what I
21 think, and I appreciate that, Mr. Marionneaux. Appreciate it very much.

22 **CHAIRMAN FRANCIS:** Thank you, Commissioner Campbell. Moving on here.
23 where do we go from here, Kathryn?

1 **COMMISSIONER SKRMETTA:** You call a vote.

2 **CHAIRMAN FRANCIS:** Call a vote?

3 **MS. BOWMAN:** We do have one card from a Mr. Michael Ameen. I don't know
4 if he's still here and would like to speak on this item. Yeah, you can come to the
5 table.

6 **COMMISSIONER CAMPBELL:** Come on up.

7 **MR. MARIONNEAUX:** Thank you.

8 **COMMISSIONER CAMPBELL:** Thank you.

9 **MS. BOWMAN:** Kyle, sign the clipboard, please. Sign the clipboard. Thank you.
10 And just introduce yourself for the record, please. Thank you. And Bobby and
11 Jonathan, if y'all -- yeah. Thank you, Jonathan.

12 **MR. MICHAL AMEEN:** Good morning, Commissioners. My name is Michael
13 Ameen. I am here representing the Marston intervenors. Also with us today is a
14 representative from the Star B intervenors, who are other landowners in the area.
15 One of the misrepresentations I think that's been thrown around is, Commissioner
16 Foster spoke about earlier, is that this whole this has been gummed up by, quote,
17 one rich landowner in northwest Louisiana, and I just, I don't think that's an
18 accurate assessment of what's been going on here. Respectfully, we have a number
19 of concerns. Admittedly, most of them were about the route to begin with, but over
20 the last year and a half, reviewing the record and being involved in litigation, I think
21 I can speak for most of the gentlemen at this table, that some of those concerns have
22 expanded, and we think that at this point, it's largely, to be completely frank, too
23 early for any of us to make an educated decision about the Southern Spirit

1 Transmission facility as it regards Louisiana, and specifically about whether there
2 is a public interest, which was discussed. Now, I think if you ask them what are
3 the public benefits to this facility in the state, the largest benefit that's spoken about
4 constantly is the investment in the state, and it's not insignificant. They're talking
5 about significant amounts of money. But as Commissioner Campbell noted, you'll
6 hear -- you did not have letters of support from DeSoto Parish where there's a three-
7 quarter of a billion-dollar inverter facility that's supposed to be developed and
8 installed. You have not received letters of support from the Red River Police Jury,
9 who also has tons of line that would go through it, and where it would go through
10 my client's property before it crosses the Red River. I was there when those two
11 police juries took it up, and neither one decided, at the time, is was appropriate to
12 support or to withhold support of the Southern Spirit Transmission facility. So if
13 the primary issue is money, but there's no power delivered to the state admittedly,
14 the ALJ says this. If you ask Southern Spirit they'll tell you that there's no delivery
15 plan right now. So what are the public interests, what is here that's in the public
16 interest? Because money, if providing jobs and providing investment is a, quote,
17 public interest, then the Louisiana Constitution's got to be changed because it says
18 those things aren't in the public interest. But there's nothing here that indicates
19 power delivery to the state, there's nothing here that indicates anything more than
20 an attenuated benefit and reliability. When we had our hearing, the ability to, quote,
21 black start the grid was talked about as a huge benefit, and it may be in Mississippi
22 and in Texas, but it's not in Louisiana. There was lots of trickle-down talk about
23 improved reliability, again very attenuated. The equivalent of throwing -- we like

1 to talk about somewhat the equivalent of throwing a bucket of water in the
2 Mississippi River in St. Louis, and watching it make its way down to New Orleans.
3 Again, it's all about -- the primary benefit that's stated is jobs and money. And so
4 we vehemently disagree, on top of the fact that we believe their procedural
5 deficiencies in the proceeding, certain reports that weren't provided, analysis that
6 wasn't provided, whether it's relevant or not is up for debate, it's not there. But at
7 the end of the day, the public need is so attenuated, it seems like it's beyond -- it
8 seems to me that it's beyond anybody's ability to make a determination and it's --
9 I'll let Jonathan --

10 **CHAIRMAN FRANCIS:** Let me ask you something.

11 **MR. AMEEN:** Yes, sir.

12 **CHAIRMAN FRANCIS:** You talk about the police jury, and Red River, and
13 DeSoto.

14 **MR. AMEEN:** Yes, sir. Those are the two I attended.

15 **CHAIRMAN FRANCIS:** You said they're not for it or against it. They haven't
16 objected to the project; is that right?

17 **MR. AMEEN:** I think that's an accurate statement there, both of them have
18 received --

19 **CHAIRMAN FRANCIS:** That's all I want to know. Okay. Commissioner
20 Campbell?

21 **COMMISSIONER CAMPBELL:** That's not exactly right.

22 **MR. AMEEN:** Okay.

1 **COMMISSIONER CAMPBELL:** That's not exactly right. That's a nice
2 question, they didn't object to it, that's a nice question. They're not for it, they
3 didn't pass a resolution saying we're for it. So what do you think, they had a
4 lobbyist go down there and make a pitch to them; isn't that right, Mr. Gilliam?
5 They had a lobbyist down there making a pitch to the police jury? That's right, and
6 he was there and he presented his case, and Mr. Francis said, well, they didn't say
7 anything. That don't mean they're for it. If they were for it, they'd be for it. None
8 of them wrote me, and I live on the [INAUDIBLE] of Red River Parish.

9 **CHAIRMAN FRANCIS:** They know about it, and there's nobody for it or against
10 it, so it's kind of like a --

11 **COMMISSIONER CAMPBELL:** Well, they damn sure weren't for it. No police
12 jury member in eight parish that's called Foster Campbell and says please help us
13 pass this project.

14 **CHAIRMAN FRANCIS:** And they didn't call you to say you're against it either?
15 Okay. Bobby Gilliam --

16 **COMMISSIONER CAMPBELL:** Oh, no, there's a bunch of them against it.
17 That's not true, Mr. -- you're leading the witness, Mr. Francis, you're leading him.
18 You're not going to be able to lead me. You can do a lot of things, but you can't
19 lead me. I've had a bunch of them say they're not for it, but I hadn't any of them
20 say they're for it. That's a leading question, Mr. Francis.

21 **CHAIRMAN FRANCIS:** Well, Bobby Gilliam, we're used to hearing from him.
22 What's your position here, Mr. Gilliam?

23 **MR. BOBBY GILLIAM:** Good afternoon, everybody. So --

1 **CHAIRMAN FRANCIS:** I don't want to lead you in any way, now, Bobby.

2 **MR. GILLIAM:** No. I mentioned a few points, but I've been to two of the

3 meetings, one in Red River Parish and one in --

4 **COMMISSIONER CAMPBELL:** Speak up, Bobby. We can't hear you.

5 **COMMISSIONER SKRMETTA:** Pull that microphone closer to you.

6 **MR. GILLIAM:** I'm sorry. Sorry, my voice is a little off today, so I apologize

7 for that. I've been to two of the meetings and talked to several to the

8 Commissioners, I happen to just know some of them from the past. No, they have

9 not -- they've not voted to approve anything. There have been, I know, in north

10 DeSoto, there was a gentleman who appeared on his own and made a speech against

11 the project. I remember him because he was an extremely large gentlemen and I

12 would say looks like he could play in the NFL, and I listened to him when he was

13 talking. But there has been discussions, you know, among the groups, on each

14 [INAUDIBLE] and in DeSoto Parish and in Red River, but not formal votes where

15 you can hear the comments of the Commissioners in addition to those who appear

16 before. So that's what I have witnessed in terms of some of the individuals saying

17 they were not for it and others I think they're all waiting for other evidence. I just

18 would add this that, you know, it's really important, a public interest finding is

19 critical in the law. It's critical for condemnation. It's in Article 1, Section 4 of our

20 Constitution -- Louisiana Constitution. And we're tougher on that than some states,

21 and we start with that premise. And you can't just go condemn, it's got to be

22 limited, you got to jump through a lot of hoops, you got to make sure you really got

23 to do it. And that's why they only give it to certain entities, and I've been on both

1 sides of condemnation cases over the years. So in this case, we got a second issue
2 and the condemnation issue I know is dealt with in the Legislature. We've got a
3 second issue, and that's the finding of public interest. And what we have here is a
4 finding that it's -- you can't find this in the public interest, but you can go forward
5 anyway. I don't think that's a precedent we would want to set by saying that it's
6 not in the public interest, but go forward with your project. I think, you know, they
7 may prove it's in the public interest, but you've got to meet that burden before you
8 say go forward. And that's why with the ALJ and we've been there many times
9 and they go through these things pretty tediously. I mean, they're going to look
10 critically and they'll hire a consultant and everyone --

11 **CHAIRMAN FRANCIS:** All right.

12 **MR. GILLIAM:** The last one we did, or maybe -- I don't know if it was the last,
13 there was like 27 million instead of I thought this was 2.6 or 2.7 billion. So about
14 --

15 **CHAIRMAN FRANCIS:** And we got -- the ALJ's a lawyer, one lawyer
16 [INAUDIBLE] to other, you disagree with the ALJ, right? And I got another
17 lawyer up here that wants to ask you something.

18 **MR. GILLIAM:** I do disagree with the ALJ, but I'm also saying once we find in
19 an order that the public interest has not yet been established, I would suggest it's
20 premature to go forward at that time.

21 **CHAIRMAN FRANCIS:** All right. Let me recognize Commissioner Skrmetta.

22 **COMMISSIONER SKRMETTA:** It's going to be a leading question.

23 **CHAIRMAN FRANCIS:** A leading question. Okay.

1 **COMMISSIONER SKRMETTA:** Look, we're talking about public interest,
2 right?

3 **MR. GILLIAM:** Correct.

4 **COMMISSIONER SKRMETTA:** And my question is, is a determination of a
5 public interest necessary when the public is going to be paying for the thing? Or is
6 it necessary to find a public interest if the public's not going to be paying for a
7 thing? That's really my differentiation on this, on my motion because if -- look, I
8 don't think that we looked at it properly for the public interest, but if we're not
9 going to pay for it, I'm looking at this saying I don't really see the need or the
10 determination of the Commission to look at the public interest if the ratepayers
11 aren't going to pay for it.

12 **MR. GILLIAM:** I understand your question and this is all in a little different area
13 because usually you have condemnation. But I would suggest that -- and really,
14 it's been our position from Day 1. I think that the Commission and the ALJ did
15 have jurisdiction over this big project from Day 1. I mean, look, this is one project,
16 but you know there's others around the country. There's one they're trying to do
17 in Missouri and of course the one through Arizona. So I would think the
18 Commission would want jurisdiction going forward over all of these.

19 **COMMISSIONER SKRMETTA:** You didn't answer my question.

20 **MR. GILLIAM:** Okay. Well, maybe I thought I did because --

21 **COMMISSIONER SKRMETTA:** Well, not really because my question is, is if
22 we're dealing with an issue of the public's money, and the public having to pay for
23 something, and we look at looking at a determination of this, of the public need and

1 necessity, because the public's going to pay for it; is that why we look at the public
2 need?

3 **MR. GILLIAM:** I think that's part of it.

4 **COMMISSIONER SKRMETTA:** Because if the public's not going to pay for
5 something, then it becomes a private business interest, and it's going to be privately
6 funded with no cost to the public, that would be like saying the Commission has to
7 determine whether or not, you know, something that's not going to be recovered
8 from any utility has to be looked at by the Commission, and we don't. On the
9 regular basis, the Commission does not look at recovering costs for other things.
10 So for me, that's the purpose of my motion, is if we aren't recovering costs and
11 putting them on the ratepayers, which is the only reason that I can find to find to
12 vote for this.

13 **MR. GILLIAM:** You know, I understand what you're asking, but there's a couple
14 of things that, you know, somebody doesn't have condemnation, they want to sell
15 property, they can do what they want with their property, that's one issue. And I
16 understand we say right now what the plans are for this line, but this is a \$2.7 billion
17 transmission facility.

18 **COMMISSIONER SKRMETTA:** We don't know that because nobody will tell
19 us what it's going to cost, so that's all speculative.

20 **MR. GILLIAM:** Okay. I'm not preaching on the cost, but I've read the numbers.
21 Some have said 2.6-something. It's a big line, I agree. I don't know the exact
22 number.

23 **COMMISSIONER SKRMETTA:** Call it 100 billion, it doesn't matter.

1 **MR. GILLIAM:** Yeah. But it is a big line, and it's coming through this state from
2 one side to the other. From the Mississippi River to the Texas line, and there's no
3 assurance that's it's going to be the only one, and others aren't going to be coming
4 after it. That, when you read the context of the rule, maybe the rule hadn't thought
5 of that, he hadn't thought of it when it was drafted, but it certainly appears to be
6 something that could be encompassed within the rule, and you ought to comply
7 with the rule. You can argue about exceptions or maybe this shouldn't apply the
8 same way, but at the end of the day, something that significant and large --

9 **COMMISSIONER SKRMETTA:** But that seems to be more of a NERC question
10 or, you know, outside of the issue of the Commission, because -- or even a MISO
11 or a SPP question because our -- it would seem that the Commission's concerns are
12 about making sure that the public is protected on costs and then it's a question of,
13 well, we should allow the public's money to pay for something if there's a need for
14 it, but if we're not going to be questioned about the public paying for it, you know,
15 not my problem.

16 **MR. AMEEN:** Commissioner, if I may, I mean, I don't disagree at all with the
17 position you're taking. I think the issue we have on the public determination is if
18 you do think there are some deficiencies in the method to determine there was a
19 public interest. The order makes that statement. So, I mean, we have no problem
20 with the Commission saying we're not opposed to this, but there's no public
21 interest.

22 **COMMISSIONER SKRMETTA:** Does the order ultimately contemplate that the
23 public could pay for that thing? See what I'm saying?

1 **MR. GILLIAM:** Right, but I think it does say that the public interest is served by
2 the Southern Spirit Transmission line, which could be just that it's just language
3 that's in every order that's approved by the Commission, but at the same time, it
4 does carry weight outside of this Commission.

5 **COMMISSIONER SKRMETTA:** Well, again, I think this is where we have to
6 refocus how we look at this and say if we look at a study that says cost benefit
7 analysis, we don't look at the cost. The benefit that the ALJ apprised of this was
8 about jobs and stuff. Nowhere in it did it talk about provision of -- proviso of
9 electricity to Louisiana ratepayers, which is what this Commission does. We're not
10 in the business of being LED and providing jobs to the state of Louisiana. It's nice
11 after effect or a side effect of what we do, but we look at providing electricity and
12 value of electricity at value rate. So if we're looking at this, and the ALJ's
13 determination that it provided that was about jobs and other factors that aren't
14 relative back to the ratepayers, then I think that it was not a expansive enough
15 determination because it didn't look at cost because, you know, Southern Spirit
16 didn't proceed on the basis of trying to sell electricity to Louisiana citizens. It
17 looked at it about moving a hunk of wire from one side of Louisiana to the other.
18 And so we're looking at it about going, yeah, okay. Now, what do you want me to
19 do about it? Because as long as you're not trying to put those numbers on my
20 people, I don't care or at least I'm agnostic, okay. Because those determinations,
21 other than what we do about our people paying for this thing, are issues like
22 Commissioner Campbell and Senator Seabaugh did, about protecting the
23 landowners with provisions for expropriation protection and the people's private

1 ability to contract and sell their right-of-way to you for whatever value it is, right?
2 But at any point in this, I don't see a cost benefit analysis. The benefits that are
3 determined by the Louisiana Public Service Commission, there has to be a benefit
4 of the value of produced electricity coming to serve the value of Louisiana
5 ratepayers in order for it to be something that we should be considered under a cost
6 benefit analysis. And if it's not a category under a cost benefit analysis for us to be
7 determining in that, then it's kind of like, well, why are we looking at it, you know?
8 So again, my position or my motion is, yeah, I'm agnostic about you building a
9 transmission line until such time as you're going to try and hit Louisiana ratepayers.
10 So I don't want us to pay for these costs. I don't want us to pay for the design. I
11 don't want us to pay for anything because we're not looking at any benefits
12 associated with this transmission line. We're not looking at the cost of these things,
13 so my job is to protect ratepayers, right? And I appreciate the fact Commissioner
14 Campbell's trying to look out for landowners and I appreciate the fact that the
15 Legislature's looking out for landowners, and I understand that this is important.
16 But my primary job is to look out for ratepayers, and my motion is to make sure
17 that you can't put any of these costs on ratepayers, ever. And that's it.

18 **CHAIRMAN FRANCIS:** Mr. Gilliam, your pilot sitting next to you, does he have
19 something to say?

20 **MR. JONATHAN MCCARTNEY:** Yeah. It's to Commissioner Skrmetta, it's
21 to your point. Jonathan McCartney, I work with Bobby Gilliam and we're
22 representing the Marstons, along with Michael Ameen in this. And your point
23 about cost benefit analysis, and that's certainly an argument that Southern Spirit

1 advanced that, you know, it's too early for them to present a cost benefit analysis.
2 But one of the arguments that was not fully addressed by the Honorable ALJ in her
3 ruling, and isn't really addressed, is that it's not merely that a cost benefit analysis
4 is missing, or that a ratepayer impact, or estimated ratepayer impact analysis is
5 missing. There are other requirements of the order that other transmission
6 certifications that have been granted by the Commission, in fact all of the precedent
7 by the Commission for prior transmission orders require, and one of them is, and
8 this is going to talk about cost benefit analysis, but it's a separate requirement,
9 right? It's in the order and it's from the language in Paragraph 3. If the applicant
10 is a member of a FERC approved RTO or ISO, a cost benefit analysis conducted
11 by that RTO/ISO, if available, and they said it's not available, shall be provided
12 along with any other documentation prepared by the RTO or ISO identifying the
13 need for the construction of the facility. And in this case, there's been none of those
14 studies from -- that show the need, there's been no showing of need. No
15 interconnection studies, no reliability studies filed into the record that support a
16 showing of need. So if the Commission adopts the ALJ's order and says we're
17 going to say that it's public interest, there no basis in the record for a finding of
18 need, and they haven't met the requirement. It's not just the cost benefit analysis,
19 it's also the documentation from the RTO that shows public need and they never
20 filed it.

