

TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON DECEMBER 13, 2023 IN NATCHITOCHEs, LOUISIANA. PRESENT WERE: CHAIRMAN FOSTER CAMPBELL, VICE CHAIRMAN MIKE FRANCIS, COMMISSIONER ERIC SKRMETTA, COMMISSIONER CRAIG GREENE, AND COMMISSIONER DAVANTE LEWIS.

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1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**
2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON DECEMBER 13,**
3 **2023 IN NATCHITOCHEES, LOUISIANA. PRESENT WERE: CHAIRMAN**
4 **FOSTER CAMPBELL, VICE CHAIRMAN MIKE FRANCIS,**
5 **COMMISSIONER ERIC SKRMETTA, COMMISSIONER CRAIG**
6 **GREENE, AND COMMISSIONER DAVANTE LEWIS.**

7 **CHAIRMAN FOSTER CAMPBELL:** Merry Christmas. I want to let you know
8 that we're glad to be in Natchitoches. When I first got elected, all meetings were
9 held in Baton Rouge -- is this on? Hot?

10 **VICE CHAIRMAN MIKE FRANCIS:** Yes.

11 **MS. KATHRYN BOWMAN:** Yes, sir.

12 **CHAIRMAN CAMPBELL:** All meetings were held in Baton Rouge. And we
13 got it changed where we meet around the state, one of the best things that we've
14 done. And where is a better place to have a meeting at Christmas than
15 Natchitoches? Beautiful, beautiful lights. Nice people. The oldest city in the
16 United States -- in the Louisiana Purchase, let me say that. It's three years older
17 than New Orleans. So we're glad to be here. I have some sad news to me. I went
18 to school down here with a guy named Lane Pittard. Lane was a CPA and a lawyer
19 in Bossier, assistant DA -- first assistant DA. He went to school here. His wife is
20 from here. I just was notified about a hour ago that Lane passed away last night
21 and he was a heck of a nice guy, smart man. Wife was from here. So we can say
22 a -- bow our heads and say a few words for his family, I would appreciate it. If we
23 can start this meeting off, first of all I want to thank the Mayor Jimmy Williams. I

1 don't know if he's here. He's the mayor of Natchitoches, a nice guy. He's also a
2 preacher. A very abled guy and he's the major of Natchitoches. They had a big
3 parade last weekend here and we had thousands of people came and I threw away
4 about \$500 worth of candy. It was a lot of fun. We start the meeting off today with
5 Mr. Lewis, would you say a prayer and then the pledge? I'd appreciate it.

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

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

8 **CHAIRMAN CAMPBELL:** Is Mr. Greene --

9 **COMMISSIONER ERIC SKRMETTA:** He's here. I have one announcement.

10 **CHAIRMAN CAMPBELL:** Okay.

11 **COMMISSIONER SKRMETTA:** Could you call the docket number?

12 **CHAIRMAN CAMPBELL:** Are these -- these mics are hot?

13 **COMMISSIONER SKRMETTA:** They're hot all the time, yes.

14 **CHAIRMAN CAMPBELL:** Okay, okay.

15 **COMMISSIONER SKRMETTA:** If you want to turn them off you have to push
16 the button to turn them off and then keep your -- you have to hold it off to keep it
17 off. That's what they told me.

18 **CHAIRMAN CAMPBELL:** Okay. Thank you. Thank you. Go ahead.

19 **COMMISSIONER SKRMETTA:** Okay. Thank you. This is sort of something
20 I do every Christmas meeting. It's sort of a reflection on my youth in the '60s when
21 which I learned with a lot of other kids from the Charlie Brown Christmas special
22 about Christmas, besides learning it in my religious training. And it's about how
23 Charlie Brown seeks to learn about Christmas and he learns it from his friend Linus.

1 And Linus goes to the center of the stage during the cartoon and gets for the
2 spotlight. And then he says, and there were in the same country shepherds abiding
3 in the field, keeping watch over their flock by night. And lo, the angel of the Lord
4 came upon them and the glory of the Lord shown round about them and they were
5 sore afraid. And the angel said unto them, fear not, for behold I bring you tidings
6 of great joy, which shall be to all people. For unto you is born this day in the city
7 of David a savior which is Christ the Lord, and this shall be a sign unto you. You
8 shall find the babe wrapped in swaddling clothes lying in a manger and suddenly
9 there was with the angel a multitude of the heavenly host praising god and saying
10 glory to God in the highest and on Earth, peace and good will toward men. And
11 that is what Christmas is all about, Charlie Brown. Thank you.

12 **CHAIRMAN CAMPBELL:** Brandon, anybody else have anything to say? Mr.
13 Francis?

14 **VICE CHAIRMAN FRANCIS:** I want to thank Chairman for bringing us all to
15 Natchitoches.

16 **CHAIRMAN CAMPBELL:** Yeah. You're welcome.

17 **VICE CHAIRMAN FRANCIS:** Chairman, we get this close to Jean, I feel like
18 I'm at home. Okay. But thank you very much and you've done a great job
19 representing our North Louisiana folk. And also, I want to make one
20 announcement. My executive assistant, Janice Perkins, her brother went to be with
21 the Lord a couple days ago so he's in a better place now. I know that Janice, her
22 family were all sad that you lost your brother, but I know he went through a lot of
23 pain and agony with cancer like we've seen a lot of us. But thank goodness there's

1 a better place for us after that's over with. So I just want to recognize that and thank
2 you, Janice, for all you do for me also.

3 **CHAIRMAN CAMPBELL:** Any other announcements? If it's okay, we've got
4 some breaking news and Brandon can talk about -- you know I'm dead serious
5 about this. I've sent y'all all, everybody out there, sent you press releases and
6 everything about this carbon capture project that's going on in Louisiana. How
7 hundreds of millions of dollars are coming to the state of Louisiana and we want to
8 make sure that it's put in the right place. I don't feel real good about the situation,
9 but anyway, I've made myself known and I've sent y'all all the various press
10 releases and everything I know about it. But I wanted them -- there's a place called
11 White Lake that Mr. Francis and me -- well, it's in his area, it's a wildlife refuge. I
12 didn't know that last week when we were having this discussion, it would go right
13 into it. We had those people here. They told me they had not found a location for
14 the place to dump the CO2 -- not dump it, capture it, that's the best word. So they
15 hadn't found a place and so I found out the next day that White Lake was close to
16 the property they were looking at. So I wrote them a letter and told them look,
17 yesterday you told me you hadn't found a location, look at White Lake because it
18 belongs to the state of Louisiana and it would mean hundreds of millions of dollars
19 to the state. It makes good sense to me to put it on the state property rather than an
20 individual's property and us, the state of Louisiana, capture not just the carbon, but
21 hundreds of million of dollars that is from the taxpayers' dollar. So anyway, last
22 night at 7:00 we get a email and, Brandon --

23 **SECRETARY BRANDON FREY:** I'll read it.

1 **CHAIRMAN CAMPBELL:** -- read the email. 7:00 [INAUDIBLE].

2 **SECRETARY FREY:** Sure. So this is Exhibit 18 under --

3 **CHAIRMAN CAMPBELL:** Speak up, Brandon.

4 **SECRETARY FREY:** This is Exhibit 18 -- is it on?

5 **UNIDENTIFIED SPEAKER:** No.

6 **SECRETARY FREY:** No. It's not amplifying.

7 **CHAIRMAN CAMPBELL:** It is 18.

8 **SECRETARY FREY:** Hello? You hear me now? No. I don't think it's

9 amplifying. Y'all might be getting it on the recording.

10 **CHAIRMAN CAMPBELL:** I'll do it. You want me to do it?

11 **SECRETARY FREY:** I can yell loud if y'all want to hear that because we're

12 going to need this one for the agenda.

13 **CHAIRMAN CAMPBELL:** Does it work? Your mic works.

14 **SECRETARY FREY:** Now it is. Y'all hear me now?

15 **CHAIRMAN CAMPBELL:** Yeah.

16 **SECRETARY FREY:** Yeah. Okay. All right. So this is Exhibit 18, undocketed

17 update on the Project Cypress direct air capture hub located in Southwest Louisiana

18 at the request of Chairman Campbell. As the Chair said, he sent a letter a couple

19 of weeks ago, but I think some of y'all have seen, looking at alternative sites. And

20 we received a response last night from Shawn Bennett from Battelle and I'll read it

21 into the record. Dear Chairman and the LPSC, Foster Campbell, thank you for your

22 interest and for suggesting an alternate location for the Project Cypress direct air

23 capture hub on the White Lake wetlands conservation area. As you indicated, the

1 final site of the direct air capture hub has not been selected and we will consider
2 your suggestion. When choosing a final location for the direct air capture hub, the
3 Project Cypress team must consider different variables such as permitting costs and
4 impacts on the environment and local communities. Our goal is for the final site of
5 the direct air capture hub to be as close as possible to a Class VI permitted carbon
6 dioxide storage facility to limit the length of the pipeline needed. Additionally, we
7 hope to limit the facility's impact on communities and the environment. The White
8 Lake wetlands conservation area is a haven for wildlife, hunting, fishing, and
9 birdwatching and serious consideration must be given before siting a facility there.
10 Ultimately, our final decision on where to locate the direct air capture hub will be
11 heavily influenced by what the community believes is best for themselves and the
12 natural environment of Southwest Louisiana. Thank you again for your suggestion,
13 Shawn Bennett, energy and resillience division manager for Battelle.

14 **CHAIRMAN CAMPBELL:** Basically, what he's saying that he hadn't found a
15 location, but this Class VI is a trick bag. That's a permit that you have to have, but
16 it takes a while to get it and you have to know the location, where you want the
17 Class VI. But just for the record, there are three wildlife places in Louisiana that
18 already have given permits to drill and put carbon capture on their's, so there's no
19 reason in the world that they can't look at White Lake very, very closely. They're
20 already doing it. And last week Senator McPherson entered a -- Joe McPherson,
21 who I call him -- he was in the Senate with me. He's on the Wildlife and Fishery
22 Commission. He introduced a resolution to put it on White Lake and the vote was
23 five to one. A guy voted against it, I don't know why. He gave a [INAUDIBLE]

1 reason. He said he didn't know about this and he's worried about the environment.
2 He didn't worry about the environment on the other three permits he gave out, but
3 he's worried about this one. I got the picture. But anyway, long story made short,
4 I'm keeping pushing on this because the state of Louisiana, there's nothing -- you're
5 talking about getting rid of income tax and things like that that people want to do
6 and that takes money to do. This is a place for us to look at and it's senseless, it's
7 senseless to put it on somebody's private property when it can go on state land and
8 we can make the money and we ought to keep pushing for that. I hope y'all know
9 what's exactly going on. Before we said anything, this was a done deal, and thanks
10 to the Commission last time we called them in and got some good questions Mr.
11 Brandon helped us with. And now they called us last night at 7:00 and say, oh, by
12 the way, we don't have a location yet. Well, I'm glad, but I'm still wanting to --
13 let's examine White Lake. It's 75,000 acres of land that we own. As I understand,
14 White Lake needs a lot of attention to it on the levees and stuff like that. It's going
15 to take lots and lots of money and this will be a good place to start. But anyway, I
16 appreciate the other Commissioners here for letting me talk last week and bringing
17 in witnesses and the questions that Brandon helped me come up with, they were
18 good. This needs to be aired and people need to know exactly what's happening in
19 the state of Louisiana. So hopefully, we'll have a -- we'll come to agreement and
20 hopefully we can use this White Lake for the people of Louisiana, the taxpayers.
21 You realize there's \$600 million going on private property. That's taxpayers'
22 dollars and when we can use the state of Louisiana's land and everybody in this

1 room and Northwestern, and North, Southeastern, and every school, USL,
2 University of Louisiana. What do y'all call it? What is USL called?

3 **COMMISSIONER CRAIG GREENE:** ULL.

4 **CHAIRMAN CAMPBELL:** University of Louisiana --

5 **COMMISSIONER LEWIS:** Lafayette.

6 **CHAIRMAN CAMPBELL:** -- at Lafayette. We all have money, family,
7 everybody. We need money. Mr. Lewis talks about the pollution in the poor parts
8 of the country. This is hundreds of millions of dollars can help you do that. So
9 anyway, thank you for listening to me. Keep watching. I'm on top of it along with
10 a lot of other people. This is something that needs to happen. This is where we put
11 the people above politics, I really believe that. So I've said all I'm going to say.
12 Brandon, you got anything?

13 **SECRETARY FREY:** We do actually have a card. Mr. Jerry Merchant for the
14 Port of Vinton put in a card for this exhibit. If you go up to the podium over there
15 to speak. Just say who you are.

16 **CHAIRMAN CAMPBELL:** Thank you, sir, for coming.

17 **MR. JERRY MERCHANT:** My name is Jerry Merchant. I am president of the
18 board of the Vinton Harbor and Terminal District. I don't know whether you've
19 ever heard of us before, but we're located directly across a road from the proposed
20 project, the project in Southwest Louisiana. We have 750 available acres that are
21 public property directly across from the proposed site on Stream property in
22 Calcasieu Parish. I'm just here today to let you know that there is taxpayer
23 properties availble in Calcasieu Parish and it would not be that big of a hop, about

1 100 feet across from the proposed site to our site and we have been engaged in
2 some talks with them in the last two or three weeks. So really I'm here just to
3 introduce the Port of Vinton and myself to you and let you know that there is private
4 -- not private, but public properties available.

5 **CHAIRMAN CAMPBELL:** I really appreciate you coming forth. That's what
6 we're trying to talk about here. Why are we putting it on private property when
7 there's public property available? Makes no sense at all. And I appreciate you
8 coming today and we'll pass that on -- just White Lake -- look at y'all's property
9 too. The state of Louisiana -- this is millions of dollars now. This is not 10 million,
10 not 20 million, this could be hundreds of millions of dollars. And for us to miss
11 this, makes no sense at all, unless it's just straight politics, that's it. Thank you for
12 coming today.

13 **MR. MERCHANT:** Well, we are very interested in them moving to our property
14 -- moving the site to our property. Southwest Louisiana is a depressed area like
15 several other areas in the state. We do have a workforce that would be available
16 and Calcasieu Parish demand this site and we don't have any wetlands issues. We
17 have a certified -- actually, a certified site that is available, 156 acres. So keep that
18 in mind. Keep us in mind. McNeese is a University that could definitely use some
19 moneys. I noticed that wasn't mentioned in the list, but there's a lot of them to be
20 mentioned. But I appreciate you letting me speak today.

21 **CHAIRMAN CAMPBELL:** Is it right across the street from the other --

22 **MR. MERCHANT:** A hundred feet from the proposed site, so.

1 **CHAIRMAN CAMPBELL:** Thank you, thank you. Amen. That's all I can say
2 is amen. Okay. Number one.

3 **COMMISSIONER GREENE:** Can I have an announcement?

4 **CHAIRMAN CAMPBELL:** Excuse me. Mr. Greene.

5 **COMMISSIONER GREENE:** Thanks everyone. Thanks for everyone who's
6 asked about my dad as well and I just wanted to circle back on an item that I missed
7 in October because I was at his emergency brain surgery. I was not at the October
8 B&E meeting when the PSC approved 4 to nothing the recommended 14 percent
9 rate increase proposed by the Staff, as I was in Houston with my dad while he was
10 having emergency brain surgery. I contemplated calling for a revote in opposition,
11 but due to the unanimous 4 to 0 passage of the proposal, my vote wouldn't really
12 have altered the outcome and I really want to make substantive changes when I --
13 in this role. I understand the frustrations customers have and so much I organized
14 a town hall meeting in Lafayette a few weeks ago with Magnolia's leadership and
15 the Lafayette Councilman Josh Carlson and other public servants. The town hall
16 aimed to provide an avenue for customers to express their concerns and boy, did
17 they. But mainly to also discuss potential solutions and I think there were many
18 fruitful solutions that came out of that that we're going to follow up on and make
19 sure that we get to the best outcome possible. While we were unable to resolve
20 every issue, I'm pleased that Magnolia's president, Josiah Cox, verbally committed
21 to working with Lafayette and the surrounding cities to integrate their water and
22 wastewater systems into the respective municipal infrastructures, provided that
23 these cities are willing and capable of adding the increased capacity. The initiative

1 would reduce customer bills and help alleviate the financial burden. Ultimately,
2 this is a terrible situation that the DEQ allowed and the TESI systems to fail into
3 such noncompliance that it's left many of our constituents in a challenging position
4 to shoulder the burden. I just want to assure you that your voices are not falling on
5 deaf ears and I want to assure everyone that I remain committed to working closely
6 with both customers and the utilities to ensure that our constituents receive reliable
7 water and wastewater services at fair and reasonable rates. We will not stop
8 working on this so I just wanted to -- and I will continue to keep you posted on that.
9 Thank you very much.

10 **CHAIRMAN CAMPBELL:** Does anybody else have anything to say? Mr.
11 Lewis?

12 **COMMISSIONER LEWIS:** The only thing I'll add, Mr. Chairman, for
13 announcements is District III finally has offices, so we moved in yesterday into --
14 we'll be right around the block from our Commission office in the old stomping
15 grounds of One American Plaza on the 11th floor and we also did keep our 14th floor
16 Benson Tower office. So we'll start communicating that to you for future meetings
17 and we won't have to meet in the hallways like we've been doing.

18 **CHAIRMAN CAMPBELL:** Thank you. Anybody else? Number 1.

19 **MS. BOWMAN:** So Number 1, announcements has been completed. We do have
20 one announcement on Exhibit Number 3 being deferred at the request of the Chair,
21 which is the energy efficiency docket is deferred.

22 **CHAIRMAN CAMPBELL:** I didn't hear what you said.

23 **MS. BOWMAN:** Can you hear me?

1 **CHAIRMAN CAMPBELL:** No, I can't hear you. You're not speaking --

2 **COMMISSIONER SKRMETTA:** You might have to speak closer to that

3 microphone.

4 **MS. BOWMAN:** Is that better? That's better.

5 **CHAIRMAN CAMPBELL:** Yeah. A lot better.

6 **MS. BOWMAN:** Okay. Let's do this.

7 **CHAIRMAN CAMPBELL:** I know it's me, but it's you too.

8 **MS. BOWMAN:** The Exhibit Number 3 is deferred.

9 **COMMISSIONER GREENE:** And can you specify until when?

10 **MS. BOWMAN:** My appreciation is it's deferred just until January, correct?

11 **COMMISSIONER GREENE:** Correct.

12 **CHAIRMAN CAMPBELL:** Yeah.

13 **MS. BOWMAN:** Okay. So moving on to Exhibit Number 2. It's undocketed.

14 It's the 2024 Business and Executive Session, discussion and possible vote to

15 accept the 2024 proposed schedule. The 2024 B&E schedule is proposed as

16 follows: January 24th, February 21st, March 27th, April 17th, May 22nd, June 19th,

17 there is no meeting scheduled for July, August 14th, September 11th, October 16th,

18 November 20th, and December 18th. And Staff recommends that the Commission

19 adopt the 2024 B&E proposed schedule.

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

21 **COMMISSIONER GREENE:** Second.