21 **COMMISSIONER SKRMETTA:** Let me interrupt you for one second. My
22 motion does not adopt the ALJ's position. Okay. It doesn't say anything about
23 that, Number 1. Number 2 is, if you look at MISO and SPP about how they look

1 about their cost benefit analysis, until such time as this company working with the
2 various utilities in the state of Louisiana makes a determination to drop off and try
3 to sell power in Louisiana, I think one of the reasons it's difficult for them to do a
4 cost benefit analysis in the state of Louisiana is because it's not providing any
5 service in the state of Louisiana. It is effectively a garden hose between Texas and
6 Mississippi. So it can't provide -- now, what it can do, it's kind of strange if you
7 think about this, it can only provide a cost benefit analysis to Texas and Mississippi
8 because under the traditional notions of cost benefit analysis, which is why we can't
9 do it and which is why I have to look at this as being agnostic as a construction
10 project, and not an electrical transmission project, and how I have to look at it.
11 Normally, if I was going to accept the ALJ, I would say great and we'll pay for it,
12 but I can't pay for it because I don't know what the costs are, I don't know what
13 the elements are, I don't know what the ROE of that one is, and our people aren't
14 getting any power. So as far as I'm concerned, we ain't going to ever pay for it
15 because we're not getting anything for it and we really can't take a statement into
16 it because any cost benefit analysis of it is not finding a traditional pathway in
17 Louisiana because there's nothing for us to analyze under any cost or benefit to the
18 state of Louisiana. It's really into Mississippi and Texas. So I think that's my
19 problem with this is I have to look at this as almost they're building a bridge with
20 no exit ramp.

21 **MR. MCCARTNEY:** To that point, Commissioner, and these concepts are related
22 right? So one is in understanding where you're coming from with the regards to
23 the cost benefit analysis, if that's true, then any order that approves this would have

1 -- wouldn't any order that would approve this project have difficulty making a
2 statement that it is in the public interest if there was never a cost benefit analysis
3 submitted?

4 **COMMISSIONER SKRMETTA:** I will modify my motion to say I reject the
5 ALJ's recommendation, okay?

6 **MR. MCCARTNEY:** Okay.

7 **COMMISSIONER SKRMETTA:** Straight up reject it and put it on the rest of
8 my motion. Because I think that they -- look, I'm trying to put this in the most
9 succinct way. I reject the use of a cost benefit analysis of something that delivers
10 no benefit to the state of Louisiana, because it's an improper application of theory
11 of law. Because you can't apply something -- I think she actually tried to wedge a
12 size six shoe into a size three -- a size six foot in a size three shoe, because you're
13 talking about jobs that have nothing to do with the ratepayers. You know, all the
14 other aspects. A cost benefit analysis on electrical transmission lines is about what
15 electrons are going to come off, how much are they going to cost to the ratepayers,
16 how much is the infrastructure associated with that infrastructure going to cost the
17 ratepayers, what's the ROE? We have a prohibition against double leveraging of
18 equity, all those aspects are what we look at under cost benefit analysis. None of
19 the cost benefit analysis that the ALJ did is relevant to the analysis of this
20 transmission line; and therefore, I reject the analysis provided for in the ALJ's
21 recommendation.

22 **CHAIRMAN FRANCIS:** Are there any other yellow cards for this?

1 **COMMISSIONER SKRMETTA:** In fact, Kathryn, I modify my motion to say -
2 - begin with I reject it. Okay. Because I think that it's an improper application,
3 and I think that satisfies your concern about somebody else coming in and going,
4 well, we're going to adopt her thing.

5 **MR. MCCARTNEY:** Right.

6 **COMMISSIONER SKRMETTA:** And if we vote against it, if that happens, that
7 would be --

8 **MR. MCCARTNEY:** And, Commissioner, I appreciate that suggested
9 amendment to that. And further to your point regarding that cost benefit analysis,
10 so there's kind of two different things and you've talked a lot about how, and done
11 a -- really, really explained for everybody here, that concept of cost benefit analysis
12 and how it might relate to a finding of public interest, so that you really can't find
13 a public interest when there is no cost benefit analysis if none of those costs are
14 going to ratepayers. And it's a procedural, but it's significant, they still
15 procedurally have never shown need for the project and they didn't meet just the
16 plain language of the order that says that, you know, along with any other
17 documentation prepared by the RTO or ISO identifying the need for the
18 construction of the facility. So you have public interest over here, but you have a
19 complete lack of evidence, a lack of evidence of need for the facility. And even if
20 they said, well, it's not needed in Louisiana because it's not going to serve anybody
21 in Louisiana, it still doesn't mean that there's not RTO documents. They're a
22 member of MISO. They filed as a member of MISO and to serve under that.

1 **COMMISSIONER SKRMETTA:** Does this end up in SPP on the western end,
2 or is it in MISO?

3 **MR. MCCARTNEY:** On the western end, it goes into ERCOT.

4 **COMMISSIONER SKRMETTA:** Does it cross through SPP on the western side,
5 Bobby?

6 **MR. MCCARTNEY:** Very southern, right along the seam.

7 **COMMISSIONER SKRMETTA:** So it is an SPP, MISO, ERCOT problem?

8 **MR. MCCARTNEY:** Yeah. But SPP is not involved, to our understanding of
9 that. Their interconnection points, you know, come in and --

10 **COMMISSIONER SKRMETTA:** Not until the future where it decides to
11 become a cost benefit analysis of going into SPP?

12 **MR. MCCARTNEY:** That's right. And that's part of our --

13 **COMMISSIONER SKRMETTA:** Which is a future question because that's
14 where the issue becomes is cost benefit analysis would come into play at any future
15 date of which they would petition the Commission that says, oh, we want to drop
16 off the main line, we want to be looking at this about selling power into SPP, MISO,
17 Louisiana, for the purpose of this. And the Commission can go, well, we'll look at
18 it, but we've got an order here that says we're not paying for the design,
19 construction, implementation of the main line because you didn't come to us for
20 the analysis on that when you had the chance, so we reject that. All other cost
21 aspects of it, wheeling charges, etcetera, can be considered for the PPAs or
22 whatever they're going to do with Entergy or Cleco or SWEPCO or the co-ops, and
23 that's fine. And this is effectively a slap on the wrist to them for taking the risk

1 they took about taking their maneuver on this. Because I see this as a faulty
2 maneuver on their part, and to be perfectly frank, I think by us approving it, we may
3 get a value for the ratepayers down the road by them trying to avoid getting the
4 right way that they should do this, and we will get a discounted value power line in
5 the future for the public by them taking this action. But down the road, they'll have
6 to do it if they drop off and that's my position on it.

7 **CHAIRMAN FRANCIS:** Commissioner Frey, I got a question for you.

8 **SECRETARY FREY:** Don't call me Commissioner, please.

9 **CHAIRMAN FRANCIS:** I'm sorry. Secretary Frey. I'm sorry about that.

10 **SECRETARY FREY:** I'm just kidding.

11 **CHAIRMAN FRANCIS:** I'm looking at Commissioner Skrmetta's motion here.

12 **SECRETARY FREY:** Okay.

13 **CHAIRMAN FRANCIS:** I thought I heard him say he wants to change something
14 in there?

15 **COMMISSIONER SKRMETTA:** Just to add in the beginning that I reject the
16 ALJ's recommendation.

17 **SECRETARY FREY:** I think Kathryn just rewrote it. She was listening to it, so.

18 **CHAIRMAN FRANCIS:** All right. So we had a second from Commissioner
19 Lewis. I want to see if he's still good for a second?

20 **SECRETARY FREY:** That's the proper -- if he is going to amend his motion,
21 that would be the proper next step to ask if he agrees.

22 **CHAIRMAN FRANCIS:** All right. While they're doing that, let me -- I haven't
23 had a chance to say a whole lot, but according to Commissioner Skrmetta, he's

1 basically saying I like the ALJ, I just got a couple additions here to smooth it out a
2 little bit. And that's what you're doing right now?

3 **SECRETARY FREY:** I believe that's correct.

4 **CHAIRMAN FRANCIS:** Because I appreciate what the ALJ's been drug through
5 the mud here on some of this stuff.

6 **COMMISSIONER SKRMETTA:** Well, it's just the one thing Mike. It's just the
7 cost benefit analysis.

8 **CHAIRMAN FRANCIS:** Overall, I thought she did a pretty good job, you know.
9 But anyhow, all right. Here, Commissioner Lewis for questions.

10 **VICE CHAIRMAN LEWIS:** Thank you. Thank you, Mr. Chairman and I
11 appreciate this debate. As all of you know, I sat through all three days of the
12 hearing, I've read every brief, every testimony that was at the Legislature. And
13 while we're on this question of public interest, there was another portion of the
14 ALJ's recommendation about public interest that has not been mentioned, which is
15 providing more capacity in MISO South. Is it not true that the offtake would be in
16 MISO South, which would allow Louisiana generators access to a larger market?

17 **MR. MCCARTNEY:** Commissioner, that is a good question. And --

18 **VICE CHAIRMAN LEWIS:** Is it true?

19 **MR. MCCARTNEY:** The difficulty in answering it, respectfully, is that they
20 don't have any documentation from MISO. They have statements about where it
21 would be, they have not submitted any of the applications, any of the findings of
22 MISO, there's no studies from MISO that have been -- there's an interconnection
23 study that's going to be done in a year. So to answer your question, there's no

1 evidence in the record to answer your question that's actually from the RTO in
2 question. And it's not the RTO's burden, it's not MISO's job to file that, right?
3 It's the applicant's job to file the required -- the evidence that confirms the answer
4 to your question. But the applicant did not file that, so there is no answer in the
5 record. So there's no way to -- they have statements about it, but they don't have
6 documentation from MISO that can confirm the answer to your question, which is
7 a requirement under the existing order that you submit all of those documentations
8 --

9 **COMMISSIONER SKRMETTA:** MISO's here.

10 **MR. MCCARTNEY:** Right. If you're a member, and they did identify
11 themselves as a member in their application. So the problem is that they can't --

12 **VICE CHAIRMAN LEWIS:** To my knowledge, I don't believe Southern Spirit
13 is in any RTO.

14 **MR. MCCARTNEY:** They indicated in their application that they are a MISO or
15 were seeking approval from MISO, and they've --

16 **VICE CHAIRMAN LEWIS:** Can you point to the page in that application of that,
17 because I've read that and I don't have that memory.

18 **COMMISSIONER SKRMETTA:** Actually, MISO's here in the --

19 **VICE CHAIRMAN LEWIS:** MISO, would you come to the table and confirm
20 whether or not Southern Spirit is in a RTO?

21 **COMMISSIONER CAMPBELL:** Emory, come on up, man, you the
22 [INAUDIBLE] through here.

1 **MS. JAMIE WATTS:** Commissioners, Jamie Watts, on behalf of MISO, with
2 Daryl Brown and Walter Ferguson.

3 **VICE CHAIRMAN LEWIS:** Let's just start with the question: Is Southern Spirit
4 or their parent company, Pattern, a member of MISO?

5 **MR. DARYL BROWN:** No.

6 **MR. WALTER FERGUSON:** No. They're an applicant to the interconnection
7 queue process.

8 **SECRETARY FREY:** And, Daryl and Walter, make sure you identify yourselves.

9 **MR. FERGUSON:** Walter Ferguson with MISO. Southern Spirit is an applicant
10 into the interconnection queue process for studies and evaluation in regard to
11 system impacts, and facilities needed, as far as their results.

12 **VICE CHAIRMAN LEWIS:** And can you, I guess, for the record, tell us when
13 that -- you have off the top of your head when that application to MISO was filed
14 and when those studies would be conducted?

15 **MR. FERGUSON:** I believe it was filed in September of last year. The studies
16 are ongoing. The first round of studies should be completed toward the end of this
17 year, in theory at least that's the target. There's no guarantee, but that's the target.
18 But the interconnection queue basically is set up in three phases or three cycles, and
19 they go through a study process and they end up with the results. And then projects
20 evaluate those results, which your -- and I'm talking about queue wide, and they
21 evaluate these results and some of those projects, because of the costs associated
22 with interconnection, those projects will fall out because of the various milestones
23 that are required to stay in the queue. And then you go into the next phase, and

1 there'll be restudies, because when projects fall out, you have to restudy to
2 determine whether the system impacts and the facilities have to be changed, which
3 most of the time they do. And then after you have the results of the DPP 2, then
4 projects will make a determination whether they're going to stay in the queue,
5 whether it's financial or otherwise, that they had those milestones. And then some
6 of those projects fall out, and then you restudy the third time to really ultimately
7 get the final results. And each cycle is about a year, and so the first cycle will likely
8 have the biggest cost associated with interconnection, simply because of the volume
9 of the projects that are being studied. And so that's the reason you have the
10 restudies through the cycle, so that people can actually get a better idea of what it
11 actually costs in regard to the system impacts, and the facilities required to
12 interconnect.

13 **VICE CHAIRMAN LEWIS:** And thank you. And going back to some of the
14 questions I was asking a second ago, let's move forward since your studies cannot
15 be submitted into the record because they are not concluded and they are, at this
16 point, as my understanding of what you're doing, is assessing Pattern's -- excuse
17 me, Southern Spirit's application. If, after all of your studies that there could
18 potentially be, I should say, I don't want to say there would be, more capacity in
19 MISO South if this project is complete. Your studies could conclude that, I'm not
20 saying they will, but that could conclude that there's more capacity in MISO South.

21 **MR. FERGUSON:** It will conclude the cost and facilities necessary to
22 interconnect.

23 **VICE CHAIRMAN LEWIS:** Okay. Just the interconnect?

1 **MR. FERGUSON:** To the system.

2 **VICE CHAIRMAN LEWIS:** To the system. Which would then allow -- okay.

3 So that clears up MISO. Ms. Watts, can you -- during the proceeding, I mean, I

4 vividly remember you there. What was MISO's position under this application, as

5 an intervenor?

6 **MS. WATTS:** MISO, as an intervenor, did not take any position on Southern

7 Spirit's application. MISO asked the ALJ to consider implementation of conditions

8 regarding Southern Spirit's financial responsibility for the studies within MISO,

9 which she did include in her recommendation.

10 **VICE CHAIRMAN LEWIS:** So she did include that those studies, the costs

11 would be borne by Southern Spirit?

12 **MS. WATTS:** That's correct, Commissioner.

13 **VICE CHAIRMAN LEWIS:** So that means the record evidence that we're

14 talking about, Southern Spirit has already, based off of what we would approve

15 today under the ALJ recommendation, would bear the cost of concluding the studies

16 that would then showcase whether or not this project is viable?

17 **MS. WATTS:** That's what MISO requested and that's what the ALJ included.

18 **CHAIRMAN FRANCIS:** So just to make it clear, ALJ did have this total support

19 of MISO's information and opinion before she made a ruling?

20 **MS. WATTS:** MISO participated as an intervenor in the docket and was available

21 to answer questions. Yes, Commissioner.

22 **MR. MCCARTNEY:** Commissioner, but to your question though, just to be clear

23 about what is and is not in the record, MISO was a participant, and they were a

1 party, but there's no testimony from a MISO witness in the record and there's no
2 documentation, and understanding that the studies are ongoing. So they weren't
3 required -- they're not the applicant, so they were not required to submit it, but
4 there's no document -- not even the application that Southern Spirit submitted to
5 MISO is in the record. No documentation is from MISO, no preliminary
6 interconnection studies, or even older interconnection studies on the ERCOT side
7 that were asked about during the hearing, none of those, which had -- Texas had
8 originally found, had some problems with before they ended up addressing it, none
9 of those documents, none of that evidence is in the record, which is why this is quite
10 different than other applications before the Commission.

11 **CHAIRMAN FRANCIS:** So the ALJ did not have to disclose that they discussed
12 this with MISO, apparently. If you knew that that should have been written in the
13 record, if you knew that, would you have a different position on being for or against
14 the line?

15 **MR. MCCARTNEY:** If it had been in the record then we would have been able
16 to ask questions about it, conduct a discovery about, but the other thing is that the
17 ALJ applied some language regarding a cost benefit analysis if relevant. She
18 applied that language to other areas, and so it was her determination, but she does
19 not specifically address that status of MISO filings, the status of MISO applications,
20 the status of that requirement under the Commission Order. It's not addressed by
21 the ALJ, so there's nothing in the record to support a finding of need, which is why
22 we would respectfully suggest that in the alternative motion it would, to be accurate,
23 it would need to say that there is no finding of public need and there -- or there is

1 no finding of need and then separate from that, there is no finding of public interest,
2 because those documents haven't been provided. Nobody had the opportunity to
3 conduct discovery on it. We're jumping out here in front of Mississippi and we're
4 jumping out here before MISO has had an opportunity to even complete their
5 studies.

6 **CHAIRMAN FRANCIS:** But the ALJ's opinion, she said she did not need that
7 cost analysis to support the line.

8 **VICE CHAIRMAN LEWIS:** Mr. McCartney, did you make those claims, either
9 in your original testimony or in -- I don't remember the argument, that's why I'm
10 asking. Do you remember at what point did you file these?