1 **CHAIRMAN CAMPBELL:** There's a motion to accept our schedule by Mr.
2 Skrmetta, second by Mr. Greene. Is there any objection? [NONE HEARD]
3 Hearing no objection --
4 **VICE CHAIRMAN FRANCIS:** Objection.
5 **CHAIRMAN CAMPBELL:** Go ahead.
6 **VICE CHAIRMAN FRANCIS:** I would propose in the April meeting we move
7 it to the -- on the 17th to the 19th while we're all here together, see if that's possible.
8 And have the meeting for my district at Toledo Bend again like we did a couple of
9 years ago.
10 **COMMISSIONER SKRMETTA:** No objection.
11 **VICE CHAIRMAN FRANCIS:** Is there any objection to moving it to the 19th?
12 **CHAIRMAN CAMPBELL:** None.
13 **SECRETARY FREY:** We're moving it from a Wednesday to a Friday?
14 **VICE CHAIRMAN FRANCIS:** Wednesday to a Friday. Several people travel a
15 long way from Baton Rouge and New Orleans and might want to spend the night
16 and go fishing in Toledo Bend like Mike Francis and his wife. Okay?
17 **COMMISSIONER GREENE:** Are you inviting us to go fishing with you?
18 **VICE CHAIRMAN FRANCIS:** Absolutely. I'm the best guide on the lake.
19 **COMMISSIONER SKRMETTA:** No objection to modify my motion to accept
20 the 19th of April.
21 **COMMISSIONER GREENE:** Second.
22 **CHAIRMAN CAMPBELL:** So no objections?

1 **SECRETARY FREY:** And I think that actually solves an issue we may have had
2 too. There was actually a NARUC conference that didn't make our calendar with
3 the current events. They would've been wrapping up on that Wednesday so that
4 should make that easier. Okay.

5 **VICE CHAIRMAN FRANCIS:** We just need to call the place immediately to
6 see if the fishing tournament doesn't get in our way.

7 **SECRETARY FREY:** We've got a good connection here now so everytime we
8 want to come back here, I have the contacts to make sure we get the right hotel
9 rooms and everything so we'll keep that in mind as well.

10 **CHAIRMAN CAMPBELL:** That's a good idea. That's a nice place.

11 **COMMISSIONER LEWIS:** Mr. Chairman.

12 **CHAIRMAN CAMPBELL:** Mr. Lewis.

13 **COMMISSIONER LEWIS:** Yes, and I will work with Staff. I was originally
14 looking at March or April to have a meeting in the river parishes, in St. John or St.
15 James. So I don't have a date yet. We're still talking with the parish government,
16 but I just wanted to let us know that I am looking to bring a Commission meeting,
17 which I don't think we've done before, into the river parishes for my constituents.

18 **CHAIRMAN CAMPBELL:** That's fine.

19 **COMMISSIONER LEWIS:** So we'll work with Staff on a proposed date and
20 we'll bring it up in January.

21 **COMMISSIONER GREENE:** Mr. Chairman, I'll also try to work on having one
22 in Lafayette.

1 **COMMISSIONER SKRMETTA:** And I'll be working on one for the fall in the
2 southeast.

3 **COMMISSIONER GREENE:** And I think occasionally we'll have one in Baton
4 Rouge.

5 **SECRETARY FREY:** But the good news is when we did the schedule, we
6 reserved the large room for every meeting. So if we stay on those dates and we are
7 in Baton Rouge, we won't have that little short room.

8 **CHAIRMAN CAMPBELL:** Well, wasn't this a wonderful idea I came up with?
9 No, it's good because we go all around the state. You meet people and just like this
10 gentleman came awhile ago. It's good for people to be able to express themselves
11 to the Public Service Commission and no better way than to get down where the
12 people live.

13 **COMMISSIONER GREENE:** And I want to follow up on his comment. He said
14 what a wonderful idea that I had, said every politician ever.

15 **CHAIRMAN CAMPBELL:** Okay.

16 **MS. BOWMAN:** So moving on to Exhibit Number 4. It's Docket Number S-
17 36694. It's TAS Environmental Services' application to increase rates for Common
18 Carrier Certificate Number 7618-A and 8016 pursuant to General Order dated
19 October 2, 2012. It's a discussion and possible vote on Staff's report and
20 recommendation. On March 15, 2023, TAS Environmental filed an application
21 with the Commission requesting authorization to increase its tariff rates. The
22 notice of the application was published in the Commission's Official Bulletin and
23 no interventions were filed. Following discovery, Commission Staff filed its report

1 and recommendation on November 17, 2023 and subsequently, Counsel for TAS
2 filed correspondence into the record accepting Staff's recommendation in its
3 entirety. The major terms of Staff's recommendation are as follows: TAS is
4 authorized to increase its transportation rates for both common carrier certificates
5 to rate ranges as follows: For a bobtail vacuum and roll-off truck of \$60 to \$90 per
6 hour; for a King vacuum truck of 127 to \$190 per hour; and for tractor, tanker,
7 single and double hauler roll-off trucks from 63 to 94.50 per hour. TAS is
8 authorized to increase its driver rates for both common carrier certificates to \$45 an
9 hour and the company is authorized to restructure its fuel surcharge for both
10 certificates to an energy surcharge scale. Staff recommends that the Commission
11 accepts Staff's recommendation filed into the record on November 17, 2023.

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

13 **CHAIRMAN CAMPBELL:** Excuse me. Got a motion. But these people are
14 located in Bossier City?

15 **MS. BOWMAN:** Yes, sir. Well, their Louisiana office is in Bossier City.

16 **CHAIRMAN CAMPBELL:** I never talked to them. I'd like to talk to them. Can
17 we --

18 **MS. BOWMAN:** They actually are here. I don't know which one wants to come
19 up or both can, Mr. Black and Mr. Gele. Thank you. Just introduce yourselves --

20 **CHAIRMAN CAMPBELL:** I never have seen y'all before.

21 **MS. BOWMAN:** Just introduce yourselves for the record please.

22 **MR. STEVE BLACK:** I'm Steve Black. I'm the chief operating officer with
23 TAS.

1 **MR. STEPHEN GELE:** Stephen Gele, I'm with the law firm of Smith & Fawer.
2 I represent TAS.

3 **CHAIRMAN CAMPBELL:** You're a lawyer?

4 **MR. GELE:** Yes, I am.

5 **CHAIRMAN CAMPBELL:** Whereabouts?

6 **MR. GELE:** I'm from New Orleans.

7 **CHAIRMAN CAMPBELL:** New Orleans?

8 **MR. GELE:** So I'm not -- I'm sorry?

9 **CHAIRMAN CAMPBELL:** Where you from?

10 **MR. GELE:** New Orleans. New Orleans, yes.

11 **CHAIRMAN CAMPBELL:** Well, you know, I'm not trying to be picky, but I
12 live in Bossier City. I have a office in Bossier City and in Shreveport. I never
13 heard from you guys.

14 **MR. BLACK:** Yes, sir. I didn't know you were in Bossier.

15 **CHAIRMAN CAMPBELL:** Do what?

16 **MR. BLACK:** I didn't know you were in Bossier, but if you'd like I can come by
17 there this next week.

18 **CHAIRMAN CAMPBELL:** Well, I've been in Bossier since 1947. That's a long
19 time ago, but --

20 **MR. GELE:** Commissioner, they operate in multiple states and their corporate
21 headquarter is in Dallas. Their Louisiana headquarter is in Bossier. I'm sure they
22 meant no disrespect by meeting with you until now. We're happy to do that.

1 **CHAIRMAN CAMPBELL:** Is this just for your company? These 60 to \$90, 127
2 to 190. This is just your company we're talking about?

3 **MR. BLACK:** Yes, sir.

4 **MR. GELE:** Yes. We're unable to apply for anyone else, Commissioner.

5 **CHAIRMAN CAMPBELL:** I don't mean to be petty, but man, that's a hell of an
6 increase. 60 to 90 and 127 to 190. What about the other people up there? They
7 charging this much or what?

8 **MR. BLACK:** We've not asked for an increase since 2019 and the numbers or the
9 pricing that I have right now is very, very low comparative to my competitors. So
10 the price that I'm asking for, I'm asking for the room to be able to give myself an
11 increase here because I'm getting clobbered with -- everything has gotten more
12 expensive, everything. Trucking, the drivers, all of our materials, inflation,
13 everything since 2020 has gone up significantly and I've not made a request. And
14 so, we probably should have done so in '21 in smaller increments, but we're at a
15 point now where we feel like we really need to do something.

16 **CHAIRMAN CAMPBELL:** Well --

17 **VICE CHAIRMAN FRANCIS:** Can I ask something?

18 **CHAIRMAN CAMPBELL:** Yeah, go ahead.

19 **VICE CHAIRMAN FRANCIS:** Is that statewide authority you have?

20 **MR. BLACK:** Sir?

21 **VICE CHAIRMAN FRANCIS:** Is that statewide authority you have under PSC?

22 **MR. BLACK:** I'm not statewide I don't believe. I believe I'm just on the northern
23 half. I'm not in Plaquemine's Parish or Jefferson.

1 **VICE CHAIRMAN FRANCIS:** Mr. Chairman, is that what we'd call a Rolex
2 permit that they have?

3 **COMMISSIONER GREENE:** Not anymore.

4 **CHAIRMAN CAMPBELL:** If it's a statewide, it'd been a platinum Rolex.

5 **VICE CHAIRMAN FRANCIS:** Platinum Rolex.

6 **COMMISSIONER SKRMETTA:** What's Staff say?

7 **MR. BLACK:** Yeah. It's not statewide.

8 **CHAIRMAN CAMPBELL:** Okay. Well, let me ask you something. I hear what
9 you're saying and I want to work with you, but I would feel a lot better if I could
10 see a comparison to what other people are charging in the area. You know what I
11 mean? I live right -- you probably come on my place all the time. I don't live in
12 the middle of Haynesville Shale, where my farm is and you come in and out all the
13 time. Very nice, shut the gates, cows don't get out, I got it. But I just hate to give
14 you a raise from 60 to \$90 and 127 to \$190 if I don't feel comfortable about this
15 right now. So could I -- what I would do, and you're not going to like this, I'm
16 going to ask you to come back next month and let me find out what the other people
17 are charging. And you might be very well -- and I say you do. You say you do, I
18 believe you, but I don't have any numbers on this.

19 **COMMISSIONER LEWIS:** Mr. Chairman, can I ask some questions?

20 **COMMISSIONER SKRMETTA:** Can the Staff explain what's going on? What
21 they figured out?

22 **VICE CHAIRMAN FRANCIS:** Yes. Tammy?

23 **MS. TAMMY BURL:** I'm going to pass this on to Robin Pendergrass.

1 **MS. ROBIN PENDERGRASS:** Yes, sirs. So first of all, I wanted to clear up, it's
2 not an increase from 60 to 90.

3 **CHAIRMAN CAMPBELL:** Speak into the microphone.

4 **MS. PENDERGRASS:** Yes, sir. So what they did was is they had several
5 different rates and they wanted to make it a rate range, which is allowed per the
6 Transportation Order. So it's a rate range from 60 to 90.

7 **CHAIRMAN CAMPBELL:** Well, that's not what this says.

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

9 **CHAIRMAN CAMPBELL:** It doesn't say range. It says 60 to \$90 per hour.
10 That's no range, that's an increase.

11 **MS. BOWMAN:** Commissioner, if you look at the Number 1, it says that they're
12 authorized to increase the rates to the rate ranges as follows. It's just range isn't in
13 every single bulleted item, but it is a range of the rates.

14 **COMMISSIONER SKRMETTA:** It's on the first page under Number 1.

15 **CHAIRMAN CAMPBELL:** Do you have what other people are charging in this
16 area?

17 **MS. PENDERGRASS:** So I didn't do a breakdown of all of the other companies
18 because there's so many of them, but I did do a comparison with two other
19 companies that are similar to their size and they're still below the other companies
20 even with the increase.

21 **VICE CHAIRMAN FRANCIS:** So they're still -- their rates are below the
22 competition.

23 **COMMISSIONER SKRMETTA:** These rates are lower than the competition.

1 **MR. BLACK:** The new rates are still below. Sir, if I may, the request that we're
2 making here, I have to admit it wasn't just based off of what the other competitors
3 are doing because I still have to bid against the other competitors. So if they bid
4 lower, they generally will get the work. So I have to be competitive anyway. I'm
5 saying I need the room. My request was based off of my cost increase. It's our
6 business that is suffering. It's not like if I raise my rates, that my customers -- my
7 customers are the ones who are going to accept or not accept my rates. I mean, if
8 it's too high, I won't get any business. So I'm just trying to get more room in here
9 so I can help to pay for trucks and drivers and all the other things that I'm dealing
10 with right now.

11 **CHAIRMAN CAMPBELL:** I know you won't, but I mean -- look, I don't want
12 to blanket the industry. Say I'm your good friend and you send me a bill for 190,
13 I'll pay the 190. But if you can't charge 190, you can't charge 190. So is this a
14 range of what you want to charge? Is that what this is?

15 **MR. BLACK:** That is a range. The 60 to 90, if I'm bidding on anything that has
16 any type of longevity, it's got to be on the lower end of that range.

17 **CHAIRMAN CAMPBELL:** So you might very well be charging \$60 and you
18 might have to charge it again, \$60?

19 **MR. BLACK:** Yeah.

20 **COMMISSIONER SKRMETTA:** It's rate ranges. Under Number 1, above
21 Subsection A, says rate ranges.

1 **MR. BLACK:** The market will bear what the pricing is. I mean because that's
2 what I was saying, I've not done a comparison to competition because I have to
3 compete with them anyway. I just need the ability to be able to bid higher.

4 **COMMISSIONER LEWIS:** Mr. Chairman, I may have some questions.

5 **CHAIRMAN CAMPBELL:** Yeah.

6 **MR. BLACK:** Competition is charging more.

7 **COMMISSIONER LEWIS:** Robin, please correct me if I'm wrong. So you're
8 assessment of their earnings before interest and taxes or EBIT would be with this
9 increase around four percent?

10 **MS. PENDERGRASS:** Yes.

11 **COMMISSIONER LEWIS:** And generally, an acceptable range is about ten
12 percent so they are --

13 **MS. PENDERGRASS:** Correct.

14 **COMMISSIONER LEWIS:** Their earnings are a little bit lower.

15 **MS. PENDERGRASS:** Are still below even with the increase.

16 **COMMISSIONER LEWIS:** Lower [INAUDIBLE]. Okay. I just wanted to
17 make sure that that's what I was reading and understanding.

18 **MS. PENDERGRASS:** Right.

19 **CHAIRMAN CAMPBELL:** Go ahead. So what you're telling me this is a range?

20 **MR. BLACK:** Yes, sir.

21 **CHAIRMAN CAMPBELL:** It's not, in fact, \$90 per hour?

22 **MR. BLACK:** No, sir.

1 **CHAIRMAN CAMPBELL:** Okay. All right. Mr. Skrmetta's rule is he'd never
2 vote for you if you don't come see him.

3 **COMMISSIONER SKRMETTA:** They did come see me.

4 **CHAIRMAN CAMPBELL:** They came to see you?

5 **COMMISSIONER SKRMETTA:** Yes, sir.

6 **CHAIRMAN CAMPBELL:** Well, that's a hell of a -- now you [INAUDIBLE] -
7 -

8 **MR. BLACK:** I didn't know you were in Bossier, sir.

9 **CHAIRMAN CAMPBELL:** I'm not doing this. You go see him and you don't
10 come see me and I'm in your hometown, we got real problems. He's got the rule
11 and that happened last time too. Couple of weeks ago when y'all did that for the
12 Chevron. She gave me a speech about blah, blah, blah, blah, blah. She knew what
13 Foster was going to say so don't come see Foster. They come see everybody but
14 old Foster because Foster's crazy. He ain't for oil companies. We're going to
15 bypass him and we got four votes. I'm not voting for you today. I'm going to put
16 this off one more month. Come by and see me. I'm not that petty, but if you go
17 see him in New Orleans and I'm in your hometown, we got a real problem.

18 **COMMISSIONER SKRMETTA:** Well, technically they phone called me, which
19 is still acceptable to me, let me clarify that. They did call me and talked to me about
20 it and the Staff talked to me about it too. The Staff went over the docket with me
21 and we went over it.

22 **CHAIRMAN CAMPBELL:** I don't want to be this petty but look, man, I'm in
23 your hometown. Y'all are all over my farm with those trucks and everything and I

1 appreciate what y'all have done for me and my family, but when I'm in your
2 hometown and you don't even pick up the phone and call me. You're saying you
3 don't know I'm in your hometown. You're not doing -- how'd you know to call
4 him? Anybody else get a call? Did you get a call?

5 **COMMISSIONER LEWIS:** I received some emails.

6 **CHAIRMAN CAMPBELL:** You did?

7 **COMMISSIONER LEWIS:** Yeah.

8 **CHAIRMAN CAMPBELL:** We never heard anything.

9 **MR. GELE:** Commissioner Campbell --

10 **CHAIRMAN CAMPBELL:** It might be because I'm crazy. Let's just say old
11 Foster's nuts. He didn't need to worry about it.

12 **COMMISSIONER GREENE:** I think those are two different things.

13 **CHAIRMAN CAMPBELL:** Huh?

14 **COMMISSIONER GREENE:** I think those are two different things.

15 **CHAIRMAN CAMPBELL:** Did he call you?

16 **COMMISSIONER GREENE:** I got the information I needed.

17 **MR. GELE:** Commissioner, to be clear and we meant no disrespect, we did email
18 everyone. And I apologize if I should've called you or met with you instead of
19 emailing you asking if you had any questions.

20 **COMMISSIONER GREENE:** Moving on.

21 **CHAIRMAN CAMPBELL:** Anyway, look, I don't want to be this petty, but it's
22 a hell of a note that you don't call me and I'm in Bossier City. Now, what does that
23 say up there? What does that say? Foster Campbell, Chairman. Don't call the

1 Chairman, he lives in Bossier. I'm not -- go ahead with it. I'm going to vote for
2 you. Don't come by and see me though because that might trouble me. I might
3 really trouble you when you go by in all those trucks, if you came to see me, that
4 would probably be a real big problem.

5 **COMMISSIONER GREENE:** I suggest you take him on a ride in the truck.

6 **MR. BLACK:** I would love to have you come along and see what we do.

7 **COMMISSIONER SKRMETTA:** He might change the locks on the gate.

8 **CHAIRMAN CAMPBELL:** I'm not going to be that petty with you. I don't
9 believe in being petty. Is there a motion?

10 **MS. BOWMAN:** There's a motion by Commissioner Skrmetta, so we'll entertain
11 a second, if there is one.

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

13 **CHAIRMAN CAMPBELL:** All right. No objection? [NONE HEARD] How
14 you like that?

15 **MR. BLACK:** Thank you, sir.

16 **MR. GELE:** Thank you. We appreciate it.

17 **CHAIRMAN CAMPBELL:** Next.