11 **MR. MCCARTNEY:** Yes. We raised these issues in our pre-trial brief in
12 December, we raised them in our post-hearing briefs in March, we raised it in our
13 exceptions that were filed on May 30th of this year.

14 **VICE CHAIRMAN LEWIS:** Okay. Thank you. I'll go back and look at that.

15 **MR. FERGUSON:** Let me clarify something, this is Walter Ferguson. To be
16 clear, Southern Spirit's application, they are free to provide that information, that's
17 their determination. MISO has to comply with the confidentiality in the issues
18 around it's tariff, so if there is a need for information in the docket in regard to the
19 application that Southern Spirit filed, they're free to disclose their own information.

20 **CHAIRMAN FRANCIS:** Okay. Walter, let me ask you this: This DC line, it
21 originates in ERCOT; is that right?

22 **MR. FERGUSON:** I think that's where the source of the energy would be from.

1 **CHAIRMAN FRANCIS:** What is the driving purpose behind putting in a line
2 like that? Is it because to move cheap wind-generated electricity, would that be one
3 reason to do that?

4 **MR. FERGUSON:** You could make that reasonable conclusion that there is flow
5 either direction in regard to excess energy.

6 **CHAIRMAN FRANCIS:** All right. So you can [INAUDIBLE]. But it's a DC
7 line, not AC, it's a DC line.

8 **MR. FERGUSON:** Correct.

9 **CHAIRMAN FRANCIS:** So where is it going to terminate? Is it going to
10 terminate in Mississippi?

11 **MR. FERGUSON:** Yes.

12 **CHAIRMAN FRANCIS:** Is it going to be in MISO 9, where it ends?

13 **MR. FERGUSON:** Yes. Yes, it's on the edge of MISO's territory in Mississippi.

14 **CHAIRMAN FRANCIS:** So in order to sell electricity, it's going to have to be
15 converted to AC at the end of the line, right?

16 **MR. FERGUSON:** Correct.

17 **CHAIRMAN FRANCIS:** Okay. So it's going to be a DC, AC, DC. Okay. So
18 we will have AC electricity in MISO 9 coming off the end of this line, right?

19 **MR. FERGUSON:** Mississippi is Zone 10, yet it will be in the MISO market.

20 **CHAIRMAN FRANCIS:** Okay. So it will have some kind of effect somewhere
21 down the road that we'll have to vote on and approve whatever, I guess, whatever
22 document they put before us.

23 **MR. FERGUSON:** I don't know that I can answer that.

1 **CHAIRMAN FRANCIS:** Okay. All right. We're going a little too -- okay. All
2 right. I'm through with that. Okay. Commissioner Campbell?

3 **COMMISSIONER CAMPBELL:** Yes sir. Tell me who you are.

4 **MR. FERGUSON:** Walter Ferguson. I'm a consulting advisor for MISO.

5 **COMMISSIONER CAMPBELL:** What's your name, sir?

6 **MR. BROWN:** Sorry, Daryl Brown, Executive Director for MISO.

7 **COMMISSIONER CAMPBELL:** You're a director for MISO?

8 **MR. BROWN:** Executive Director, yes, sir.

9 **COMMISSIONER CAMPBELL:** And I know who you are, but go ahead and
10 tell me anyway.

11 **MS. WATTS:** Jamie Watts, Commissioner. I'm local counsel to MISO.

12 **COMMISSIONER CAMPBELL:** Okay. Let me ask you something. First of
13 all, can you, you, or you tell me any place in Louisiana that we're going to get
14 power from this line?

15 **MR. FERGUSON:** I cannot.

16 **MR. BROWN:** No.

17 **COMMISSIONER CAMPBELL:** You cannot? What do you think about --
18 you're a business person Jamie, you're a business woman, you represent
19 businesses. You're betting on the come here, that's what you're saying? That's
20 the hope, isn't it? It's hope that you can get onto MISO and they can distribute
21 electricity to Louisiana, right? Isn't that the hope? It sort of is, isn't it?

22 **MS. WATTS:** Commissioner, you know, we can't speak to Southern Spirit's
23 strategy or --

1 **COMMISSIONER CAMPBELL:** I'm speaking for them because that's their
2 argument. Their argument is that we can get power through MISO, but they can't
3 give me a place. Now, you tell me they don't have all the arrangements with MISO
4 to get that done. That's what y'all are saying, right?

5 **MS. WATTS:** We're saying they're in the process.

6 **COMMISSIONER CAMPBELL:** He's saying they hadn't even made the
7 application; isn't that what you're saying, Jonathan?

8 **MR. MCCARTNEY:** And to clarify, the gentlemen from MISO confirmed, they
9 filed an application in September with MISO, but that application was not
10 submitted into the record before this Commission. And so none of any
11 documentation that was submitted to MISO or found by MISO, none of that
12 evidence is here before this Commission. So there's no showing of need, there's
13 no complete interconnection studies, there's not even just the application to MISO
14 itself, so there's no evidence in the record for the Commission to consider to answer
15 your question.

16 **CHAIRMAN FRANCIS:** That was September a year ago, last year?

17 **COMMISSIONER CAMPBELL:** Let me ask you a question here.

18 **MR. MCCARTNEY:** Yes.

19 **COMMISSIONER CAMPBELL:** If everything goes right, MISO is ready to take
20 this line? Is that what y'all are telling me? You can't tell me that or can you tell
21 me that?

22 **MR. FERGUSON:** No. The studies have not been completed. The Cycle 1
23 studies will be -- the results will be available toward the end of this year, that'll be

1 Cycle 1. Then projects, other interconnection projects, will fall out based on cost
2 of interconnection. At least that's historically what's occurred. And then when the
3 projects fall out, you have to restudy to determine system impacts and facilities.
4 And then as projects fall out, you continually restudy to make sure everybody
5 understands the cost of interconnect.

6 **COMMISSIONER CAMPBELL:** How long would that be? Do you have any
7 idea?

8 **MR. FERGUSON:** The target would be for Cycle 1 to be at the end of this year,
9 Cycle 2 at the end of next year, Cycle 3 at the end of the following year. That's
10 just an estimate.

11 **COMMISSIONER CAMPBELL:** What about Mississippi, what are y'all doing
12 in Mississippi? Have you got everything cleared up over there?

13 **MR. FERGUSON:** They had a technical conference where they asked lots of
14 questions to Southern Spirit and to MISO, and we participated in that technical
15 conference.

16 **COMMISSIONER CAMPBELL:** But they're not cleared up?

17 **MR. FERGUSON:** No.

18 **COMMISSIONER CAMPBELL:** Okay. So we're a step ahead of Mississippi,
19 we're going to be cleared up before Mississippi. And we don't get any electricity,
20 Mississippi gets it, right? I got the picture. Boy, that's a hell of a deal. We're
21 going to help Mississippi, we're going to help Texas, we ain't going to worry about
22 Louisiana for a while. And I don't know if you know this, this is a record. We
23 have more people living -- poor people in Louisiana than Mississippi, how you like

1 that? We're ahead of Mississippi, we're the poorest state there is. Maybe New
2 Mexico. But we can't brag anymore about being ahead of Mississippi, we ain't
3 ahead of Mississippi. We're below them on a lot of factors, a lot of factors.

4 **CHAIRMAN FRANCIS:** As soon as we get through voting we're going to take
5 a ten minute break, okay. Just for your information.

6 **COMMISSIONER CAMPBELL:** What about a lunch break?

7 **CHAIRMAN FRANCIS:** So I'd like to call for a vote. Anybody got a objection?

8 **COMMISSIONER SKRMETTA:** Just if Kathryn can restate the motion because
9 there's one little slight modification.

10 **COMMISSIONER CAMPBELL:** What time?

11 **COMMISSIONER SKRMETTA:** No, just Kathryn's going to restate this.

12 **MS. BOWMAN:** So this is on Commissioner Skrmetta's substitute motion. I'll
13 read the whole thing, just for clarity of the record. As regards to the request for
14 approval of the Southern Spirit Transmission line, the Commission takes note that
15 Pattern Energy, during the ALJ proceeding, provided no cost benefit analysis of the
16 project as it was stated by the applicant during testimony that there would be no
17 costs of any kind assessed to the ratepayers attributable to the proposed design and
18 construction of proposed transmission facility. Because of those two separate and
19 distinct facts, I move that we reject the ALJ's recommendation only as it pertains
20 to the cost benefit analysis, with the additional condition that at no point, now or in
21 the future, shall any design and construction cost associated with this transmission
22 line be borne by the ratepayers of the state of Louisiana. This matter is always
23 subject to future Commission review.

1 **CHAIRMAN FRANCIS:** All right. And we still have a good second?

2 **VICE CHAIRMAN LEWIS:** I'll still second.

3 **CHAIRMAN FRANCIS:** Commissioner Lewis. All right. Is there any objection
4 to this motion and second? Commissioner Campbell?

5 **COMMISSIONER CAMPBELL:** Yeah, I object.

6 **COMMISSIONER SKRMETTA:** Okay. Roll call vote. Ask for roll call.

7 **CHAIRMAN FRANCIS:** So we'll do a roll call vote. Commissioner Campbell,
8 how do you vote?

9 **COMMISSIONER CAMPBELL:** No.

10 **CHAIRMAN FRANCIS:** Commissioner Lewis? Yes?

11 **VICE CHAIRMAN LEWIS:** Yes. I'm sorry, I got confused. Yes.

12 **CHAIRMAN FRANCIS:** All right. Commissioner Skrmetta?

13 **COMMISSIONER SKRMETTA:** Yes.

14 **CHAIRMAN FRANCIS:** Commissioner Greene?

15 **COMMISSIONER GREENE:** Yes.

16 **CHAIRMAN FRANCIS:** Chairman votes yes, so it's four to one.

17 **COMMISSIONER SKRMETTA:** Move to recess.

18 **CHAIRMAN FRANCIS:** We're going to take a 10-minute break and --

19 **COMMISSIONER GREENE:** I thought we were voting on his --

20 **MS. BOWMAN:** We just did.

21 **SECRETARY FREY:** We just did.

22 **COMMISSIONER GREENE:** But what about the overall thing?

23 **SECRETARY FREY:** That is the overall thing.

1 **MS. BOWMAN:** That is.

2 **COMMISSIONER GREENE:** Oh, I thought that was a secondary motion.

3 **VICE CHAIRMAN LEWIS:** To approve it.

4 **SECRETARY FREY:** It was a substitute motion, but it --

5 **COMMISSIONER GREENE:** I thought -- I'm sorry.

6 **CHAIRMAN FRANCIS:** We're going to start back after the break in probably

7 10 minutes.

8 **SECRETARY FREY:** Hang on.

9 **MS. BOWMAN:** Wait, wait.

10 **COMMISSIONER GREENE:** I thought this was a secondary motion that we

11 were voting --

12 **COMMISSIONER SKRMETTA:** Substitute.

13 **COMMISSIONER GREENE:** A substitute motion.

14 **VICE CHAIRMAN LEWIS:** It is.

15 **SECRETARY FREY:** It is.

16 **MS. BOWMAN:** It is. It was a substitute motion to Commissioner Campbell's

17 motion, which you guys just voted on and roll called.

18 **COMMISSIONER GREENE:** Yeah, but what about a -- I thought we were going

19 to subsequently vote on the overall project.

20 **MS. BOWMAN:** That was the vote on the overall project.

21 **COMMISSIONER GREENE:** And it was the substitute motion?

22 **SECRETARY FREY:** Yes.

23 **MS. BOWMAN:** It was, yes.

1 **COMMISSIONER GREENE:** Because what I wanted was -- I was not for the
2 overall --

3 **MS. BOWMAN:** Hey, guys, could everybody be quiet, please? We have not
4 recessed.

5 **COMMISSIONER GREENE:** I'd just like to clarify that vote, if we can, because
6 I thought that, like, I was for his secondary, but against the overall project. So I
7 said if it passed, I wanted that on it.

8 **MS. BOWMAN:** So the vote we just had was a substitute motion of Commissioner
9 Skrmetta's that --

10 **COMMISSIONER GREENE:** But did we ever get back to the original motion
11 to pass the project?

12 **MS. BOWMAN:** It failed for a lack of second, and the substitute motion passed
13 with a majority, therefore the substitute motion passes and the item is passed. But,
14 I mean, if you were confused, you can change your vote.

15 **COMMISSIONER GREENE:** Yeah. Change my vote to no, then, because --

16 **CHAIRMAN FRANCIS:** Okay.

17 **COMMISSIONER GREENE:** Yeah. It's still three to two.

18 **VICE CHAIRMAN LEWIS:** Three-two.

19 **CHAIRMAN FRANCIS:** Okay. It'll be a three to two vote.

20 **MS. BOWMAN:** Okay. So move to reconsider real quick, so Commissioner
21 Greene is moving to reconsider.

22 **COMMISSIONER GREENE:** Yes. Yes. Please.

23 **COMMISSIONER SKRMETTA:** Sure.

1 **VICE CHAIRMAN LEWIS:** And I guess we'll just do another roll call vote, for
2 the record.

3 **COMMISSIONER SKRMETTA:** Yeah, let's do another roll call.

4 **COMMISSIONER GREENE:** My bad. Thanks.

5 **CHAIRMAN FRANCIS:** Okay. Another roll call vote for the record.
6 Commissioner Greene?

7 **COMMISSIONER GREENE:** No.

8 **CHAIRMAN FRANCIS:** Commissioner Campbell?

9 **COMMISSIONER CAMPBELL:** No.

10 **CHAIRMAN FRANCIS:** No. Commissioner Skrmetta?

11 **COMMISSIONER SKRMETTA:** Yes.

12 **CHAIRMAN FRANCIS:** Commissioner Lewis?

13 **VICE CHAIRMAN LEWIS:** Yes.

14 **CHAIRMAN FRANCIS:** Chair votes yes, so it's a three to two vote. Let's come
15 back at ten minutes after 12:00, sharp. We're going to start in 10 minutes, sharp.

16 **[OFF THE RECORD]**

17 **[BACK ON THE RECORD]**

18 **CHAIRMAN FRANCIS:** I'd like to ask Kathryn Bowman to kind of set the
19 record of us going forward on which exhibits we'll take up.

20 **MS. BOWMAN:** Yes, sir. We're going to take up a couple of items out of order,
21 beginning with Exhibit 18. We're going to take Exhibits 18, 19, 20 up, and then
22 we're going to move to Exhibit 27.

23 **COMMISSIONER SKRMETTA:** What about Number 4? Four is lonely.

1 **MS. BOWMAN:** And then Exhibit 28. And then we will go back to Exhibit 4.
2 So Exhibit 18 is where we're going next.

3 **CHAIRMAN FRANCIS:** All right. Go ahead and read Exhibit 18.

4 **MS. BOWMAN:** Exhibit Number 18 is Docket Number U-37128. This is Parish
5 Water Company's 2023 Formula Rate Plan Annual Report. It's a discussion and
6 possible vote on a Joint Report and Draft Order. Parish filed its annual Formula
7 Rate Plan for the Test Year 2023 on February 29th of this year, in compliance with
8 Commission Order Number U-36540. It was published in the Commission's
9 Official Bulletin and there were no intervenors. Pursuant to the Commission Order,
10 Parish's FRP established a return on equity bandwidth of 9 to 10 percent, with a
11 midpoint reset of 9.5. In the 2023 FRP Filing, Parish reported a ROE of 7.58, which
12 is below the ROE bandwidth. Based upon Staff's disallowances included in the
13 filing, the test year was also -- for the ROE for water was 7.61. After Staff's
14 adjusted ROE, it falls below the bandwidth of 9.0, so Staff recommends that Parish
15 be authorized to increase its water rates to reset the ROE to 9.5. Staff filed its
16 Report and Recommendation into the record on June 3rd and Parish did not object.
17 Therefore, a Joint Report and Draft Order was filed into the record on July 17, 2024,
18 acknowledging the resolution of all issues. As there are no unresolved issues, Staff
19 recommends that the Commission accept the Joint Report and Draft Order filed into
20 the record on July 17, 2024.

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

22 **COMMISSIONER SKRMETTA:** Second.

1 **CHAIRMAN FRANCIS:** Motion by Commissioner Greene, seconded by
2 Commissioner Skrmetta. Any discussion or objection? [NONE HEARD] Hearing
3 none, 18 is approved.

4 **MS. BOWMAN:** Exhibit Number 19 is Docket Number U-37129. It's Baton
5 Rouge Water Works Company doing business as Baton Rouge Water Company's
6 2023 Formula Rate Plan Annual Report for a discussion and possible vote on a
7 Joint Report and Draft Order. February 29th of this year, Baton Rouge Water filed
8 its Formula Rate Plan Filing, wherein it reported that its earnings fell below the 9
9 to 10 percent ROE bandwidth and therefore should receive an increase in rates.
10 During its review, Staff identified approximately \$28,674.22 in disallowances,
11 including various political campaign contributions, fundraiser expenses, and
12 various charitable donations. Staff's as adjusted ROE for Baton Rouge Water was
13 approximately 5.9 percent, which falls below the prescribed bandwidth of the FRP
14 and therefore a reset to the midpoint of 9.5 is necessary. Staff recommended an
15 increase in rates by approximately 1.9 million as specified in the FRP to bring its
16 earnings to the agreed upon 9.5 ROE. On June 12th of this year, Baton Rouge Water
17 filed correspondence accepting Staff's recommendation. Staff recommends that
18 the Commission accept the Joint Report and issue the Draft Order filed into the
19 record on July 25, 2024.