18 **MS. BOWMAN:** So Exhibit Number 5 is Docket Number S-36944. It's the
19 application for certification as an Eligible Telecommunications Carrier for the
20 limited purpose of offering wireless Lifeline Services within Louisiana. It's a
21 discussion and possible vote on a Staff report and recommendation. On July 24,
22 2023, Tempo filed an application with the Commission for the limited purpose of
23 offering wireless Lifeline Services within Louisiana as an ETC. Notice of the

1 company's request was published in the Commission's Official Bulletin, with no
2 interventions received. The company plans to offer all of the supported services
3 required by the act through resale of another carrier's services. And under 47
4 U.S.C. Section 214(e)(1)(A), state commissions are prohibited from designating as
5 an ETC a telecommunications carrier that offers services exclusively through the
6 resale of another carrier's services. In this case, the FCC decided to conditionally
7 forbear from the application of the federal act's facilities requirement to all
8 telecommunications carriers that seek limited ETC designation to participate in the
9 Lifeline program. Tempo certified that it has and will continue to comply with the
10 911 requirements at the state and federal level and the company has also provided
11 Staff with a copy of the FCC's approval of a compliance plan. The company
12 certifies that it has met the requirements for conditional forbearance from the
13 facilities requirement as evidenced by the FCC-approved compliance plan. Tempo
14 provides commercial radio mobile services and prepaid wireless services
15 throughout the United States, and prepaid wireless Lifeline services in 21
16 jurisdictions, and they provide these services by using the underlying wireless
17 networks of Tier 1 carriers, which is currently T-Mobile on a wholesale basis. T-
18 Mobile provides Tempo with the underlying network infrastructure and wireless
19 transmission facilities needed for Tempo to offer the services as a Mobile Virtual
20 Network Operator. On November 17, 2023, Staff filed its Staff report and
21 recommendation on the company's application, finding that the company complied
22 with federal and state requirements and that the designation of the company as an
23 ETC for the purposes of receiving Lifeline support is in the public interest. Staff

1 recommends that the Commission accept the Staff report and recommendation filed
2 into the record on November 17, 2023.

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

4 **COMMISSIONER GREENE:** Second.

5 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta, second by Mr.
6 Greene. No objections? [NONE HEARD] Next issue. Next item.

7 **MS. BOWMAN:** Exhibit Number 6 is Docket Number U-35908. It's the
8 Commission's audit of purchased gas adjustment filings for the gas distribution
9 division of Entergy Louisiana for the period of January '18 through December of
10 '20. It's a discussion and possible vote on a joint report and draft order. On March
11 9, 2021, the Commission initiated an audit of the gas distribution division of
12 Entergy Louisiana, pursuant to the Commission's General Order dated March 24,
13 1999. Staff filed its audit report on August 10, 2023, which was noticed in the
14 Commission's Official Bulletin and no interventions were received. Staff's audit
15 report reached three conclusions and made recommendations regarding Entergy's
16 PGA filings. And the audit found that the PGA filings were reasonable, prudent,
17 and necessary to the provision of service for jurisdictional retail customers; it
18 qualified for recovery under the PGA mechanisms and were consistent with the
19 Commission's 1999 General Order; and produced just and reasonable rates. Staff's
20 report also found that ELL improperly included PGA costs and revenues related to
21 non-jurisdictional customers, resulting in a net benefit to jurisdictional customers
22 of approximately \$10,000. Further, the Staff found that ELL incurred about \$5,800
23 in overrun charges in conjunction with the services provided. And Staff proposed

1 that Entergy's future PGA rates be adjusted to reflect a credit for these costs. On
2 November 21, 2023, Entergy filed correspondence into the record indicating that it
3 did not object to the recommendations in Staff's report and on November 22, 2023,
4 Staff and Entergy filed a joint report and draft order into the record. As there are
5 no unresolved issues, Staff recommends that the Commission accept the joint report
6 and draft order filed into the record on November 22, 2023.

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

8 **COMMISSIONER GREENE:** Second.

9 **CHAIRMAN CAMPBELL:** There was a motion by Mr. Skrmetta, second by Mr.
10 Greene. Is there any objections? [NONE HEARD] No objections, passed.
11 Number 7.

12 **MS. BOWMAN:** Exhibit Number 7 is Docket Number U-36082. This is Jefferson
13 Davis Electric Cooperative's request for emergency rate relief related to the 2020
14 hurricanes. It's a discussion and possible vote on an unopposed motion to amend
15 Commission Order Number U-36082-A. On June 21, 2021, Jefferson Davis filed
16 an application with the Commission seeking emergency rate relief to pay for
17 damages incurred during the 2021 hurricane season. And on April 20, 2022, the
18 Commission issued Order Number U-36082-A, granting JDEC's request for relief,
19 subject to certain conditions. Condition Number 4 of that order required that on or
20 before May 31, 2023, JDEC should file adjusted financial results based upon a test
21 year for the 12 months ending December 31, 2022 using a modified debt service
22 coverage methodology, and also submit a cash requirements study. On May 8,
23 2023, JDEC filed its annual report with the Commission for the 2022 test year;

1 however, the filing did not contain cash requirements study, and no action has been
2 taken in that docket to date. Given the current timing of the Commission’s review,
3 along with the required analysis needed to be filed by JDEC for a Commission rate
4 review, JDEC and Staff believe it was in the best interest for JDEC to file a rate
5 case using a modified debt service coverage methodology and a cash requirements
6 study for the 2023 test year, with a deadline for the filing being May 31, 2024. On
7 November 29, 2023, JDEC filed an unopposed motion to amend Commission Order
8 U-36082-A, requesting that Provision 4 be amended to read as follows: That on or
9 before May 31, 2024, JDEC shall file a full rate case, with all rates subject to
10 consideration, covering the test year for 12 months ending in December 31, 2023.
11 And Staff recommends that the Commission grant the motion and modify Provision
12 4 of Order Number U-36082-A.

13 **COMMISSIONER SKRMETTA:** I have a question for Staff.

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

15 **COMMISSIONER SKRMETTA:** So there’s no actual change in revenue at this
16 time? So this is just a designation for the rate case to be filed by next May?

17 **MS. BOWMAN:** Correct.

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

19 **COMMISSIONER GREENE:** Second.

20 **CHAIRMAN CAMPBELL:** There’s a motion by Mr. Skrmetta, second by Mr.
21 Greene to accept Staff recommendation. Is there any objection? [NONE HEARD]
22 No objections, item’s passed. Let me just say this, I want to interrupt something,
23 ask the Staff so we won’t have this situation anymore. I’m not mad at anybody.

1 But when people come up with a rate increase, y'all think y'all could come up with
2 something that shows what the other utilities are in the area? It sure would be
3 helpful. You know, because, we have to -- somebody -- we need to be digging it
4 up. Y'all want a rate increase on water in Shreveport, I'd like to know what the
5 other companies in that area. Same thing goes for what we just got through with.
6 I hear what the man says, he said that we're cheaper than the -- but it'd be nice if
7 the Staff would dig into these things and say this is what vacuum trucks are getting
8 in Northwest Louisiana or in Southwest Louisiana, and then we can look at it and
9 see if it's right. I'm not saying he's wrong. I'm just saying it would be a lot easier
10 when we look at all these cases, sewage rates, all that, if we had some kind of rule
11 to look at, what this particular client wants compared to the people around him or
12 statewide. If y'all could do that, it would help everybody.

13 **SECRETARY FREY:** And that shouldn't be an issue. I know, much like what
14 we put in your books every month, the monthly power costs with the power cost
15 adjustment or fuel adjustment, as well as the base rates on the electric side, we do
16 maintain for the water and wastewater, for sure, and I'm pretty sure Tammy does it
17 for the transportation as well. I'm looking at her. So we have those in a database
18 and can just plug in, you know, I think we can sort them via district, via region,
19 whatever, so we've got that.

20 **CHAIRMAN CAMPBELL:** The first page that you put out and what everybody's
21 charging for electricity, very handy for people, you can look and see where your
22 particular people are, how much per kilowatt hour and all that you've done on the
23 front page. That's a great index to see if people are telling you the truth and if they

1 are the lowest or wait a minute, you're telling me you're the lowest, I'm looking
2 here, you're not the lowest. Well, we were close to the lowest. But anyway, that's
3 all I'm going to say. That's all I'm going to say. Next issue, which is Number --

4 **COMMISSIONER SKRMETTA:** Eight.

5 **CHAIRMAN CAMPBELL:** -- Eight.

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

7 **CHAIRMAN CAMPBELL:** Yes.

8 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-36133. It's Dixie
9 Electric Membership Corporation, NextEra Energy Marketing, and Amite Solar's
10 joint application for approval of power supply agreements. It's a discussion and
11 possible vote on an uncontested stipulated settlement pursuant to Rule 57, so this
12 will need two votes. In Order Number U-36133, the Commission certified the
13 Amite Solar PPA, which will supply all of DEMCO's capacity and energy
14 requirements, net of any allocations, from the Southwestern Power Association
15 beginning April 1, 2024, subject to certain conditions. On August 22, 2023,
16 DEMCO and Amite Solar filed a joint motion seeking Commission approval of the
17 second amendment to the Amite Solar PPA. The request was published in the
18 Commission's Official Bulletin and no new interventions were filed. The second
19 amendment would extend the commercial operation date of the Amite Solar facility
20 by one year, from April 1st of '24 to April 1st of 2025, transfer the rights to the
21 Renewable Energy Credits for Years 1 through 20 of the contract term of the project
22 to Amite Solar to help offset cost increases, and slightly increase the price DEMCO
23 will pay for energy from the facility. The second amendment also preserves many

1 attractive advantages of the Amite Solar PPA to DEMCO, including all capacity
2 rights, and the pricing reflects recent market conditions for solar PPAs in the region.
3 Staff reviewed the request, the second amendment, the joint application supporting
4 the testimony, and information obtained in discovery. And Staff and the applicants
5 reached a stipulated settlement, which was filed into the record on December 1,
6 2023 and which was not opposed by any of the intervenors. The settlement finds
7 that the second amendment to be in the public interest subject to certain conditions,
8 including that all terms and conditions included in Order Number U-36133 remain
9 in place, except as specifically modified by the second amendment. Staff
10 recommends that the Commission: 1) Assert its original and primary jurisdiction
11 pursuant to Rule 57 of the Rules of Practice and Procedure to consider the
12 uncontested stipulated settlement; and 2) Accept the uncontested stipulated
13 settlement filed into the record on December 1, 2023.