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

21 **COMMISSIONER SKRMETTA:** Second.

1 **CHAIRMAN FRANCIS:** A motion by Commissioner Greene, seconded by
2 Commissioner Skrmetta. Any objections or additions? [NONE HEARD]
3 Nineteen is approved.

4 **MS. BOWMAN:** Exhibit Number 20 is Docket Number U-37130. This is
5 Louisiana Water Company's 2023 Formula Rate Plan. It's a discussion and
6 possible vote on a Joint Report and Draft Order. LAWCO filed its annual report
7 for the Test Year '23, in compliance with Commission Order Number U-36318-A,
8 with published in the Commission's Official Bulletin and no intervenors. Pursuant
9 to the Commission's order, LAWCO's FRP established a return on equity
10 bandwidth of 9 to 10 percent, with a midpoint of 9.5. In the 2023 FRP filing,
11 LAWCO reported an ROE of 5.52. This deficiency in earnings would require an
12 increase in revenue of approximately \$1 million, adjusted for taxes. Commission
13 Staff made several adjustments to the company's filing, and with those adjustments,
14 it reflected a decrease to LAWCO's 2023 Test Year by \$65,000. Upon review,
15 LAWCO indicated that the company accepted Staff's Report and
16 Recommendation, and filed noticed to the effect in the record. And on July 17,
17 2024, Staff and LAWCO filed a Joint Report and Draft Order into the record. As
18 there are no unresolved issues, Staff recommends that the Commission accept the
19 Joint Report and Draft Order filed into the record on July 17, 2024.

20 **COMMISSIONER SKRMETTA:** Move to accept the Staff recommendation.

21 **COMMISSIONER GREENE:** Second.

1 **CHAIRMAN FRANCIS:** Moved by Commissioner Skrmetta, seconded by
2 Commissioner Greene. Any opposition or discussion? [NONE HEARD] Hearing
3 none, 20 is approved.

4 **MS. BOWMAN:** We are moving to Exhibit 27 now. Exhibit 27 is Docket Number
5 R-36199. This is the Commission’s review and possible modification of the
6 Commission’s General Order dated October 10, 2013, governing transmission
7 certification and general siting. It’s a discussion and possible vote on Staff’s Report
8 and Recommendation for a Revised Siting Order at the request of Commissioner
9 Campbell. At the October 2021 B&E, the Commission directed Staff to open a
10 rulemaking proceeding to determine if changes to the general order were necessary.
11 It was published in the Commission’s Official Bulletin. At the January 2024 B&E,
12 the Commission further directed Staff to potentially amend the definition of
13 transmission facility to assert jurisdiction over transmission projects physically
14 located in Louisiana, regardless of whether the line provides service in the state.
15 Notice of this proposed change was also published in the Commission’s Official
16 Bulletin, and during the pendency of both publications, 15 stakeholders intervened.
17 Staff issued its proposed revisions and solicited comments from intervenors after
18 both directives, and issued its final report and recommendation on July 31, 2024.
19 That report recommended changes to the Siting Order, including assertion of
20 Commission’s jurisdiction over transmission facilities physically located in the
21 state, providing procedural rules for facilities located in the National Interest
22 Electric Transmission corridors, creates new reporting requirements, proposed
23 amendments to the exemption rules to more clearly limit reliability exemptions,

1 proposes those exemptions for newer expanded industrial loads, and limits the
2 exemptions for projects that are not recovered in rates to projects that will never be
3 recovered in rates. Staff recommends that the Commission accept the Final Staff
4 Report and Recommendation for a Revised Siting Order filed into the record on
5 July 31, 2024.

6 **COMMISSIONER CAMPBELL:** This settles the argument we just had, one
7 more line here [INAUDIBLE] --

8 **MS. BOWMAN:** Commissioner, can you use your mic, please? Thank you.

9 **COMMISSIONER CAMPBELL:** Yeah. I'm sorry. One little line at the end
10 pretty much wraps it up. Finally, it extends Commission's authority over
11 transmission physically located in the Commission's geographic territory, that
12 would be Louisiana, regardless of whether it actually serves Louisiana. So this
13 solves the question. If you come through, you're under the Public Service
14 Commission, won't be any more ifs and ands and but. I think it's a good rule.

15 **MS. BOWMAN:** Is that a motion?

16 **COMMISSIONER CAMPBELL:** I make a motion we accept the Staff
17 recommendation.

18 **CHAIRMAN FRANCIS:** There's a motion. Is there a second to that?

19 **VICE CHAIRMAN LEWIS:** Second.

20 **CHAIRMAN FRANCIS:** Second by Commissioner Lewis. And is there any
21 discussion? I disagree with that. I don't think it's any of our business to have
22 jurisdiction over this line, so I would be voting no. I guess we need a roll call vote,
23 huh? Commissioner Skrmetta, do you vote in favor of this?

1 **COMMISSIONER SKRMETTA:** This is for future issues?

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

3 **SECRETARY FREY:** This is the rulemaking changing the rules.

4 **COMMISSIONER SKRMETTA:** So this is moving into a rulemaking process?

5 **SECRETARY FREY:** It is the rule. So the October 2013 Order we were talking

6 about, this is the revisions to that order, and one of which is on projects like

7 Southern Spirit, in the future, would be subject to the rule.

8 **COMMISSIONER SKRMETTA:** Right. Does this take into consideration --

9 because I haven't had a chance to review the whole process. Did it take into

10 consideration how we look at cost benefits?

11 **SECRETARY FREY:** I'm going to defer to Ms. Evans on that.

12 **MS. EVANS:** Lauren Evans on behalf of Staff. Not in the way that you were

13 talking about it earlier.

14 **COMMISSIONER SKRMETTA:** I mean, does it look at the value -- as a

15 component of the value to say that electricity has to come out of the line to

16 ratepayers in Louisiana to be considered?

17 **MS. EVANS:** For a cost benefit analysis?

18 **COMMISSIONER SKRMETTA:** Yeah. If we're going to be looking at cost

19 benefit analysis, that an element of it has to be that it provides electricity to

20 Louisiana ratepayers. It's not just something, it's got to be providing electricity.

21 **MS. EVANS:** So the way that the definition was changed is that we are going to

22 exert jurisdiction regardless of whether or not the line provides service to

1 customers. So there's other factors in the order that is going to require the cost
2 benefit analysis. So if --

3 **COMMISSIONER SKRMETTA:** So you're not saying if it does or even doesn't
4 provide service, right?

5 **MS. EVANS:** Well, if it doesn't provide service, there's likely not going to be a
6 cost benefit analysis [INAUDIBLE].

7 **COMMISSIONER SKRMETTA:** Right. So I'm saying the siting is going to
8 cover systems that don't provide service.

9 **MS. EVANS:** Correct.

10 **COMMISSIONER SKRMETTA:** Yeah, I vote no.

11 **CHAIRMAN FRANCIS:** Yeah, that's right. I vote no.

12 **MS. BOWMAN:** So we're going to roll call vote. Chairman votes no.

13 **CHAIRMAN FRANCIS:** So we roll call vote, did we? Go back and start over
14 again. So I call Commissioner Skrmetta; you vote no?

15 **COMMISSIONER SKRMETTA:** No.

16 **CHAIRMAN FRANCIS:** Commissioner Lewis?

17 **VICE CHAIRMAN LEWIS:** Yes.

18 **CHAIRMAN FRANCIS:** Commissioner Greene?

19 **COMMISSIONER GREENE:** Yes.

20 **CHAIRMAN FRANCIS:** Commissioner Campbell?

21 **COMMISSIONER CAMPBELL:** Yes.

1 **CHAIRMAN FRANCIS:** Chair votes no, three to two. So you have your way,
2 Commissioner Campbell. All right. Congratulations. All right. Moving on to the
3 next one, it's --

4 **MS. BOWMAN:** Yes, sir. Exhibit 28.

5 **CHAIRMAN FRANCIS:** -- 28.

6 **MS. BOWMAN:** Which is Docket Number U-37191. This is Magnolia Water
7 Utility Operating Company's Formula Rate Plan 2023 Test Year Annual Report
8 Filing. It's a discussion and possible vote on a Joint Report and Draft Order, at the
9 request of Commissioner Skrmetta. On May 1st of '24, Magnolia filed its 2023
10 Annual Report per the revisions of the Order of U-35822, which was published in
11 the Commission's Official Bulletin and no interventions were filed. The FRP
12 utilizes an earnings bandwidth based on the calculated ROE of 9 to 10 percent, with
13 a midpoint of 9.5. In its 2023 FRP Filing, Magnolia reported a consolidated ROE
14 of 3.45 percent. This deficiency in earnings would require an increase in revenue
15 requirement of approximately \$7 million, with 4 million of that allocated to water
16 and 3 million of that allocated to sewer. Staff reviewed Magnolia's rate base
17 calculations to determine that the company had increases in expenses due to
18 Magnolia's purchase of additional utilities and the necessary investments needed
19 to bring them into regulatory compliance. For example, Magnolia received three
20 administrative orders on consent agreements executed between the company and
21 LDEQ between 2019 and 2020, which included 250 acquired sewer facilities
22 containing deficiencies. Magnolia has successfully removed 235 of those systems
23 from the AOCs. On August 6, 2024, Staff filed its Report and Recommendation

1 into the record and Staff made multiple adjustments to Magnolia’s schedules, which
2 resulted in an increase to the ROE of 3.93 percent, but still below the allowed return
3 of 9.5. Staff found that a deficiency in earnings would require an increase of
4 revenue requirement of approximately 6.5 million, with 3.3 of that being water and
5 3.2 of that allocated to sewer. Magnolia filed its response to Staff’s report on
6 August 6th indicating acceptance of Staff’s report, and Staff and the company filed
7 a Joint Report and Draft Order into the record on August 8, 2024, where Staff
8 recommended that Magnolia be allowed a total revenue increase of approximately
9 \$6.5 million. Staff recommends that the Commission accept the Joint Report and
10 Draft Order filed into the record on August 8, 2024.

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

12 **CHAIRMAN FRANCIS:** I’ll second that.

13 **COMMISSIONER GREENE:** I object. Ask for roll call vote.

14 **CHAIRMAN FRANCIS:** Got one objection, so we have to roll call vote. So
15 Commissioner Campbell, how do you vote?

16 **COMMISSIONER CAMPBELL:** This is what vote?

17 **MS. BOWMAN:** This is the vote to accept Magnolia’s FRP annual increase.

18 **COMMISSIONER CAMPBELL:** Yes.

19 **MS. BOWMAN:** Yes.

20 **CHAIRMAN FRANCIS:** Okay. And Commissioner Skrmetta?

21 **COMMISSIONER SKRMETTA:** Yes.

22 **CHAIRMAN FRANCIS:** Commissioner Lewis?

23 **VICE CHAIRMAN LEWIS:** Yes.

1 **CHAIRMAN FRANCIS:** Commissioner Greene?

2 **COMMISSIONER GREENE:** No.

3 **CHAIRMAN FRANCIS:** Chairman votes yes, so it's a four to one vote, it passes.

4 So we'll move on to Number 14?

5 **MS. BOWMAN:** Yes, sir. Exhibit Number 14 is Docket Number U-36625. This

6 is Entergy's application for approval of an Entergy Future Ready Resilience Plan

7 Phase 1. It's a discussion and possible vote to retain a monitoring engineer. Staff

8 issued RFP 24-06 seeking an engineer to assist Staff in the monitoring and received

9 three conforming bids. The first was from Critical Technology Consulting of

10 3,631,850 in fees and 120,000 in expenses, for a total budget not to exceed of

11 \$3,751,850. The second was from CSRS of 5,503,500 in fees and 612,000 in

12 expenses for a total budget not to exceed of \$6,115,500. And then third was from

13 Barowka and Bonura of \$13,746,119.04 in fees and \$97,796.08 in expenses for a

14 total budget not to exceed of \$13,843,915.12. Staff makes no recommendation, as

15 all three bidders are qualified.

16 **COMMISSIONER GREENE:** Motion to accept middle bid of CSRS for \$6.1

17 million.

18 **COMMISSIONER SKRMETTA:** Offer a substitute motion for the low bid of

19 Critical Technology Consulting for their total amount of \$3.7 million.

20 **CHAIRMAN FRANCIS:** Got a substitute motion from Commissioner Skrmetta

21 on Number 1. Does he have a second? Does anybody second Skrmetta's? [NONE

22 HEARD] Hearing no second, we move back to the original motion of

1 Commissioner Greene and a second by Commissioner Lewis. Is there any
2 objection or discussion?

3 **COMMISSIONER SKRMETTA:** I'm going to just note that I'll vote for the bid
4 of CSRS, but reserving in a positive vote, reserving the right to bring the matter up
5 later for future consideration.

6 **CHAIRMAN FRANCIS:** Okay. Is there any other discussion or anything?
7 [NONE HEARD] Well, hearing that, it's five to one in support of Number 2,
8 CSRS. Okay. Exhibit 21.

9 **MS. BOWMAN:** Do we want to go back to 4?

10 **CHAIRMAN FRANCIS:** What?

11 **MS. BOWMAN:** Do we want to go back in order or do -- was there another one?

12 **CHAIRMAN FRANCIS:** No, 21. I'd like to do 21, if you don't mind.

13 **COMMISSIONER CAMPBELL:** Where are we now?

14 **COMMISSIONER SKRMETTA:** Good luck finding it.

15 **MS. BOWMAN:** Twenty-one.

16 **CHAIRMAN FRANCIS:** Yes.

17 **COMMISSIONER CAMPBELL:** There we go.

18 **MS. BOWMAN:** Exhibit Number 21 is Docket Number U-37213. This is Cleco
19 Power's request for a Commission Financing Order authorizing Cleco Power to
20 finance through securitization financing transaction, the retirement costs associated
21 with the Dolet Hills Power Station and the associated mines, as well as to establish
22 an energy transition reserve. It's a discussion and possible vote to retain a
23 securitization consultant. Staff issued an RFP 24-07 seeking a consultant and

1 received two conforming bids. The first was Estrada-Hinojosa of 260,000 in fees
2 and 15,000 in expenses, for a total budget not to exceed of 275,000. The second
3 was from Drexel Hamilton of 375,000 in fees and zero in expenses, for a total
4 budget not to exceed of 375,000. Staff makes no recommendation, as both are
5 qualified.

6 **CHAIRMAN FRANCIS:** Okay. We got a motion from Commissioner Lewis to
7 accept --

8 **COMMISSIONER CAMPBELL:** I got a motion. I make a motion to accept
9 Number 1, Estrada.

10 **CHAIRMAN FRANCIS:** Estrada? Okay.

11 **COMMISSIONER CAMPBELL:** However you pronounce it, I don't know their
12 name.

13 **CHAIRMAN FRANCIS:** Okay.

14 **VICE CHAIRMAN LEWIS:** That was my motion, I'll second it.

15 **CHAIRMAN FRANCIS:** And Commissioner Lewis seconds it. Any discussion
16 or opposition? [NONE HEARD] Hearing none, we accept the bid of Number 1,
17 Estrada for Exhibit 21. I think we go back down to Number 4 now. Exhibit 4.

18 **MS. BOWMAN:** Yes, sir. Give me one second. Okay. Exhibit Number 4 is
19 Docket Number T-37069. This is WNW Transport's application for a common
20 carrier certificate of non-hazardous oilfield waste and non-hazardous industrial
21 solid waste for disposal, statewide. It's a discussion and possible vote to rescind -
22 - Staff's Motion to Rescind. On December 12, 2023, WNW filed an application
23 with the Commission, and on March 11, 2024, a hearing was held in the matter

1 wherein they submitted evidence in satisfaction of the Commission's rules related
2 to waste hauling. On March 11, '24, Order Number T-37069 was issued, wherein
3 WNW was granted a common carrier certificate authorizing operations as a
4 common carrier of non-hazardous oilfield waste and non-hazardous industrial solid
5 waste. The ALJ further ordered that the issue of the common carrier certificate is
6 conditioned upon full compliance with the laws of the state of Louisiana and the
7 rules and regulations of the Commission. As of the date of this filing, WNW has
8 not complied with the rules and regulations of the Commission. Specifically, they
9 have not submitted compliance documents required for issuance of their certificate
10 and the company has stated that they no longer are interested in acquiring a
11 common carrier certificate. As a result of the failure to comply with the rules of
12 the Commission, the dated nature of the evidence submitted, and the request of
13 WNW to not be awarded a common carrier certificate, Staff respectfully requests
14 that Order T-37069 be rescinded and recommends that the Commission accept that
15 Motion to Rescind filed into the record on July 30, 2024

16 **VICE CHAIRMAN LEWIS:** Move to accept Staff's recommendation.

17 **CHAIRMAN FRANCIS:** I'll second that. A move by Commissioner Lewis,
18 second by Chairman. Any discussion or objection? [NONE HEARD] Hearing
19 none, it passed. If it pleases the -- Commissioner Greene would like for us to go to
20 Number 8, if that's okay with everybody.

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

22 **CHAIRMAN FRANCIS:** Hearing no objection, go ahead with Number 8.

1 **MS. BOWMAN:** Exhibit Number 8 is Docket Number S-37079. This is Delta
2 State Utilities and Entergy Louisiana's joint application for approval of acquisition
3 of Entergy's gas local distribution company assets to Delta States, and Delta States'
4 request for authority to operate as a gas local distribution company and incur
5 indebtedness. It's a discussion and possible vote on Staff's Report and
6 Recommendation. December 11, 2023, Delta States and Entergy filed a joint
7 application for approval of the acquisition. Notice was published in the
8 Commission's Official Bulletin and no interventions were received. Staff reviewed
9 the application, accompanying exhibits, and had discovery and held meetings with
10 both Entergy and Delta States. And on July 30th of this year, filed its Report and
11 Recommendation generally agreeing with the application, and finding that the
12 transaction is in the public interest; that Delta States has the necessary access to
13 capital and would be able to ensure system compliance; the transaction was fair and
14 reasonable to Entergy's employees; and that it will preserve the Commission's
15 jurisdiction. On July 31, 2024, the joint applicants filed correspondence into the
16 docket indicating their concurrence with the Report and Recommendation. And as
17 there are no unresolved issues, Staff recommends that the Commission accept the
18 Staff Report and Recommendation filed into the record on July 30, 2024.

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

20 **COMMISSIONER CAMPBELL:** I'll second.

21 **CHAIRMAN FRANCIS:** Motion by Commissioner Greene, second by
22 Commissioner Campbell. Any discussion or opposition? A question from
23 Commissioner Lewis.

1 **VICE CHAIRMAN LEWIS:** Can I have a representative from Delta to the table?

2 **CHAIRMAN FRANCIS:** Okay. Give us your name and who you are.

3 **MR. RYAN KING:** Ryan King on behalf of Delta Utilities.

4 **VICE CHAIRMAN LEWIS:** Thank you, Mr. King. I just have but three -- oh,

5 I'm sorry. Go ahead, miss.

6 **MS. CARRIE TOURNILLON:** Carrie Tournillon, Legal Counsel for Delta.

7 **VICE CHAIRMAN LEWIS:** Thank you. Apologize for that. I just have about

8 three questions that some of my constituents have asked me about this. One,

9 because this is an acquisition of a private equity firm, that is very different than

10 priorities of a traditional IOU. So one of the questions that has come up is recently

11 Bernhard has made a number of acquisitions recently. Can you guarantee that the

12 commitment to gas services will be there and that you are able to manage a

13 company that now would become the largest gas operator in Louisiana, if all of

14 your acquisitions for Delta is complete?

15 **MR. KING:** Absolutely. We've made that commitment in the record as well as

16 over the past -- since 2013, when Bernhard Capital was developed. I think we have

17 a strong track record of investing in Louisiana, primarily in critical infrastructure

18 and critical services, with roughly -- between the portfolio companies, 5,500

19 employees across Louisiana. I think that's a track record of strong investment in

20 Louisiana, but also, yes, we've committed and part of all of these utilities being

21 regulated requires us to have a financial capability to move forward and operate

22 and maintain the assets in the future.

1 **VICE CHAIRMAN LEWIS:** And thank you. So some of the questions have
2 been about long-term goals, so can you just address that? What are the long-term
3 goals to ensure that you're maintaining and providing a reliable and affordable
4 service, especially in gas distribution to Louisianans?

5 **MR. KING:** Yeah. So moving forward from here, we're developing -- it's a
6 transition plan to move, and the primary tenets of that transition plan are protection
7 of the customers, but also protection of the employees of Entergy as it stands today.
8 The transition plan involves a -- it's between now, and we've already started this
9 plan, and closing, which is expected to be in the middle of 2025. Part of that plan
10 is the development of a technology platform that will -- it's Cloud based, it's
11 modern. It's something that will begin the customers on a brand-new platform, so
12 we're starting from scratch. We're starting from brand new, and it's a clear
13 opportunity to switch from a platform that was integrated, gas and electric, to a gas
14 focused organization. And the difference we see for customers there is in the short-
15 term and the long-term. First, the transition plan with the technology platform, but
16 also the protection of the existing employees, which we're taking -- guaranteeing
17 employment to approximately 200 employees that operate these gas assets today.
18 And so moving forward, we expect to maintain those employees, but also build this
19 organization in Louisiana and keep our headquarters in Louisiana, even though our
20 footprint may expand beyond Louisiana.

21 **VICE CHAIRMAN LEWIS:** Thank you. And while we're -- my last kind of
22 question on this while we're talking about the transition plans. Can you address
23 what are the costs to ratepayers of this transition and what would that be? And then

1 how do you anticipate that, if we make this transition, rates would go in future rate
2 cases, or what's that long-term rate impact that you are looking at?

3 **MR. KING:** Yeah. So for the transition plan, I guess from a starting point, we've
4 proposed to step into the shoes of Entergy's rates, schedules, and tariffs on file
5 today. So we're not asking for any recovery of transition plan costs in this filing,
6 that's not before you today. What we've agreed to and proposed is that, as we move
7 forward, we would have a consistent period of base rates while we develop that and
8 implement that transition plan. And then in the future, roughly the end of 2026, we
9 would provide a full opportunity for the PSC to have a full prudence review, cost
10 of service analysis, come in for a clean start as Delta Utilities, with new tariffs, new
11 rate schedules. But again, that would be subject to PSC approval in a future rate
12 filing. As far as what we expect those costs to be, it's an allocated cost between
13 the individual utilities, so that period from now until that future rate case really
14 allows us to fully determine is this just the energy transaction, or is our other
15 proposed CenterPoint transaction also included, where we can allocate those costs
16 amongst the additional utilities.

17 **VICE CHAIRMAN LEWIS:** Thank you. And correct me if I'm wrong. So the
18 processes that we've approved today, then you still have a regulatory proceeding
19 that is still happening at the City Council of New Orleans for the Entergy New
20 Orleans share, and that you would then return here in East Baton Rouge Parish to
21 the Metro Council for a franchise agreement. Is that -- and then that would then
22 solidify this acquisition; am I correct on that?

23 **MR. KING:** That's correct.

1 **VICE CHAIRMAN LEWIS:** And do you have any timelines on where you stand
2 on the acquisition in New Orleans and the franchise agreement here in East Baton
3 Rouge Parish?

4 **MR. KING:** So the New Orleans, we expect before the end of the year. It's
5 difficult for me to forecast exactly when it would occur between now and then, but
6 the end of the year -- before the end of the year is our forecast. And the Baton
7 Rouge franchise is currently in discussions with folks at the Metro Council.

8 **VICE CHAIRMAN LEWIS:** Great. I want to thank you for answering my
9 questions. This has been a topic, particularly in my district, because most of the
10 operations, as you acknowledged, are here. I'm going to keep an eye, as we make
11 this acquisition, on new gas spending, what that looks like, what that infrastructure
12 is required, but I thank you for answering my questions and I will vote in favor of
13 this and wish the new business success, but we'll be a close partner in ensuring that
14 we do this in a fair and equitable way for the people of Louisiana. Thank you.

15 **MR. KING:** Absolutely.

16 **CHAIRMAN FRANCIS:** Madam Carrie, what is your role in this? You're sitting
17 up here.

18 **MR. KING:** Moral support.

19 **MS. TOURNILLON:** I know Ryan never needs any help, but I'm here for moral
20 support, I guess, and answering any other questions the Commission might have.

21 **CHAIRMAN FRANCIS:** And, Mr. King.

22 **MR. KING:** Yes, sir.

1 **CHAIRMAN FRANCIS:** There's been some other Kings that have sat in that
2 chair before. Are you related to any of the other Kings that have served this
3 committee?

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

5 **CHAIRMAN FRANCIS:** And who would that be?

6 **MR. KING:** Kathryn King, who practiced in front of the Commission for over 30
7 years.

8 **CHAIRMAN FRANCIS:** Your mother's Kathryn King? Commissioner
9 Campbell, you know Kathryn King, don't you?

10 **COMMISSIONER CAMPBELL:** Yeah, she's from Winnfield.

11 **CHAIRMAN FRANCIS:** That's close to LaSalle Parish, you know? Okay.

12 **COMMISSIONER CAMPBELL:** Right next to it.

13 **CHAIRMAN FRANCIS:** Okay. Thank y'all. So any other discussion or any
14 objection to this? [NONE HEARD] So let's see, we had a motion and a second,
15 didn't we?

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

17 **CHAIRMAN FRANCIS:** So I think Number 8 is approved, then. Okay. So
18 where do we go now? Back down to --

19 **MS. BOWMAN:** Back to Number 6.

20 **CHAIRMAN FRANCIS:** Six, okay. All right.

21 **MS. BOWMAN:** So Exhibit Number 6 is Docket Number R-36131. This is the
22 Commission's determination of Commission jurisdiction over the various methods
23 of providing electricity to electric vehicles and the infrastructure associated

1 therewith. It's a discussion and possible vote on Staff's Final Phase II
2 Recommendation. Pursuant to an unopposed directive issued at the Commission's
3 July 2021 B&E, the Staff opened this rulemaking, with several interventions being
4 received. On April 21, 2023, Staff issued its Final Phase I Recommendation,
5 wherein Staff recommended the Commission decline to exert its jurisdiction over
6 electric vehicle charging stations. The Commission accepted that recommendation,
7 and then also as part of that, recommended that the docket remain open for a Phase
8 II review of other topics raised in this docket surrounding charging stations to allow
9 for consideration of additional rules. After reviewing comments on two versions
10 of its Phase II Proposed Recommendations, Staff filed its Final Phase II
11 Recommendation on July 26, 2024. The major recommendations included as
12 follows: Should a jurisdictional utility decide to offer incentives to customers to
13 install charging equipment, the Commission must review and approve such
14 incentive. Staff recommended that jurisdictional utilities not be allowed to own,
15 lease, operate, or control the EV charging stations. Nevertheless, such prohibition
16 would not limit a utility's unregulated affiliate from owning, leasing, or operating,
17 or controlling EV charging stations. Should the regulated utility or affiliate of a
18 regulated utility be subject to a cyberattack relating to its EV charging technology,
19 the utility shall notify the Commission of such cyberattack within 30 days of being
20 made aware of the event. And since the Commission declined to exert jurisdiction
21 over the charging stations, whether the EV charging pricing should be based on
22 volumetric or time-based pricing would be best handled by the Louisiana
23 Department of Agriculture and Forestry. Lastly, Staff recommends that the

1 Commission recognize that, for purposes of regulation of on-site solar generating
2 units for EV charging stations, the Commission's Net Metering Rules shall apply
3 to any person or entity that owns and/or operates charging stations. And should
4 that station wish to pursue on-site generation from another energy source, such will
5 be decided on a case-by-case basis by the Commission. Staff recommends that the
6 Commission adopt the Final Phase II Recommendation filed on July 26, 2024.

7 **CHAIRMAN FRANCIS:** So we got a case-by-case analysis of this new coming.
8 Okay. And so -- I'm sorry.

9 **VICE CHAIRMAN LEWIS:** I was going to ask a question on that real quick.

10 **CHAIRMAN FRANCIS:** You what?

11 **VICE CHAIRMAN LEWIS:** I was going to ask a question on that.

12 **CHAIRMAN FRANCIS:** Okay. So do we have a motion before the question, or
13 after? Or does it matter?

14 **MS. BOWMAN:** Either is fine.

15 **CHAIRMAN FRANCIS:** All right. Go ahead with the question.

16 **VICE CHAIRMAN LEWIS:** Thank you, Mr. Chairman. And on your question,
17 I was going to ask Staff, when we -- in the rule says on-site generation from another
18 energy source will be decided on a case-by-case basis by the Commission; can you
19 just elaborate on that? Would that mean if, let's say a person is using their own
20 gas-powered generator for their EV in the case of a power outage, would that meet
21 Commission approval? It was a question that I've received.

22 **MR. JUSTIN BELLO:** Justin Bello on behalf of Commission Staff.
23 Commissioner, no, this is -- the type of issues we're talking about here is what you

1 would see in the Net Metering Rules, which to my understanding is that wouldn't
2 apply here.

3 **VICE CHAIRMAN LEWIS:** So that wouldn't apply under that?

4 **MR. BELLO:** Correct.

5 **CHAIRMAN FRANCIS:** These homeowner generators, we're not putting --
6 going back across -- that's all behind our meter?

7 **MR. BELLO:** That's correct.

8 **CHAIRMAN FRANCIS:** So it's none of our business. Okay.

9 **VICE CHAIRMAN LEWIS:** Thank you. And the last question that I have for
10 you, Mr. Bello, while I have you, is what's been our interaction with Department
11 of Ag, especially when it -- have we offered any expertise with them giving the
12 oversight of the pricing of EVs as this rule would pertain? That's the next question
13 that I've gotten from a lot of constituents, is if we are -- giving that they assume
14 that because we are making rules on EV, that what is our engagement with
15 Department of Ag on what they may determine pricing for charging would be?

16 **MR. BELLO:** Thank you, Commissioner. To date, the Department of Agriculture
17 and Forestry has not been involved in the docket, but we can reach out to them, if
18 you'd like.

19 **VICE CHAIRMAN LEWIS:** Okay. Thank you.

20 **SECRETARY FREY:** And I can add, too, you know, back when we opened up
21 this rulemaking, I had a discussion with the Commissioner, and I think they were
22 kind of waiting to see where we went, whether it was going to be volumetric or
23 kilowatt or whatever, and mainly so they could have the proper equipment to make

1 -- it's just like they do with a gas pump, to go and test it to make sure it's actually
2 reading properly, and that was their main concern. So to Justin's point, I think we
3 could circle back with them and say, look, our rules are finished now, here's what
4 they say, you know, do what you do because it's different equipment depending on
5 which route we went, and they wanted to make sure they had the ability to go and
6 test it under their weights and measures role.

7 **VICE CHAIRMAN LEWIS:** Thank you. And last question, Mr. Bello, Mr. Frey,
8 while I have you. Is there any interaction with our rule, especially with the NEVI
9 program? I know that has been a big portion of drawing down federal dollars to
10 put EV charging equipment in disadvantageous communities, particularly along I-
11 10. I know there's been some mapping, so I'm just curious on what, now, if we
12 adopt this rule, what does that work look like to ensure that we can get some of
13 those federal funds to add EV charging stations around the state?

14 **MR. BELLO:** Yes, Commissioner. My understanding is that funding is flowing
15 through DOTD. I have participated in some meetings with them and we can
16 continue to do that in the future.

17 **VICE CHAIRMAN LEWIS:** Great. Thank you so much.

18 **CHAIRMAN FRANCIS:** Does Randy Young have anything to say about this?
19 You want to come up?

20 **SECRETARY FREY:** No.

21 **CHAIRMAN FRANCIS:** Okay. Well, let me ask. I was familiar with charging
22 stations. Now they're talking about putting some solar panels on there, maybe some
23 batteries, so they may have some electricity to sell back to the grid. Would this be

1 -- it would be similar to a homeowner, you know, selling back to the grid; is that
2 true?

3 **MR. BELLO:** Yes, Commissioner. These rules anticipate following the Net
4 Metering Rules, which is what you're discussing.

5 **CHAIRMAN FRANCIS:** All right. So we already have rules in place, it's just
6 the vote to approve it. Okay.

7 **MR. BELLO:** That's correct.

8 **CHAIRMAN FRANCIS:** All right. All righty. So we got a --

9 **MS. BOWMAN:** We'll entertain a motion.

10 **VICE CHAIRMAN LEWIS:** I move to adopt Staff's recommendation.

11 **COMMISSIONER GREENE:** Second.

12 **CHAIRMAN FRANCIS:** And a second from Commissioner Greene, a motion by
13 Commissioner Lewis. Any opposition? [NONE HEARD] Hearing none, it's
14 passed.

15 **MS. BOWMAN:** So Exhibit Number 7 is Docket Number R-36262. This is the
16 Commission's possible modification of the Commission's Integrated Resource
17 Planning Rules to remove the exemption for electric cooperatives. It's a discussion
18 and possible vote on Staff's Report and Recommendation on the Final Rule. The
19 docket was initiated in February of 2022, pursuant to Order Number U-35927,
20 published in the Commission's Official Bulletin, with several parties intervening.
21 On May 4, '23, Staff filed a request for comments on whether any party opposed
22 the Commission's Integrated Resource Planning Rules, and associated order, be
23 modified to remove the exemption for electric cooperatives. Eleven parties stated

1 no objection, a few requested clarification, and two parties opposed removing the
2 exception. After reviewing all of the comments received, Staff filed a Final
3 Proposed Rule on May 14, 2024, which removed the electric cooperative exemption
4 from the Commission’s IRP Rules as well as provided clarification in response to
5 some of the initial comments received. Staff received additional comments from
6 six of the intervenors, with all being supportive to remove the electric cooperative
7 exemption. Having considered all of the rounds of comments received, and the vast
8 majority supportive of removing the exemption for electric cooperatives, Staff filed
9 the Final Rule on July 19, 2024. The increased focus on near- and long-term
10 reliability, not only by this Commission, but also by the Regional Transmission
11 Organizations, and the Federal Energy Regulatory Commission, further support the
12 need of full participation from jurisdictional electric utilities in the Commission’s
13 IRP process. Staff proposed the Final Rule: 1) Remove the electric cooperatives’
14 exemption from adhering to the IRP Rules and require them to partake in and
15 adhere to the Commission’s rules; clarify that should an electric cooperative be part
16 of a cooperative membership undertaking an IRP process, the individual electric
17 cooperative is not required to independently conduct its own IRP; and that the initial
18 summary report for all utilities who have not undertaken an IRP process is due 120
19 days after a Commission order in this proceeding. Staff recommends that the
20 Commission adopt the Final Proposed Rule filed as part of Staff’s Report and
21 Recommendation into the record on July 19, 2024.

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

23 **VICE CHAIRMAN LEWIS:** I’ll second.

1 **CHAIRMAN FRANCIS:** Move by Commissioner Skrmetta, second by
2 Commissioner Lewis. Any opposition or discussion? [NONE HEARD] Hearing
3 none, it's passed, 7 passed.