14 **COMMISSIONER SKRMETTA:** I have some comments on this and I have
15 some questions for the Staff.

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

17 **COMMISSIONER SKRMETTA:** There's no statement as to the price shift in
18 this. My understanding that it's about a 30 percent price increase or between 28
19 and 30 percent price increase from the original quoted price to the co-ops; is that
20 correct?

21 **MS. LAUREN EVANS:** Good morning, Commissioners. Lauren Evans on behalf
22 of Staff. I don't know that I have the numbers public but I -- if we can pull up --

1 **COMMISSIONER SKRMETTA:** I mean, I know the numbers. I mean, it's like
2 30 -- the original number was 35, 36, and now it's 46?
3 **MS. EVANS:** I think company --
4 **UNKNOWN SPEAKER:** Forty-six is not correct.
5 **MS. BOWMAN:** Wait --
6 **COMMISSIONER SKRMETTA:** Okay. What is it?
7 **MS. EVANS:** Microphone.
8 **MS. BOWMAN:** Yeah. Please use a microphone and identify --
9 **COMMISSIONER SKRMETTA:** Don't have to peanut gallery, you can come
10 up. Come on.
11 **MR. NOEL DARCE:** Commissioner, the pricing --
12 **COMMISSIONER SKRMETTA:** State your name.
13 **MR. DARCE:** Noel Darce, special counsel for the Staff in this matter. The
14 numbers, the pricing, are confidential under the contracts.
15 **COMMISSIONER SKRMETTA:** Oops.
16 **MR. DARCE:** And, you know, the Staff is under agreement not to express them
17 in public. I can say that the price increase from, it looks like the second one to this
18 one -- the first one to this one, looks more like 15 percent maybe.
19 **COMMISSIONER SKRMETTA:** Okay.
20 **MR. DARCE:** That's not compared to the first one.
21 **COMMISSIONER SKRMETTA:** And just because I know we're going to have
22 two other docketed items on this, are you involved on those other two items, Noel?
23 **MR. DARCE:** Well, there are three others, but they are separate.

1 **COMMISSIONER SKRMETTA:** Oh, three others, but --

2 **MR. DARCE:** They're separate. You know, same sort of issue.

3 **COMMISSIONER SKRMETTA:** Are you the counsel on those?

4 **MR. DARCE:** I am.

5 **COMMISSIONER SKRMETTA:** Okay. So are all the price differentials the

6 same?

7 **MR. DARCE:** No. And the start and stop price for this one is different than

8 SLEMCO's. The Concordia and Pointe Coupee start and stop places are the same

9 because they are taking from the same facility. They're all going up.

10 **COMMISSIONER SKRMETTA:** No, I understand that. So you're talking about

11 15 percent or so differential. What's the differential on the other ones?

12 **MR. DARCE:** It's probably smaller than that.

13 **COMMISSIONER SKRMETTA:** Okay. So that answers my question for now.

14 But my problem with this is from the original opposition I had to this because of

15 the way the contracts were created and the flexibility in these contracts. And

16 Commissioner Campbell, I think this is important for Commissioner Campbell

17 because Commissioner Campbell's said that he went along with this because the

18 co-ops were going to save money. And the goal line in this contract mechanism

19 keeps getting moved. And that's something that concerned me from the beginning

20 on this. And the contract goal line gets moved because of the language that was

21 allowed in the contract by the co-ops with their contractor and giving them the

22 flexibility to raise the price if things weren't working out for the contractor. And

23 that was another concern I had about this. So they are saving less money as they

1 move the goal line. So the co-ops are going to pay more for electricity, they're
2 going to pay 15 percent or more for electricity than they were paying under this
3 contract potential because obviously they haven't shifted over yet. So they're going
4 to pay more for the electricity than they were going to pay when we first voted on
5 this when we did -- when the Commission approved it. And I originally opposed
6 this and I'm going to continue to oppose it, because I keep seeing the goal line
7 moved and I keep seeing the price going up. And I keep hearing, well, we're not
8 going to do it again, and the contract says we're not going to do it again. Then I
9 got explained by Staff today that they had it in the contract that it could move the
10 price up, the contractor could, if they needed to. I have genuine concerns that we
11 have not seen the end of this price shift potential and the savings for the co-ops are
12 being reduced as we see the paperwork move in front of us. So it's a concern that
13 I've had. It's a concern that I see manifesting itself before us, and I see that this is
14 going to be another problem because I don't see a change in how we look at
15 inflation, I don't see a change in how we look at the equipment that's being utilized
16 in this, and I don't see that there is a recovery in the economy that's going to change
17 how this works. So my concerns about this are: The co-ops are not saving as much
18 money as they were, the co-ops are going to not save as much money as there was
19 promised, and the goal line keeps getting moved, and there's no guarantee with any
20 backup of financial backup that it's not going to be moved again. And there's no
21 guarantee that the contractor can't just walk away from this and leave the co-ops
22 out in the wind. And so, while I understand Commissioner Campbell is, you know,
23 he keeps saying, well, you know, you promised me you're going to save me money.

1 Well, they just cut those savings by 15 percent. And so, we move forward on this
2 and we understand that this is not the way to do business at the Public Service
3 Commission. If you're going to do a contract with these co-ops, and they deserve
4 the same protection as any other company, that a contract is a contract and there
5 should be, you know backup -- excuse me -- I don't know if you get a frog in your
6 throat in Natchitoches, but I'm guessing, it's not Rayne, Louisiana -- but there is
7 the problem with the way these contracts are established and I identified that in the
8 beginning of this analysis. And I continue to see problems for the co-ops that they
9 are the -- they're grossly outweighed in the favor of the contractor and this is
10 proving itself in the way that these contracts are shifting and the costs are increasing
11 towards the co-op members. And we don't have a way to establish credit recovery
12 from a contractor or credit recovery from the board of directors like we do with an
13 investor owned utility. We can't get that money back for the members, so I'm
14 going to oppose this on that basis. And I'll also say that I'm not going to bring this
15 up again on the other agenda items, but I'll adopt my comments now later on so we
16 don't beleaguer this problem. But I think that this is proving out exactly what I said
17 was going to happen, that they're taking advantage of the co-ops and for whatever
18 purpose -- for whatever reason the co-ops went along with this. But the
19 Commission itself has to take notice that exactly what I said was going to happen
20 is happening and my concerns for the public and my concerns for the members of
21 these co-ops should be taken -- there should be great notice taken of what's
22 happening. And we should be prepared to deal with this when they move the goal
23 line again. Thank you.

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

2 **COMMISSIONER GREENE:** Yes. I just want to let everybody know that I

3 understand the price went up, but it's far below what the other options currently are

4 at this time. And so, I think it's in the best interest to proceed and I'll motion to

5 accept.

6 **COMMISSIONER LEWIS:** Mr. Chairman, can I ask some questions.

7 **COMMISSIONER SKRMETTA:** You have to 57 first.

8 **COMMISSIONER GREENE:** Motion to take it up under 57.

9 **CHAIRMAN CAMPBELL:** Mr. Lewis.

10 **COMMISSIONER GREENE:** Davante, Davante, I have a motion to take it up

11 under 57.

12 **COMMISSIONER LEWIS:** Oh, yeah. I'll second and then I'll ask my questions

13 after that motion.

14 **CHAIRMAN CAMPBELL:** It's a motion to accept --

15 **COMMISSIONER SKRMETTA:** No.

16 **MS. BOWMAN:** It's a --

17 **COMMISSIONER SKRMETTA:** Take it up --

18 **CHAIRMAN CAMPBELL:** Go to 57. A Rule 57.

19 **COMMISSIONER GREENE:** And a second.

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

21 **CHAIRMAN CAMPBELL:** He seconded it. And now we have a --

22 **COMMISSIONER GREENE:** I motion to accept.

23 **CHAIRMAN CAMPBELL:** -- a motion to accept.

1 **COMMISSIONER LEWIS:** Can I ask some questions first?

2 **COMMISSIONER SKRMETTA:** And I'll do an opposition roll call vote.

3 **CHAIRMAN CAMPBELL:** Exhibit Number 8, you --

4 **COMMISSIONER LEWIS:** I want to ask some questions. Can DEMCO come
5 to the --

6 **CHAIRMAN CAMPBELL:** You second the motion?

7 **COMMISSIONER LEWIS:** I'll second it, but I just want to ask some questions.

8 **CHAIRMAN CAMPBELL:** All right. Mr. Lewis has some questions. There's
9 a motion to accept --

10 **MR. RANDY PIERCE:** Randy Pierce, CEO of DEMCO.

11 **COMMISSIONER LEWIS:** Thank you, Mr. Pierce. I just want to -- the increase
12 in price slightly, I mean, this is something we kind of expected a little bit between
13 the RFP process and now, right? So this is not a unexpected --

14 **MR. PIERCE:** We certainly knew of the possibility and the amount of our
15 portfolio that we're talking about today is about 16 percent of the total load that
16 DEMCO -- that is required for DEMCO. We did look at that piece of it when
17 NextEra came to us and said -- or Amite Solar came to us and said, look, we've got
18 a year delay. We do have some cost increases that have occurred, which I think
19 everybody is certainly familiar with. So we looked at that hundred megawatt
20 traunch and looked at possibilities. We looked at all the options and we had an
21 opportunity to either continue with that solar project or not. After evaluating it with
22 our consultants and everyone that we've been working with on this, it was clear to
23 us that this is still by far the best price for that hundred megawatts that's available

1 to us, and that's why our board of directors went forward with it, is asking for
2 approval today of the amendment.