4 **MS. BOWMAN:** And we've already disposed of Exhibit 8, so moving to Exhibit
5 9. It's Docket Number S-37127. It's TruConnect Communications' petition for
6 designation as an eligible telecommunications carrier within the state of Louisiana
7 for the limited purpose of offering wireless Lifeline services. It's a discussion and
8 possible vote on Staff's Report and Recommendation. TruConnect, being a
9 subsidiary of TSC Acquisition Corporation, which separately owns TruConnect
10 Mobile, which sells mobile hotspot devices and low-cost monthly data plans, as
11 well as TruConnect Technologies, a mobile data analytics company that develops
12 data intelligence products for wireless carriers, filed this application seeking ETC
13 designation on March 4, 2024. It was published in the Commission's Official
14 Bulletin, with no interventions or protests. On June 27, 2024, Staff filed its Report
15 and Recommendation on the company's application into the record of the
16 proceeding. Staff found that the company has demonstrated, consistent with the
17 requirements of the Act, applicable FCC regulations, and the Commission's ETC
18 General Order, that the company will make available to its customers' universal
19 service offerings that provide all the services supported by the Federal Universal
20 Service Program and that it appropriately advertises the available services.
21 Therefore, Staff's position that granting the ETC designation to the company is
22 consistent with the Commission's public interest criteria as adopted in the ETC

1 General Order. Staff recommends that the Commission accept the Staff Report and
2 Recommendation filed into the record on June 27, 2024.

3 **VICE CHAIRMAN LEWIS:** Motion to accept Staff's recommendation.

4 **CHAIRMAN FRANCIS:** Motion by Commissioner Greene, second by
5 Commissioner Lewis, seconded by Chairman.

6 **COMMISSIONER SKRMETTA:** Greene's not here.

7 **CHAIRMAN FRANCIS:** Any discussion or opposition?

8 **COMMISSIONER SKRMETTA:** Greene's not here.

9 **COMMISSIONER CAMPBELL:** Yeah, thank you.

10 **MS. BOWMAN:** So motion by Commissioner Lewis, and seconded by the Chair?

11 **CHAIRMAN FRANCIS:** Seconded by the Chair. Okay.

12 **VICE CHAIRMAN LEWIS:** I can be a doctor today.

13 **CHAIRMAN FRANCIS:** All right. Hearing no opposition or any discussion,
14 Number 9 is passed.

15 **MS. BOWMAN:** Exhibit Number 10 is Docket Number S-37139. This is Cable
16 One VoIP doing business as Sparklight's petition to relinquish its eligible
17 telecommunications carrier designation. It's a discussion and possible vote on
18 Staff's Report and Recommendation. Sparklight was providing VoIP services in
19 Louisiana, and the company will continue to provide interconnected VoIP services
20 pursuant to its registration after the grant of this request. On March 13, 2024, the
21 company filed this petition seeking to relinquish its designation as an ETC, which
22 was published in the Commission's Official Bulletin and no intervention was
23 received. On March 12, 2024, the company notified FCC that it had completed its

1 required buildout to the 22 locations in the service area where it was awarded
2 RDOF funding, and was withdrawing from the RDOF program for the state of
3 Louisiana, and filing the same request with the Commission. The company will
4 continue to provide broadband service and voice service to the 22 locations in the
5 service area, however will no longer receive RDOF support payments for the 22
6 locations. The company is remaining to the certain recordkeeping rules for the
7 RDOF program. On May 15, 2024, Staff filed its Staff Report and
8 Recommendation into this proceeding, and pursuant to the act, a state commission
9 shall permit an ETC to relinquish its designation as such a carrier in any area served
10 by more than one ETC. Staff has reviewed the company's request and the
11 requirements of the act. Sparklight has provided advance notice to the Commission
12 regarding its relinquishment, Staff has confirmed that there is at least one additional
13 ETC serving the areas in which the relinquishment is being sought. In fact, there's
14 at least nine there and Sparklight's petition was submitted in accordance with the
15 requirements of the act. Therefore, Staff recommends that Sparklight's ETC
16 designation be relinquished. Staff recommends that the Commission accept the
17 Staff Report and Recommendation filed into the record on May 15, 2024.

18 **VICE CHAIRMAN LEWIS:** Move to accept Staff's recommendation.

19 **CHAIRMAN FRANCIS:** Commissioner Lewis moves that we accept Staff's
20 recommendation. Chair will second that. Any discussion or vote? [NONE
21 HEARD] Hearing none, 10 is approved. Number 11.

22 **MS. BOWMAN:** Number 11 is Docket Number S-37186. This is Cebridge
23 Telecom's request to relinquish its eligible telecommunications carrier designation.

1 It's a discussion and possible vote on a Staff Report and Recommendation. On
2 April 23, 2024, Cebridge filed its request seeking relinquishment with the
3 Commission, which was published in the Commission's Official Bulletin, with no
4 interventions or protests. Cebridge was designated as an ETC by a Commission
5 order so that the company could provide supported voice and broadband services
6 in designated service areas for the limited purpose of obtaining high-cost Rural
7 Digital Opportunity Funds Phase I support and low-income Lifeline support. On
8 March 15th of this year, the company informed the Federal Communications
9 Commission that the company intended to surrender its awarded RDOF support for
10 18 census blocks, and by doing so, the company had made those census blocks
11 eligible for other federal and state funding programs. The company further states
12 that it will not receive the funding, which was the original purpose for Cebridge
13 seeking its ETC designation, thus ETC designation is no longer necessary. On July
14 16, 2024, Staff filed its report and recommendation into the record of this
15 proceeding. Pursuant to the act, a commission can permit an ETC to relinquish its
16 designation as such a carrier in any other area served by more than one ETC. Staff
17 has reviewed the company's request and the requirements of the act and has
18 confirmed that there has been advance notice and that there is more than one
19 additional ETC serving the areas in which the relinquishment is being sought.
20 Therefore, Staff recommends that the Commission accept the Staff Report and
21 Recommendation filed into the record on July 16, 2024.

22 **VICE CHAIRMAN LEWIS:** Move to accept Staff's recommendation.

23 **COMMISSIONER CAMPBELL:** Second.

1 **CHAIRMAN FRANCIS:** Commissioner Lewis moves that we accept Staff's
2 recommendation on Exhibit 11, second by Commissioner Campbell. Any
3 discussion or objection? [NONE HEARD] Hearing none, Exhibit 11 is approved.
4 **MS. BOWMAN:** Exhibit Number 12 is Docket Number S-37190. It's Magnolia
5 Water Utility Operating Company's request for a letter of non-opposition to enter
6 into a loan agreement with CoBank. It's a discussion and possible vote on Staff's
7 Report and Recommendation. On May 5, 2024, Magnolia filed its request for
8 Commission's authorization to enter into the single advance secured loan with
9 CoBank, pursuant to the Commission's General Orders. It was published in the
10 Commission's Official Commission Bulletin and no interventions were filed.
11 Magnolia is seeking to enter into a loan agreement with CoBank for up to a 20-year
12 term, and the loan will be a single advance, senior secured, amortizing loan. It will
13 be used for the purpose of refinancing intercompany debt, payables, and capital
14 contributions in support of Magnolia's expansion projects as well as closing costs.
15 The company will also utilize the funds for purposes of balancing Magnolia's
16 corporate capital structure as mandated in Commission Order Number U-35822.
17 The company will use this capital to keep acquiring and rehabilitating water and
18 wastewater systems that may be in disrepair and will also use the capital to maintain
19 regulatory compliance of all of its systems, present and future. Staff filed its Report
20 and Recommendation into the record on July 25, '24, and based on the analysis
21 conducted, Staff determined that the transaction is in the public interest and will
22 have no immediate effect on rates or terms of service and conditions for Magnolia's
23 customers. Staff understands that this transaction may have an impact on future

1 rates and will be subject to review in Magnolia's future FRP reviews if a
2 continuance is requested. Otherwise, it shall be subject for review in any
3 subsequent rate case. Staff recommends that the Commission accept Staff's Report
4 and Recommendation filed into the record on July 25, 2024

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

6 **VICE CHAIRMAN LEWIS:** I'll second.

7 **CHAIRMAN FRANCIS:** Moved to accept by Commissioner Skrmetta, seconded
8 by Commissioner Lewis. Any discussion or objection? [NONE HEARD] Hearing
9 none, Number 12 is approved.

10 **MS. BOWMAN:** Exhibit Number 13 is Docket Number U-36625. This is
11 Entergy's application for approval of the Entergy Future Ready Resilience Plan
12 Phase I. It's a discussion and possible vote on a budget increase for United
13 Professionals Company due to a scope expansion. At the February 16, 2023 B&E,
14 UPC was retained to assist the Commission in its review of Entergy's proposed cost
15 recovery mechanism associated with its resiliency plan. And at the Commission's
16 April '24 B&E, the Commission voted to approve Entergy's framework, which was
17 a subset of the original resilience plan. Included within that framework was a rider
18 that contemplates semi-annual filings, revenue requirement redeterminations, and
19 true-ups. In addition to the rider, the framework included a pole performance
20 metric that, if triggered, requires a fee based upon the type of pole. Given UPC's
21 knowledge of Entergy's Resilience Plan, and the proposed cost recovery
22 mechanisms, Staff solicited UPC to continue assisting the Commission by
23 conducting those semi-annual reviews and true-ups as filed by Entergy. Staff

1 solicited UPC pursuant to the Commission’s Order dated November 10, 2014,
2 which provides that no formal RFP is required under certain circumstances. Based
3 on Staff’s solicitation, UPC proposed a budget of \$73,000, which was 70,000 in
4 fees and 3,000 in expenses. Staff recommends that the Commission grant the
5 budget increase for United Professionals Company in the amount of 70,000 in fees
6 and 3,000 in expenses due to a scope expansion.

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

8 **CHAIRMAN FRANCIS:** Moved by Commissioner Skrmetta to accept.

9 **VICE CHAIRMAN LEWIS:** Second.

10 **CHAIRMAN FRANCIS:** Seconded by Commissioner Lewis. Any discussion?

11 Any objection? [NONE HEARD] Hearing none, it’s approved. Number 14.

12 **MS. BOWMAN:** Number 14 has already been resolved.

13 **CHAIRMAN FRANCIS:** All right. Fifteen.

14 **MS. BOWMAN:** So we’re moving to 15, which is Docket Number U-36983. It’s
15 the Commission’s audit of Atmos Energy Corporation - Louisiana Division’s Quick
16 Start Energy Efficiency Rate Rider, pursuant to the Commission’s Energy
17 Efficiency Rules, for Program Year 8, ending December 31, 2022. It’s a discussion
18 and possible vote on a Joint Report and Draft Order. The docket was initiated by
19 Commission Staff in September of 2023 by filing notice in the Commission’s
20 Official Bulletin. The primary purpose of the audit was to determine whether the
21 costs passed through Atmos’ Energy Efficiency Rider were reasonable and prudent,
22 and whether the costs were appropriate and eligible for recovery through the
23 Company’s rider consistent with the Commission’s EE Quick Start Rules. After

1 completing its review, Staff determined, with four exceptions, that the costs
2 charged through the rider were reasonable and prudent, and that the costs were
3 appropriate and eligible for recovery consistent with the Commission's Energy
4 Efficiency Rules. Staff filed its Audit Report on April 9, 2024, and after reviewing
5 Staff's Audit Report, Atmos indicated that it had no objection to Staff's findings or
6 recommendations. Therefore, as there are no unresolved issues, the parties filed a
7 Joint Report and Draft Order on Staff's report into the record on June 13, 2024,
8 seeking Commission approval. As there are no unresolved issues, Staff
9 recommends the Commission accept the Joint Report and Draft Order filed into the
10 record on June 13, 2024.

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

12 **VICE CHAIRMAN LEWIS:** Second.

13 **CHAIRMAN FRANCIS:** Commissioner Skrmetta moved to accept Staff
14 recommendation, seconded by Commissioner Lewis. Any discussion or
15 opposition? [NONE HEARD] Hearing none, it's approved.

16 **MS. BOWMAN:** Exhibit Number 16 is Docket Number U-36985. It's the
17 Commission's audit of SWEPCO's Rate Rider for Energy Efficiency Quick Start
18 program, pursuant to the Commission's Energy Efficiency Rules, for years ending
19 December 31, 2021 and December 31, 2022. It's a discussion and possible vote on
20 a Joint Report and Draft Order. The docket was initiated by Commission Staff in
21 September of '23 by filing notice in the Commission's Official Bulletin, and no
22 interventions were received. The primary purpose of Staff's audit was to determine
23 whether the costs passed through SWEPCO's rider were reasonable and prudent,

1 and whether those costs were appropriate and eligible for recovery through the
2 company's rider consistent with the Commission's EE Rules. Staff determined,
3 with one exception, that the costs charged through the rider were reasonable and
4 prudent, and that they were appropriate and eligible for recovery. Staff filed its
5 Audit Report on April 11, 2024, and after reviewing that report, SWEPCO indicated
6 it had no objection to Staff's findings or recommendations, and therefore filed a
7 Joint Report and Draft Order into the record on July 22, 2024. As there are no
8 unresolved issues, Staff recommends the Commission accept the Joint Report and
9 Draft Order filed into the record on July 22, 2024.

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

11 **COMMISSIONER CAMPBELL:** Second.

12 **CHAIRMAN FRANCIS:** Moved to accept by Commissioner Skrmetta, second
13 by Commissioner Campbell. Any objection or discussion? [NONE HEARD]
14 Hearing none, it's passed.

15 **MS. BOWMAN:** Exhibit Number 17 is Docket Number U-37071. This is Entergy
16 Louisiana's application for approval of the Mondu Solar Power Purchase
17 Agreement, expansion of the Geaux Green Tariff, and cost recovery. It's a
18 discussion and possible vote on the uncontested stipulated settlement. On
19 December 19, 2023, Entergy filed its application, which was published in the
20 Commission's Official Bulletin and timely interventions were received from the
21 LEUG and the Alliance for Affordable Energy. After extensive negotiations,
22 Entergy, Staff, and the intervenors were able to enter into an uncontested stipulated
23 settlement, which was filed into the record on July 1, 2024. The major terms of the

1 settlement are: That the competitive bid process and the selection of the Mondu
2 Solar facilities and the PPA associated therewith are consistent with the
3 Commission's orders and in the public interest; the Mondu Solar facility is deemed
4 eligible for inclusion in the Geaux Green Option Rider resource portfolio; and the
5 company acknowledges that all costs incurred associated with the Mondu PPA shall
6 remain subject to annual FRP reviews and to the FAC audits, to the extent
7 applicable. The Staff recommends that the Commission approve the Uncontested
8 Stipulated Settlement filed into the record on July 1, 2024.

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

10 **VICE CHAIRMAN LEWIS:** Second.

11 **CHAIRMAN FRANCIS:** Moved to accept by Commissioner Skrmetta, seconded
12 by Commissioner Lewis. And my compliments to all these intervenors, y'all
13 hammered it out, so it's approved. Okay.

14 **MS. BOWMAN:** We are now going to Exhibit 22, because the others have been
15 resolved. And Exhibit 22 is Docket Number U-37185. This is Atmos Energy
16 Corporation's Rate Stabilization Clause 2023 Test Year Filing for the Louisiana
17 Rate Division. It's a discussion and possible vote on a Joint Report and Draft Order.
18 On April 22, '24, Atmos filed its Rate Stabilization Clause 2023 Test Year Filing
19 and notice was published in the Commission's Official Bulletin, with no
20 interventions. In Docket Number U-36658, the Commission adopted the terms and
21 conditions for a renewal of Atmos' consolidated Louisiana RSC, specifically
22 authorizing Atmos to earn an overall return on equity of 9.8 percent, with an
23 earnings bandwidth of 20 basis points. In Atmos' 2023 filing, it reported an ROE

1 of 5.85 percent resulting in a revenue increase of approximately \$38.5 million, prior
2 to the company's proposed amortization of excess accumulated deferred income
3 taxes and the amortization of a state income tax liability. With the adjustments,
4 Atmos' requested revenue resulted in a net revenue increase of approximately 35.4
5 million. Commission Staff conducted a thorough review and agreed with Atmos,
6 and filed its Report and Recommendation into the record on July 2, 2024. On July
7 23, '24, upon review, Atmos filed correspondence indicating their agreement with
8 Staff's report, along with three points of clarification. And the parties filed a Joint
9 Report and Draft Order into the record on August 1, 2024. As there are no
10 unresolved issues, Staff recommends that the Commission accept the Joint Report
11 and Draft Order filed into the record on August 1, 2024.

12 **COMMISSIONER CAMPBELL:** Let me ask a question.

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

14 **CHAIRMAN FRANCIS:** Okay. We've got a question by Commissioner
15 Campbell.

16 **MS. BOWMAN:** And, Commissioner, can you use your mic, please?

17 **COMMISSIONER CAMPBELL:** Yeah. Who represents Atmos? Is that who
18 we got, Atmos? This is just a general question for all.

19 **MR. SHAWN AUDIBERT:** Shawn Audibert on behalf of --

20 **COMMISSIONER CAMPBELL:** You ready for the fight we had before, three
21 or four hours?

22 **MR. AUDIBERT:** Three more?

23 **COMMISSIONER CAMPBELL:** Yeah.

1 **MR. AUDIBERT:** Absolutely. I brought a snack, so.

2 **COMMISSIONER CAMPBELL:** Anyway, help me with something.

3 **MR. AUDIBERT:** Yes, sir.

4 **COMMISSIONER CAMPBELL:** I know a little bit about natural gas, about that

5 much. Natural gas prices are going down, down, down. They're nothing now.

6 **MR. AUDIBERT:** Yes, sir.

7 **COMMISSIONER CAMPBELL:** Two dollars or something, isn't it? What is

8 it?

9 **MR. AUDIBERT:** \$2.15, on the [INAUDIBLE].

10 **COMMISSIONER CAMPBELL:** That's real bad. It's low. It's good for

11 consumers. Why do y'all want to raise your rates?

12 **MR. AUDIBERT:** This filing has nothing to do with the gas cost GCA, that's just

13 a straight pass through of what we pay for the gas costs. This is on the investment

14 into the infrastructure and the ROE that we earn on that.

15 **COMMISSIONER CAMPBELL:** Yeah, I know. But you sell natural gas.

16 **MR. AUDIBERT:** Yes. We do purchase the gas and --

17 **COMMISSIONER CAMPBELL:** You do sell it. And when you buy things

18 cheaper, you ought to be able to help people save money, right?

19 **MR. AUDIBERT:** Yes. And so whatever we -- at these lower prices, we pass it

20 through at cost.

21 **COMMISSIONER CAMPBELL:** I don't see anybody reducing the cost of

22 anything. It's always raising the costs. Even though when natural gas is 2.50 or

23 whatever it is you said, I don't know what the price of it is.

1 **MR. AUDIBERT:** 2.15, but it fluctuates by month and seasonality as well, but if
2 it's 2.15, we pass it through at 2.15.

3 **COMMISSIONER CAMPBELL:** Well, I'm just wondering if anybody every
4 think about reducing anything? Everybody just always going up.

5 **MR. AUDIBERT:** Well, we are -- I mean, in this case, any time the price is lower,
6 these savings are automatically included as a pass-through of our bills in the GCA,
7 so if it's 2.15, that cost goes through at 2.15.

8 **COMMISSIONER CAMPBELL:** Okay. I'm amazed because I don't --
9 nowadays, you don't see anything go down. You know, interest rates are up,
10 everything's higher. Natural gas is down.

11 **MR. AUDIBERT:** In the market, we are market takers, we're not market makers,
12 so the price is what the price is.

13 **COMMISSIONER CAMPBELL:** Are y'all buying a lot of natural gas now, as
14 cheap as it is, and saving it where you can pass it on?

15 **MR. AUDIBERT:** Yes, sir.

16 **COMMISSIONER CAMPBELL:** Tell me about that. What are y'all doing?

17 **MR. AUDIBERT:** Whatever our forecasted load used to do, we purchase the gas
18 and we also are purchasing these lower gas prices and putting it into storage. And
19 so when we get to the winter, when prices are a little more elevated, those lower
20 prices will come back through to the customer.

21 **COMMISSIONER CAMPBELL:** Can you really tell much difference in winter
22 prices and summer prices, because --

23 **MR. AUDIBERT:** It's about \$1.00 right now, difference.

1 **COMMISSIONER CAMPBELL:** Yeah. But it's so hot in Louisiana, I use as
2 much electricity in the summer time as I do in the winter time.

3 **MR. AUDIBERT:** Probably.

4 **COMMISSIONER CAMPBELL:** So, I mean, that idea, when winter hits, prices
5 are going to go up, that can't be true anymore in Louisiana.

6 **MR. AUDIBERT:** Well, it's a national price deal and there's a contango between
7 the summer and the winter and there is still that difference now, to your point. If
8 we move into the winter and it's significantly warmer, then those prices could go
9 lower at that point in time, and you may not see that difference.

10 **COMMISSIONER CAMPBELL:** That's all. I don't have any other questions.

11 **COMMISSIONER SKRMETTA:** I move to accept Staff recommendation.

12 **CHAIRMAN FRANCIS:** Okay. Mr. Lewis, did you have something to say?

13 **VICE CHAIRMAN LEWIS:** Thank you. Question for Staff. This is not a one-
14 time reset; am I correct?

15 **MR. ARVIND VISWANATHAN:** Arvind Viswanathan on behalf of Staff. I'm
16 not sure I understand your question, Commissioner.

17 **VICE CHAIRMAN LEWIS:** I'm reading it in the Staff report, it says Staff
18 expects that the company's continued investment in SIIP will result in an earned
19 ROE deficiency for every test year and revenue increase in the order of the 2023
20 Test Year will be required to achieve the reset of rates in the midpoint of the ROE
21 of 9.8. So I guess my question is this: We're expecting because of the additional
22 SIIP spending that we approved earlier, that the midpoint will constantly be reset

1 because their ROE would fall because of that spending. I just want to make sure
2 that I'm understanding that correct.

3 **MR. VISWANATHAN:** So, Commissioner, in the rate case, Docket U-36658,
4 Staff and Atmos entered into an agreement whereby we set a target ROE, which
5 was a 9.8, we set a bandwidth around that. What we were provided with in this
6 docket was Atmos provided their financials to us as a part of their annual report,
7 which Staff did review and we agreed with the financial aspect of where they
8 landed, which is what is before Your Honors today.

9 **VICE CHAIRMAN LEWIS:** Thank you. And I guess part of my question, which
10 I raised a few months ago, was that the way we had constructed SIIP will increase
11 rate base which will, in my view, turn into a higher ROE. And so I'm trying --
12 because of the higher depreciation expenses, higher property taxes, higher income
13 taxes, so I guess my question for Atmos is, right now, your base rates are one of the
14 highest in the state. How do you justify another 65 percent increase, or as my Staff
15 and I analyzed, about \$14.67 higher than the state average? So I'm trying to
16 [INAUDIBLE] and I have no objections today because this is -- we're looking at
17 your test year, but this goes back to some of my previous concerns about what we
18 approved in the SIIP spending is that we're on a path of constant rate increases, I
19 think to Commissioner Campbell's point, because of that. And so I'm trying to see
20 where the company sees this going.

21 **MR. AUDIBERT:** And we will continue to invest in infrastructure to provide, you
22 know, a safe, reliable, and resilient system. And, you know, as we stated
23 previously, pipe lasts 80 to 100 years, and so at some point the infrastructure does

1 have to be replaced, and we're in the process of replacing over 9,000 miles of pipe
2 on our system. So this will be continual and there will be a cost to the safety aspect
3 of it and to provide resiliency, but I believe, you know, the costs that come along
4 with that are prudent in the sense of investing in safety and resiliency and reliably
5 to our customers.

6 **VICE CHAIRMAN LEWIS:** Thank you, Mr. Shawn. I just want to make sure
7 I'm understanding. You're saying 9,000, but if my memory serves me correctly,
8 originally in the testimony and the filings, we were talking around 5,000 and some
9 change.

10 **MR. AUDIBERT:** There was 5,000 miles of pipe that was unknown.

11 **VICE CHAIRMAN LEWIS:** That was unknown?

12 **MR. AUDIBERT:** Yes.

13 **VICE CHAIRMAN LEWIS:** But you're including the --

14 **MR. AUDIBERT:** And just in total, the speak is to 9,000 throughout the state.

15 **VICE CHAIRMAN LEWIS:** Okay. And so our consultant, Mr. Barta, in some
16 of his testimony tells us that because of this, your spending means that the new
17 normal under your RSC is that we should always expect you to earn below your
18 ROE and that requested revenues will increase, like this one as we see today, again
19 and again. And so I'm trying to understand, is that -- would you agree with his
20 evaluation and interpretation of your RSC?

21 **MR. AUDIBERT:** There is the potential that, yes, we would fall under that
22 bandwidth consistently and we would be trued up to the 9.8 percent that was
23 approved, over the next two years, after this one.

1 **VICE CHAIRMAN LEWIS:** Absolutely. And do you ever see a period where
2 your SIIP spending will not consistently increase to continually getting you under
3 your ROE, which would justify adjusting the midpoint, which would increase
4 revenues?

5 **MR. AUDIBERT:** So we do evaluate every year the safety span, and we are
6 submitting those projects to the Commission Staff each year. And so those are
7 under review, so the Commission always has the right to say that those projects are
8 not needed or don't need to be done. But, you know, as we replace pipe and pipe
9 becomes newer, over time, yes, that could potentially slow down.

10 **VICE CHAIRMAN LEWIS:** And the last point that I would make, I would love
11 to work with Atmos and the Office of Pipeline Safety to ensure we're making the
12 adequate investments. I am not opposed and I do support updating our
13 infrastructure, but where I am deeply concerned is I do not want us to be creating
14 metrics where we are utilizing upgrades as a revenue raiser that would increase
15 earning because we are simply just saying, well, here's infrastructure, we've
16 identified it, it may not be identified as hazardous or dangerous now, but we're
17 going to go ahead and work on it under the SIIP program, which then now reduces
18 my ROE, which now gets my revenue increased. And as Commissioner Campbell
19 said, as we are seeing prices change, your rates will continuously go up. And at
20 some point, there has to be some equilibrium there because I don't want to see a
21 scenario where rates are going up simply just for rates going up for increased
22 revenue. So like I said, I'm not opposed to this today, I do still have some concerns.
23 You are complying with the order that we have already voted on that I did object

1 to, but I want us to do a little bit more work on this because I just don't want us to
2 be using SIIP as a revenue raiser instead of replacing needed infrastructure for
3 safety and security, but I'm still struggling to balance where the company's
4 priorities are on that.

5 **MR. AUDIBERT:** And we are happy to provide transparency onto any projects
6 and come speak to your office or any other Commissioner's office.

7 **VICE CHAIRMAN LEWIS:** Thank you.

8 **COMMISSIONER CAMPBELL:** I've got a question.

9 **MR. AUDIBERT:** Yes, sir?

10 **COMMISSIONER CAMPBELL:** Look at this bill impact deal; are you looking
11 at that, or Brandon, are you looking at it? Help me with it.

12 **SECRETARY FREY:** Yeah.

13 **COMMISSIONER CAMPBELL:** You see it? Y'all on the page?

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

15 **COMMISSIONER CAMPBELL:** You want me to keep up, you keep up, man.

16 **SECRETARY FREY:** I've got you. I'm on it.

17 **COMMISSIONER CAMPBELL:** All right. Customer charge, you're going up
18 from 23.25 to \$25, right?

19 **MR. AUDIBERT:** Correct. Yes, sir.

20 **COMMISSIONER CAMPBELL:** Why is that?

21 **MR. AUDIBERT:** That's the increased base spend, and as we do the allocations
22 of the dollars --

23 **COMMISSIONER CAMPBELL:** When's the last time you got a rate increase?

1 **SECRETARY FREY:** That would've been, I guess, when we voted on the
2 formula rate plan.

3 **MR. AUDIBERT:** The one you voted on in April, the RSC framework.

4 **COMMISSIONER CAMPBELL:** You got one then?

5 **SECRETARY FREY:** Yeah. And this is the first --

6 **MR. AUDIBERT:** And this is just the application of the approved framework of
7 the RSC.

8 **COMMISSIONER CAMPBELL:** So you hadn't got -- this doesn't make it two;
9 just one, right?

10 **MR. AUDIBERT:** This does not change anything. No, sir.

11 **COMMISSIONER CAMPBELL:** Okay. Well, let me ask you something.
12 Commodity charge, I guess that's the price of natural gas?

13 **MR. AUDIBERT:** No. The commodity charge --

14 **COMMISSIONER CAMPBELL:** What is it?

15 **MR. AUDIBERT:** The commodity charge is the volumetric charge for operating
16 the system. There's a different charge for the --

17 **COMMISSIONER CAMPBELL:** So when's the last time you had a rate
18 increase? Not when you looked at it, but when's the last time you had a rate
19 increase?

20 **SECRETARY FREY:** I think that would have been with the -- and Arvind would
21 know.

22 **COMMISSIONER CAMPBELL:** Somebody's got to know.

1 **MR. VISWANATHAN:** Commissioner Campbell, Arvind Viswanathan on behalf
2 of Staff, right over here. Atmos' last rate case --

3 **COMMISSIONER CAMPBELL:** Where are you? Who's talking?

4 **MR. VISWANATHAN:** Right here, Commissioner. Atmos' last rate case, we
5 did vote upon it at the April B&E in Many, Louisiana. I believe that answers your
6 question.

7 **SECRETARY FREY:** And that would've been --

8 **COMMISSIONER CAMPBELL:** It was a rate increase?

9 **MR. VISWANATHAN:** What the Commission did vote for was the framework
10 for a rate increase, and this is the first application of that rate increase.

11 **COMMISSIONER CAMPBELL:** We voted on it, but this is the rate increase?

12 **SECRETARY FREY:** Correct.

13 **MR. VISWANATHAN:** Correct, Commissioner.

14 **COMMISSIONER CAMPBELL:** All right. Well, what is a commodity charge?
15 I want to know what the hell that is.

16 **SECRETARY FREY:** And I think I'll take what Shawn said. This would be like,
17 so, on the water side, you've got essentially a rate, but then you pay so much for
18 what you use. I think that's what this --

19 **MR. AUDIBERT:** So it's basically, your base charge does not cover every part
20 of the infrastructure and operation expenses. It's split between a base charge and
21 volumetric charge, so you have part of that base charge, which is charged every
22 month to be able to operate the system. The commodity charge is the volumetric
23 portion of that that is recovering those same costs, and it's split between the two.

1 **COMMISSIONER CAMPBELL:** It went up from 8.44 to 11.68, \$3 and pennies,
2 huh?

3 **MR. AUDIBERT:** On the residential side, it went from 42 cents a CCF to 58 cents
4 a CCF.

5 **COMMISSIONER CAMPBELL:** But what I'm looking at right here,
6 commodity charge was 8.44, that was the current, and now the proposed is 11.68.
7 That's \$3 --

8 **SECRETARY FREY:** And I think that's for the average customer. So that would
9 be taking Shawn's numbers and multiplying it by usage to get to that number. Does
10 that sound right? I mean, I'm --

11 **MR. AUDIBERT:** I think we calculated it, it was \$6 a month per customer
12 increase.

13 **COMMISSIONER CAMPBELL:** Three dollars a month, it's what it's showing
14 --

15 **MR. AUDIBERT:** Six dollars per month, and a large part of that was the -- in this
16 file --

17 **SECRETARY FREY:** The total increase.

18 **MR. AUDIBERT:** -- the \$15 million of the tax deferral went away this year, so -
19 -

20 **COMMISSIONER CAMPBELL:** You know what I'm confused about, though?
21 It's going up, up, up, up; price of natural gas is down, down, down. Y'all buy
22 natural gas, you buy it cheap, but we're selling it higher every time.

1 **MR. AUDIBERT:** Well, no. The gas cost, sir, is passed through at cost. This is
2 the operating cost to operate the system. Those are two separate items on the bill.

3 **COMMISSIONER CAMPBELL:** But a big part of your business is buying
4 natural gas; isn't that correct?

5 **MR. AUDIBERT:** Yes.

6 **COMMISSIONER CAMPBELL:** That's the biggest part. How much do you
7 pay for natural gas?

8 **MR. AUDIBERT:** We pay the market price in a given month.

9 **COMMISSIONER CAMPBELL:** I know that, I understand it, but what's
10 puzzling to me, the price of natural gas is going down, or is at an all-time low, if
11 they don't give it away.

12 **MR. AUDIBERT:** That's passed through each month.

13 **COMMISSIONER CAMPBELL:** Do what?

14 **MR. AUDIBERT:** Those savings are automatically passed through through the
15 GCA [INAUDIBLE] each month.

16 **COMMISSIONER CAMPBELL:** Yeah, I understand. But it's hard for me to
17 tell people about a higher -- everybody knows about the price of natural going
18 down. I mean, pretty much everybody. Especially up our way, because they're all
19 keyed into the Haynesville Shale, all the people, you know. But it's just tough to
20 see you raising these rates when the price of natural gas is going down.

21 **MR. AUDIBERT:** Well, this is exclusive of that. This is the cost to operate the
22 business to put the pipeline in the ground, to use our employees to provide more
23 safety and reliability on the system. That cost of gas going down is flowing through

1 to the customers each and every month. Whatever we buy for, it goes directly back
2 to the customer.

3 **COMMISSIONER CAMPBELL:** Yeah, I understand. I just, you know, it just
4 seems to be -- and this is just my -- and I'm way off base, probably, up here. It just
5 stumps me that the company makes it up and the people pay for it, and we let it go
6 through, we let it go through. It doesn't matter about the price of -- if the price of
7 natural gas jumped up to \$5, I could understand that, or \$4, I could understand that.
8 But it hadn't jumped up. That's just me. Okay.

9 **CHAIRMAN FRANCIS:** Okay. Do we have a motion?

10 **COMMISSIONER SKRMETTA:** Yes.

11 **MS. BOWMAN:** We do.

12 **CHAIRMAN FRANCIS:** And do we have a second?

13 **MS. BOWMAN:** We do not.

14 **CHAIRMAN FRANCIS:** We got a motion from Skrmetta?

15 **SECRETARY FREY:** Yes.

16 **CHAIRMAN FRANCIS:** And we got a second?

17 **MS. BOWMAN:** We do not have a second.

18 **CHAIRMAN FRANCIS:** I'll second it. So is there any opposition?

19 **COMMISSIONER CAMPBELL:** I'm going to oppose to it. I understand what
20 you're doing, but just theory wise, I can't keep voting for things to go up for the
21 people, I mean for the company, when the price of natural gas is like it is.
22 Somebody's got to share something. And I'm not accusing you of anything, I just
23 can't vote for that.

1 **MS. BOWMAN:** So we'll do a roll call vote.

2 **CHAIRMAN FRANCIS:** So we roll call vote. Commissioner Campbell, how do
3 you vote?

4 **COMMISSIONER CAMPBELL:** No.

5 **CHAIRMAN FRANCIS:** Commissioner Skrmetta, how do you vote?