3 **COMMISSIONER LEWIS:** And wouldn't you agree that it would be
4 significantly riskier and probably even more expensive to cancel this contract and
5 try to find a new energy source?

6 **MR. PIERCE:** Absolutely do.

7 **COMMISSIONER LEWIS:** And so, I just want to make sure I heard you
8 correctly that this decision is considering the changing price of solar costs, material
9 shortage, inflation, and that this would be the best economic option available to you
10 at this time?

11 **MR. PIERCE:** We looked at it and we absolutely believe that it is, is why we want
12 to continue with the project and wanted to bring it to the Commission today.

13 **COMMISSIONER LEWIS:** And that you are agreeing that the Inflation
14 Reduction Act New ERA program would pass through straight to your customers?

15 **MR. PIERCE:** Yes. And we have applied for assistance with that program as
16 well.

17 **COMMISSIONER LEWIS:** Okay. Great. Thank you.

18 **VICE CHAIRMAN FRANCIS:** So Randy, whenever you --

19 **CHAIRMAN CAMPBELL:** Mr. Francis.

20 **VICE CHAIRMAN FRANCIS:** -- whenever you made the agreement with the
21 company on the solar, you weren't able to lock the price in, it was kind of a floating

22 [INAUDIBLE] --

1 **MR. PIERCE:** It was a locked price and it was a locked contract, but again, when
2 they reapproached us, Commissioner, we had an opportunity to relook at that
3 hundred megawatts. So when we did, we highly considered the possibility of doing
4 something else, of going with -- in a different direction with that piece of the
5 portfolio. After looking at what we were able to negotiate and it did include some
6 penalty money, by the way, for them not being online April 1, 2024. When we put
7 all the pieces together with the price that we were able to negotiate, it was far better
8 than what we would have been to get outside of the contract. And that's why we're
9 asking for this piece of it to be approved.

10 **CHAIRMAN CAMPBELL:** There's been a motion and a second to approve --

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

12 **CHAIRMAN CAMPBELL:** -- Exhibit 8 and objection.

13 **MS. BOWMAN:** So yes, there's opposition by Commissioner Skrmetta, so there
14 will be a roll call vote. Commissioner Skrmetta?

15 **COMMISSIONER SKRMETTA:** No.

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

17 **COMMISSIONER GREENE:** Yes.

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

19 **VICE CHAIRMAN FRANCIS:** Yes.

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

21 **COMMISSIONER LEWIS:** Yes.

22 **MS. BOWMAN:** Chairman?

23 **CHAIRMAN CAMPBELL:** Yes. Number 9.

1 **MS. BOWMAN:** Exhibit Number 9 is Docket Number U --

2 **CHAIRMAN CAMPBELL:** Speak into the microphone.

3 **MS. BOWMAN:** Exhibit Number 9 is Docket Number U-36190. It's Entergy

4 Louisiana's application for certification and approval of the 2021 Solar Portfolio,

5 Rider Geaux Green Option, cost recovery and related relief. It's a discussion and

6 possible vote on a budget increase for Stone Pigman and J. Kennedy and Associates

7 due to a scope expansion. On November 9, 2021, Entergy filed an application

8 seeking certification of and approval for the addition of four solar photovoltaic

9 resources as well as authorization to implement a new green tariff allowing

10 customers to elect to align some or all of their electricity requirements with

11 renewable resources. J. Kennedy and Stone Pigman were both retained, via RFPs,

12 to assist the Commission with Entergy's request, and Commission issued Order

13 Number U-36190 approving a settlement between Entergy and Staff, which

14 included numerous provisions to address uncertainty regarding solar resources in

15 the portfolio. On September 11, 2023, Entergy filed a report pursuant to Paragraphs

16 6 and 23 of Order Number U-36190, providing notification of amendments to the

17 Elizabeth Facility and the Sunlight Road Facility contracts resulting in price

18 increases to those contracts. Entergy reports also disclose a change in the tariff

19 pricing revising the Elizabeth and Sunlight contracts. The review of the proposed

20 revisions to these contracts and the revision to the GGO tariff were not

21 contemplated in the original scope of work for J. Kennedy or for Stone Pigman. So

22 given the time-sensitive review of the proposed GGO tariff, Staff requested an

23 under \$50,000 solicitation from both firms for Entergy's request, while

1 acknowledging additional information is needed related to the proposed Elizabeth
2 and Sunlight contract revisions prior to being able to submit specific budgets for
3 those reviews. Based on Staff's solicitations, Stone Pigman and J. Kennedy
4 submitted the following proposed budgets: Stone Pigman of 48,000 in fees and
5 2,000 in expenses for a total budget not to exceed of \$50,000; and J. Kennedy of
6 42,000 in fees and 1,500 in expenses for a total budget not to exceed of \$43,000.
7 Staff recommends the Commission approve the current budget increase of Stone
8 Pigman and J. Kennedy due to scope expansion recognizing both firms anticipate
9 seeking additional budget for the additional work related to the Elizabeth and
10 Sunlight contracts.

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

12 **COMMISSIONER GREENE:** Second.

13 **COMMISSIONER LEWIS:** Second.

14 **CHAIRMAN CAMPBELL:** That's a motion to accept Staff recommendation,
15 second by Mr. Lewis. No objection? [NONE HEARD] It's accepted.

16 **MS. BOWMAN:** Exhibit Number 10 is reports, resolutions, discussions. We have
17 one vote ratification this month. It's a discussion and possible vote to ratify votes
18 taken by Commissioner Greene acting as the state's -- excuse me -- acting as the
19 Commission's representative of the Board of Directors of the Organization of
20 MISO States. And Staff followed the protocol set forth in Special Order 17-2019
21 to consult with the Executive Secretary and the Chairman and to make a
22 recommendation to Commissioner Greene prior to the vote. OMS prepared
23 comments supporting MISO's generator interconnection process filings at FERC

1 in Docket Numbers ER 24-340 and ER 24-341, which seek changes to the generator
2 interconnection process. Based on Staff's recommendation, the Commission voted
3 yes on these comments. And Staff recommends that the Commission ratify the
4 votes taken on December 1, 2023.

5 **COMMISSIONER SKRMETTA:** Move to ratify the vote of Commissioner
6 Greene.

7 **COMMISSIONER GREENE:** I abstain.

8 **COMMISSIONER LEWIS:** Second.

9 **CHAIRMAN CAMPBELL:** Second. There's a motion to ratify Mr. Greene's
10 vote. Second by Mr. Lewis. Hearing no objection? [NONE HEARD] Next.

11 **MS. BOWMAN:** Exhibit Number 11 is Docket Number S-37005 - H.N.G.
12 Holdings, Epic Touch Company, CP-Tel Holdings, Campti-Pleasant Hill
13 Telephone Company, and CP-Tel Network Services' request for approval of a
14 change in ownership and control and assumption of debt and pledge of security
15 associated therewith. It's a discussion and possible vote on a Staff report and
16 recommendation at the request of Chairman Campbell. The companies jointly filed
17 a request seeking an order of approval and/or non-opposition from the Commission
18 to change the ownership and control of CP-Tel Campti and CPTN as a result of the
19 acquisition of the companies by H.N.G. and the assumption and incurrence of
20 indebtedness by CP-Tel and H.N.G. Notice of the request was published in the
21 Commission's Official Bulletin and no interventions were received. Campti and
22 CP-Tel Network are regulated by the Commission and CP-Tel Network is a
23 competitive local exchange carrier and telecommunications long distance reseller

1 authorized to provide competitive local exchange and interexchange
2 telecommunication services to customers throughout Louisiana. Under the
3 proposed transaction, H.N.G. will acquire 100 percent of the outstanding shares of
4 stock and ownership interest of CP-Tel Campti and CPTN and upon closing, CP-
5 Tel will continue its existence as a wholly owned subsidiary of H.N.G. and will
6 continue to hold its existing subsidiaries, including Campti and CPT as it did before.
7 CP-Tel will assume Epic Touch's existing secured term loan and outstanding
8 indebtedness with a rural telephone finance cooperative and the existing secured
9 term loan was used to finance Epic Touch's acquisition of CP-Tel as approved by
10 the Commission. In addition, as a part of the financing of the proposed transaction,
11 a senior secured term loan to H.N.G. will be issued. The proposed transaction will
12 not affect the Commission's exercise of its regulatory authority over any of the
13 regulated subsidiaries and the new owners of Campti and CPTN are Louisiana
14 residents with extensive experience in rural markets. The proposed transaction will
15 benefit Louisiana customers by enhancing the ability of regulated subsidiaries to
16 grow and compete in the highly competitive telecommunications and broadband
17 markets. And the proposed transaction will not negatively affect the financial
18 condition of the regulated subsidiaries. Based on this, Staff filed its
19 recommendation into the record on December 5, 2023, and Staff recommends that
20 the Commission accept the Staff report and recommendation filed on December 5,
21 2023, approving the change in ownership.

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

23 **CHAIRMAN CAMPBELL:** Second.

1 **COMMISSIONER GREENE:** Second.

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

3 Greene that we accept Staff recommendation. There's no objections? [NONE

4 HEARD] Next item. Passed.

5 **MS. BOWMAN:** So Exhibit Number 12, I believe Commissioner Greene is

6 wanting to defer, but also wants to make a statement about it being deferred.

7 **COMMISSIONER GREENE:** Yes, please. Yes.

8 **MS. BOWMAN:** Okay.