6 **COMMISSIONER SKRMETTA:** Yes.

7 **CHAIRMAN FRANCIS:** Commissioner Lewis, how do you vote?

8 **VICE CHAIRMAN LEWIS:** I'll vote yes.

9 **CHAIRMAN FRANCIS:** And Chair votes yes, so we got a three-to-one vote.
10 Absentee is Commissioner Greene. Thank y'all.

11 **MR. AUDIBERT:** Thank you.

12 **CHAIRMAN FRANCIS:** So next --

13 **MS. BOWMAN:** So the next item is Exhibit 25, 23 was deferred.

14 **COMMISSIONER CAMPBELL:** How many more do we have?

15 **SECRETARY FREY:** Just one.

16 **COMMISSIONER SKRMETTA:** Plenty.

17 **MS. BOWMAN:** Two.

18 **COMMISSIONER SKRMETTA:** No. Don't forget about 4.

19 **MS. BOWMAN:** We did 4.

20 **COMMISSIONER SKRMETTA:** Oh, I must have been out of the room.

21 **MS. BOWMAN:** We did 4.

22 **COMMISSIONER SKRMETTA:** Did we get 4? Yeah, we did. Yeah, you're
23 right. I'm trying to keep up. You're all over the place.

1 **MS. BOWMAN:** Two more, two more. Exhibit 25 is Docket Number X-37232.
2 This is the Investigative Audit into SWEPCO's service quality. It's a discussion
3 and possible vote to approve the proposed budget of United Professionals
4 Company. At the June B&E, Commissioner Campbell issued an unopposed
5 directive to a service quality investigation into SWEPCO's recent outage events,
6 and the underlying causes, and also directed Staff to solicit UPC for a budget
7 proposal given their ongoing work on SWEPCO's Formula Rate Plan filings.
8 Based on that solicitation, UPC proposed a budget of \$60,000 in additional fees and
9 no additional expenses. So Staff recommends that the Commission grant the budget
10 increase for UPC in the amount of \$60,000 in additional fees.

11 **COMMISSIONER SKRMETTA:** Move to approve.

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

13 **CHAIRMAN FRANCIS:** Move to approve by Commissioner Skrmetta, seconded
14 by Commissioner Campbell. Do we need to call these guys up to discuss any of
15 this, Commissioner Campbell?

16 **COMMISSIONER CAMPBELL:** No, I'm fine.

17 **CHAIRMAN FRANCIS:** Okay. Any objection or other comments? [NONE
18 HEARD] So it's approved.

19 **MS. BOWMAN:** So Exhibit 26 is reports, resolutions, discussions, and directives.
20 There is a report from Entergy Louisiana regarding its advanced nuclear technology
21 in Louisiana, referencing Docket Number X-36987.

22 **CHAIRMAN FRANCIS:** So Mr. Hand is going to come up here and give us a
23 report on this?

1 **MS. BOWMAN:** He should be very short and sweet.

2 **CHAIRMAN FRANCIS:** What's that?

3 **MR. HAND:** Very short and sweet.

4 **CHAIRMAN FRANCIS:** Oh, okay.

5 **MR. HAND:** Larry Hand on behalf of ELL. I won't be as quick -- I can't read as
6 quick as Kathryn, but I will be brief. We're here today to report on our nuclear --
7 new nuclear efforts in Louisiana to explore the future of nuclear for Louisiana. We
8 filed previously on April 18th, a letter with the LPSC. In that letter, we outlined the
9 activity that was underway and planned to advance the development of new nuclear
10 power production resources in Louisiana. I'm pleased to report we're on pace to
11 provide a preliminary report to the Commission at its January meeting, but I'm here
12 today to provide a brief status report. Louisiana will have significant generation
13 needs in the future to account for unit deactivations and load growth to provide an
14 affordable, reliable, resilient, and sustainable generation portfolio for our
15 customers, we are considering all available alternatives for generation, including
16 solar, wind, combustion turbine, bio-mass, hydroelectric, and advanced nuclear
17 reactors. We've had multiple representatives recently participate in the first ever
18 Louisiana Advanced Nuclear Competitive Edge forum, hosted in Metairie in June
19 of 2024. We've also continued to engage our industrial customers, who are
20 interested in new nuclear as a potential option. We're working toward an additional
21 memorandum of understanding with another nuclear technology provider, which
22 will supplement agreements we already have in place with seven other providers.
23 We are attending this week the Department of Energy's Office of Clean Energy

1 development industry day. This event pertains to a recent funding opportunity
2 announced for \$900 million that's available to first movers and fast followers on
3 Generation III and Small Modular Reactors. We're also continuing to work on the
4 technology assessment of available advanced nuclear technologies, and identifying
5 potential sites in Louisiana that would be suitable for a new nuclear facility. Once
6 these initial steps mature, we can then conduct a site feasibility assessment. And
7 lastly, we are developing a plan to establish a consortium of utility stakeholders,
8 with a focus on identifying technologies and sites for new nuclear in Louisiana;
9 attracting steel manufacturing to Louisiana that can support nuclear component and
10 other manufacturing; and promote federal funding for nuclear design certification.
11 We'll continue these and other efforts with the aim of providing our interim
12 preliminary report to the Commission in January of 2025. And that concludes my
13 report, pending any questions.

14 **CHAIRMAN FRANCIS:** Questions? [NONE HEARD] Hearing none, do we
15 have a motion?

16 **VICE CHAIRMAN LEWIS:** It was just a report.

17 **MS. BOWMAN:** There doesn't need to be a motion.

18 **CHAIRMAN FRANCIS:** Oh, I'm sorry. Just a report. Thank you for that. Okay.
19 Next.

20 **MS. BOWMAN:** We also have two ratifications. The first is a discussion and
21 possible vote to ratify votes taken by Commissioner Skrmetta, acting as the
22 Commission's representative on the Board of Directors of the Organization of
23 MISO States. This is on the agenda for ratification of an email vote taken on July

1 9, 2024 by Commissioner Skrmetta. OMS prepared comments in FERC Docket
2 Number ER22-1640 supporting MISO's Order Number 2222 compliance filing
3 related to DER participation in the MISO markets. And based on Staff's
4 recommendation, the Commission voted yes on these comments because the OMS
5 comments generally support MISO and OMS continuing to work together. The
6 Staff recommends that the Commission ratify the July 9, 2024 email vote taken by
7 Commissioner Skrmetta as the Commission's representative on the Board of
8 Directors of the Organization of MISO States.

9 **CHAIRMAN FRANCIS:** Okay. Skrmetta will not be able to vote on this, but the
10 other three of us -- is there any disagreement here? [NONE HEARD] Hearing
11 none, we all --

12 **MS. BOWMAN:** We would need a motion to ratify Commissioner Skrmetta --

13 **VICE CHAIRMAN LEWIS:** I move to ratify Commissioner Skrmetta's votes at
14 OMS.

15 **CHAIRMAN FRANCIS:** All right. So is there any discussion or objection?

16 **MS. BOWMAN:** We do need a second.

17 **VICE CHAIRMAN LEWIS:** Somebody's got to second.

18 **CHAIRMAN FRANCIS:** What?

19 **VICE CHAIRMAN LEWIS:** Somebody's got to second.

20 **CHAIRMAN FRANCIS:** You second it?

21 **VICE CHAIRMAN LEWIS:** No, I made the motion.

22 **CHAIRMAN FRANCIS:** I second it. I'm sorry. I'm sorry, I didn't hear that.

23 Okay. So there is there any other discussion?

1 **COMMISSIONER SKRMETTA:** Skrmetta abstains.

2 **CHAIRMAN FRANCIS:** So no objection, so the three of us approve it. Okay.

3 **MS. BOWMAN:** Yes, sir. We also have a couple other additional ratifications.

4 These are discussion and possible vote to ratify interventions on the Louisiana

5 Public Service Commission and RTO related or other Federal Energy Regulatory

6 Proceedings. This matter is on the agenda for ratification of these interventions.

7 Interventions were filed on behalf of the Commission's behalf for the purpose of

8 monitoring issues related to MISO and/or SPP and other FERC proceedings in the

9 following dockets. And based on Commissioner Lewis' comments at the

10 beginning, we're going to have two votes. The first is on interventions in the

11 following: They were docket-less interventions in EL24-80, AC24-108, and ER24-

12 24680. And Staff recommends that the Commission ratify these doc-less

13 interventions.

14 **VICE CHAIRMAN LEWIS:** Move to ratify.

15 **COMMISSIONER SKRMETTA:** Second.

16 **CHAIRMAN FRANCIS:** Moved to ratify by Commissioner Lewis, second by

17 Commissioner Skrmetta. Any discussion or objection? [NONE HEARD] Hearing

18 none, it's ordered.

19 **MS. BOWMAN:** The second vote ratification is that the Commission intervene -

20 - or excuse me, file an appeal in the Fifth Circuit Number 24-60355, which was a

21 petition for review of FERC Order Number 1920. Staff recommends that the

22 Commission ratify this action as well.

23 **COMMISSIONER SKRMETTA:** Move to ratify.

1 **CHAIRMAN FRANCIS:** Move to ratify by Commissioner Skrmetta. Chair
2 second.

3 **VICE CHAIRMAN LEWIS:** And I will object. Mr. Chairman, I'll be extremely
4 brief. As I stated earlier in my announcements, I do support FERC Order 1920. I
5 disagree with a lot of the reasonings that would be filed in our brief. I think there's
6 a lot to be gained by being proactive and open in the efficiencies of the marketplace
7 that would unlock. With that being said, I want to thank the Commission and our
8 attorneys for hearing me out. I continue to engage in this issue as we continue on,
9 but at this time, due to my support of FERC Order 1920, I will object to ratifying
10 our intervention.

11 **COMMISSIONER SKRMETTA:** Move for a roll call vote.

12 **CHAIRMAN FRANCIS:** Roll call vote. Commissioner Skrmetta, how do you
13 vote?

14 **COMMISSIONER SKRMETTA:** Yes.

15 **CHAIRMAN FRANCIS:** Commissioner Campbell, how do you vote?

16 **COMMISSIONER CAMPBELL:** Yes.

17 **CHAIRMAN FRANCIS:** Chair votes yes. Commissioner Lewis?

18 **VICE CHAIRMAN LEWIS:** No.

19 **CHAIRMAN FRANCIS:** No. So it's three to one, so it's approved.

20 **MS. BOWMAN:** The last item under Exhibit Number 26 is a directive to Staff to
21 review Commission General Order dated April 30, 1998, Docket Number U-22389,
22 in regards to ensuring reliable electric service. This is at the request of
23 Commissioner Lewis. And Commissioner Lewis' directive is: I am interested in

1 looking into the Commission's current reliability metrics, including researching
2 ways to update our current order, with more distribution level metrics, as well as
3 modernizing the current level of SAIFI and SAIDI reporting. I believe we are to
4 truly ensure our electric generation as reliable, we need to look beyond system level
5 reporting and look at analyzing distribution level interruptions across different
6 areas or populations. I have recently learned that there are reliability metrics out
7 there that are customer-focused and that they report at the census block or zip code
8 level. Therefore, I direct Staff to open a rulemaking to review the Commission's
9 current General Order dated April 30, 1998 on electric reliability standards and
10 research ways the Commission can both modernize the current levels of SAIDI and
11 SAIFI and establish reliability metrics at the distribution level. Staff should also
12 look at ways to achieve uniformity and transparency of such reporting calculations,
13 create explicit definitions of events that can be excluded from score calculations,
14 including justification reporting, and review the suitability of the Commission's
15 current penalty levels and enforcement mechanisms necessary to ensure reliability
16 improvements. Further, Staff is authorized to seek outside assistance, if determined
17 necessary, to assist in this rulemaking.

18 **COMMISSIONER SKRMETTA:** I have some questions about it. So the current
19 SAIDI/SAIFI, like, mechanism of review, and this is for Staff. That's established
20 by state by state or is this established by NERC or how is that established?

21 **SECRETARY FREY:** So there are some federal standards, but they're reported
22 to us. We have an order that started with a -- I guess like a baseline and then the
23 standards got stricter, and they are where they are now. There's two sets of

1 standards, there's one for the IOUs and one for the co-ops, but those are pursuant
2 to our Commission order.

3 **COMMISSIONER SKRMETTA:** Right. Now, because, you know, I think the
4 thing that gets me is -- and I know that -- what I want to make sure we don't get
5 outside of this is that there are differences between Louisiana and other states,
6 right? And I think my biggest concern is the susceptibility of Louisiana to be a
7 hurricane catcher's mitt, right? And it affects -- and one tropical storm throws out
8 our SAIFI, right?

9 **SECRETARY FREY:** But now, just to be clear, those are excluded. So under
10 SAIDI/SAIFI rules, and our rules, an event --

11 **COMMISSIONER SKRMETTA:** But even if it's like -- is it excluded? Because,
12 I mean, --

13 **SECRETARY FREY:** Yes.

14 **COMMISSIONER SKRMETTA:** -- we do get different rain events, we just get
15 thunderstorms, we get different weather patterns that are different from other states.
16 And so I just want to understand sort of what's included, what's excluded. Because
17 if they're going to exclude hurricane issues, that's fine. But, I mean, we just get
18 lightning events that are more common than other states. So I'm trying to figure
19 out what states we're going to be more like, what regions we're going to be more
20 like, and how we achieve, like, a fair analysis of what we do. That's really what
21 I'm looking at.

22 **SECRETARY FREY:** And the way -- and Arnold, you can jump in if I'm --
23 Arnold never says anything, so I'm going to try to get him to talk, but no. The way

1 I remember it, because I was looking at this for Commissioner Campbell, when we
2 were looking at the SWEPCO one, which I think we're going to ratify a hire here
3 coming up, but it's not necessarily a storm. It's if more than 10 percent of the
4 customer are out, I believe is the threshold, then it's excluded from SAIDI/SAIFI
5 numbers. The SAIDI/SAIFI is really tracking just routine --

6 **COMMISSIONER SKRMETTA:** It's just normal routine?

7 **SECRETARY FREY:** Just normal routine, power goes out because of failed
8 equipment, essentially.

9 **COMMISSIONER SKRMETTA:** So it really -- it's just really just localized on
10 the state, it doesn't really compare, right?

11 **SECRETARY FREY:** Correct, correct.

12 **COMMISSIONER SKRMETTA:** So it's just on -- we look at our analysis of
13 our state?

14 **SECRETARY FREY:** Correct, correct.

15 **COMMISSIONER SKRMETTA:** Okay. All right. Then, you know, I don't
16 have any problem with it. All right.

17 **MS. BOWMAN:** So assuming no opposition to Commissioner Lewis' docket --

18 **CHAIRMAN FRANCIS:** Who's our in-house Staff going to be the go-to on this?

19 **COMMISSIONER SKRMETTA:** Are we going to be in-house or contract?

20 **SECRETARY FREY:** It'll depend. Like I know on the SWEPCO one coming
21 up, because it's tied to the formula rate plan review and their ask for additional tree
22 trimming dollars, I think we're using the consultant that we have on the rate side
23 looking at the historical spends.

1 **COMMISSIONER SKRMETTA:** Is that United Professionals?

2 **SECRETARY FREY:** Yes, in that instance. But, you know, looking at metrics,
3 I mean, there's reporting by the utilities subject to those metrics, and if we use these
4 other ones Commissioner Lewis is talking about, it would be similar. I think if we
5 needed to audit those, whether they're accurately being reported to us, then we
6 would probably need outside assistance in that case. But otherwise, I think it's
7 something we can handle on the Staff level and through annual reviews, if we tie it
8 to that, which I think is what you're talking about, tying it to the annual financial
9 reviews, it's a component of it. And we did that with SWEPCO a couple of years
10 ago, where we felt they weren't making their metrics, so there were some
11 adjustments based on that.

12 **COMMISSIONER SKRMETTA:** Right. I mean, because fundamentally, I think
13 companies try to stay connected so they could sell electricity. So anyway, that's it.
14 All right.

15 **MS. BOWMAN:** So assuming that there is no opposition, the directive is passed.
16 And then we can entertain a motion to adjourn.

17 **COMMISSIONER SKRMETTA:** That's it.

18 **CHAIRMAN FRANCIS:** That sounds like a good deal.

19 **VICE CHAIRMAN LEWIS:** Motion to adjourn.

20 **COMMISSIONER SKRMETTA:** Second.

21 **MS. BOWMAN:** We also need a second on that, please.

22 **COMMISSIONER SKRMETTA:** I said it.

23 **MS. BOWMAN:** Okay.

1 **VICE CHAIRMAN LEWIS:** Commissioner Skrmetta said it.

2 **CHAIRMAN FRANCIS:** It's done.

3

4 **(WHEREUPON THE MEETING WAS ADJOURNED)**

5

1 I certify that the foregoing pages 1 through 166 are true and correct to the best
2 of my knowledge of the Open Session of the Business and Executive Meeting
3 held on August 14, 2024 in Baton Rouge, Louisiana.

4 *****

5 **Rough Draft prepared by:**

6 Kayla Fiorenza August 28, 2024
7 Kayla Fiorenza, Date
8 Court Reporter

9 Clarisa Findley August 28, 2024
10 Clarisa Findley, Date
11 Court Reporter

12 Beth Booser August 28, 2024
13 Beth Booser, Date
14 Court Reporter

15 *****

16 **Proofed by:**

17 Clarisa Findley August 30, 2024
18 Clarisa Findley, Date
19 Court Reporter

20 **Finalized by:**

21 Kayla Fiorenza August 30, 2024
22 Kayla Fiorenza, Date
23 Court Reporter