9 **COMMISSIONER GREENE:** As you know the rules on my dockets for pole

10 viability and grid hardening were released this week, and we're very excited about

11 that. We also have my resiliency docket and the U docket. My goal is to see that

12 we expedite all of our rulemakings, including the investment in resiliency. I think

13 it's super important for Louisiana, especially prior to our next storm seasons. These

14 rulemakings are vital and it's important that we finalize all of them in an expedited

15 manner. One of the most important things we can do for the ratepayers of this state

16 is to really make sure that we do what it takes to harden the grid and improve

17 resiliency, but in the most efficient and economically feasible way possible. In fact,

18 it's my opinion that if we all work together, nothing should prevent us from having

19 the rulemaking process for all of these topics completed as soon as possible in 2024,

20 and it's imperative that we get this work done prior to the storm season. So stay

21 tuned for next month, but I just wanted to signal to everyone how important that is

22 to me and to Louisiana. And I think if we work together, we can all get it done

23 quickly or efficiently and well. It's time for Louisiana to be a leader in this and not

1 trail behind, so thank y'all for -- I'm asking the Staff to work hard on this. I know
2 y'all work hard in general already, but I think this is a priority and I think we can
3 get it all done. Thank you very much.

4 **CHAIRMAN CAMPBELL:** I'll make a motion to accept --

5 **COMMISSIONER GREENE:** It's not a directive. It's just --

6 **CHAIRMAN CAMPBELL:** It's a direct -- you got to vote on it.

7 **COMMISSIONER GREENE:** No, no. I'm --

8 **COMMISSIONER SKRMETTA:** Passing.

9 **COMMISSIONER GREENE:** -- postponing my [INAUDIBLE] --

10 **COMMISSIONER SKRMETTA:** Deferring.

11 **CHAIRMAN CAMPBELL:** Oh, oh, okay.

12 **COMMISSIONER SKRMETTA:** Fourteen.

13 **MS. BOWMAN:** Exhibit Number --

14 **COMMISSIONER GREENE:** Thirteen.

15 **COMMISSIONER SKRMETTA:** I'm sorry, 13.

16 **MS. BOWMAN:** Exhibit Number 13 is Docket Number U-36514. It's Concordia
17 Electric Cooperative, NextEra Energy Marketing, and Mondu Solar's joint
18 application for approval of a long-term power supply agreement. It's a discussion
19 and possible vote on an uncontested stipulated settlement pursuant to Rule 57 at the
20 request of Chairman Campbell. In Order Number U-36514, the Commission
21 certified a full requirements power supply agreement between Concordia and
22 NextEra. In regards to the applicant's request for approval of the Mondu Solar
23 PPA, the order states that the Commission may determine that the PPA serves the

1 public convenience and necessity and should, therefore, be certified as prudent in
2 accordance with the Commission's 1983 General Order. Upon review of the filing
3 by the joint applicants within 60 days of the issuance of this order, which contains
4 the following: A quantification of the effects of the price increases and/or decreases
5 discussed in the findings of Fact Number 22, an assessment of the potential savings
6 associated with the Inflation Reduction Act, and a proposal for flowing any
7 identified savings to the cooperative. On November 29, 2023, the applicants
8 executed a first amended Mondu Solar PPA, which maintained the commercial
9 operation date of the Mondu Solar facility, transferred the rights of the renewable
10 energy credits to Mondu Solar to help offset cost increases and slightly increase the
11 price Concordia would pay for energy from the facility. The first amendment
12 preserves many attractive advantages for the PPA to Concordia, including capacity
13 rights and pricing reflecting recent market conditions for PPAs in the region -- solar
14 PPAs in the region. Staff reviewed the request and the supporting documents and
15 thereafter reached a stipulated settlement with the parties, which was filed into the
16 record on December 5, 2023, and was not opposed by the intervenors. The
17 stipulated settlement finds that the first amendment is in the public interest subject
18 to certain conditions, including that all terms and conditions included in Order
19 Number U-36514 remain in place except as specifically modified by the first
20 amendment. Staff recommends that: 1) The Commission assert its original and
21 primary jurisdiction pursuant to Rule 57 of the Rules of Practice and Procedure to
22 consider the uncontested stipulated settlement; and 2) Accept the uncontested
23 stipulated settlement filed into the record on December 1, 2023.

1 **COMMISSIONER GREENE:** Motion to take the item up under Rule 57.

2 **COMMISSIONER LEWIS:** Second.

3 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Greene, second by Mr.
4 Lewis to take this under Rule 57. Any objection? [NONE HEARD] No objections.

5 **COMMISSIONER LEWIS:** I just have some questions for Staff. I just want to
6 make sure I'm -- I'm sorry. Okay. I know we had some conversation with the other
7 one, but I just want to make it clear that this contract has no opportunity for price
8 increases after this, which would allow the co-ops to walk away because they are
9 at the cap, correct? Am I correct on that?

10 **MS. EVANS:** Lauren Temento on behalf of Staff. So it's my understanding that
11 this one's a little bit different because they did have a cap in place when they signed
12 the contracts because they signed after DEMCO. And that this new price that Staff
13 reviewed is at that cap and that the boards for each of the cooperatives do have --
14 for this one, the next one, and the next one -- do have the opportunity to walk away
15 if the prices change again. But I am going to defer to Mr. Darce and Ms. Vosburg.

16 **MR. DARCE:** That's correct, the way Lauren described it is -- the new contract
17 has a price in place that can't be broken in the future and they are -- the project
18 should be starting construction soon as I recall. So there's not much opportunity -
19 - there's not as much opportunity and time and place for that to happen again, but
20 it's locked in now.

21 **COMMISSIONER SKRMETTA:** I have a question when you finish.

1 **COMMISSIONER LEWIS:** Yes, sir. Just one more. And so, I just want to make
2 sure, so the price risk in the RACs are being shifted to Mondu and Beauregard,
3 correct?

4 **MR. DARCE:** That's correct.

5 **COMMISSIONER LEWIS:** And I guess this is a question for the co-ops, which
6 you may know, Mr. Darce, they are going to also apply for the Inflation Reduction
7 Act New ERA program?

8 **MR. DARCE:** It's a RUS program that may allow up to a fourth of the cost of the
9 project to be paid for by the RUS program. And they have agreed, if they get that
10 money, every dollar will be passed through to ratepayers and won't go to the
11 contractor.

12 **COMMISSIONER LEWIS:** Okay. Great. Thank you.

13 **COMMISSIONER SKRMETTA:** Quick question. Noel, is there a -- if the
14 contractor fails to, you know, deliver under whatever escape clause they have, is
15 there a liquidated damage provision that the contractor has to pay the co-op as an
16 escape clause?

17 **MR. DARCE:** I think I need Jennifer to probably come answer that question or
18 somebody from --

19 **COMMISSIONER SKRMETTA:** Nobody's jumping up. You better call on
20 them.

21 **MR. RUSSELL PURVIS:** Good morning, Commissioners. I'm Russell Purvis.
22 I represent Concordia Electric. There is a penalty clause if there is any delay in the
23 construction, and is -- that would be part of the contract.

1 **COMMISSIONER SKRMETTA:** Could you explain what the penalty clause is,
2 Mr. Purvis?

3 **MR. PURVIS:** Well, I'll refer to Mr. Edwards.

4 **MR. GLENN EDWARDS:** There is a delay damage provision --

5 **MS. BOWMAN:** Glenn, please identify yourself. Thank you.

6 **MR. EDWARDS:** I'm sorry. Glenn Edwards, I've been serving as associate
7 counsel with Mr. Purvis on behalf of Concordia. There is a delay damage provision
8 in the contract that provides for dollars related to the rate disparity between what
9 the solar price would have been and what the replacement power that will have to
10 come from NextEra under the primary contract is. And it's triggered, you know, if
11 there are delays beyond the guaranteed delivery date, you know, except of course
12 if there are force majeure and things like that that cause delays, they're built in,
13 you know, certain built in delays that are allowed and whether they be force majeure
14 delay, weather delays, et cetera. But once those negotiated delays are exhausted
15 then the damage provision requires, essentially, them to cover the price differential
16 between what the solar price would have been and what the replacement cost of
17 that power is when we have to go to our, call them primary contractor, NEM, to get
18 the power.

19 **COMMISSIONER SKRMETTA:** And my question is: What if there's a walk
20 away from the contractor on this before engagement, is there a liquidated damage
21 provision for failure to complete the contract if there is just a set termination of the
22 contract?

1 **MR. EDWARDS:** There is not a liquidation damage provision for just a walk
2 away, but under the terms of the contract, Commissioner, they're not entitled
3 anymore to walk away. Okay. As was pointed out by the Staff in the original
4 contracts, and this applies really to all three of the co-ops, we negotiated a price
5 with a cap, and if the increasing prices from the time we signed the contract to the
6 time we got Commission approval was greater than the cap, we could walk away,
7 they could walk away. Okay. This new amendment sets a price which is fixed for
8 the duration of the contract. There is not the opportunity to increase that price for
9 the term of the contract, the 25-year term of the contract, and there's no walk away
10 provision if prices increase. So from my perspective as a lawyer, if they walked
11 away, as you say, that would be considered a breach of contract in my opinion and
12 there would be a claim made for all damages incurred, but there has not been a
13 specific liquidated damage number negotiated.

14 **COMMISSIONER SKRMETTA:** So the next one -- my last question is: How
15 do you stop them? I mean, how do you prevent a breach? How do you stop -- is
16 there any, like, mechanism to prevent a cancellation of the contract by the
17 contractor?

18 **MR. EDWARDS:** I mean, other than --

19 **COMMISSIONER SKRMETTA:** I mean, there's -- other than an active breach,
20 is there a financial mechanism in place to prevent that?

21 **MR. EDWARDS:** The only financial mechanisms in place under the contract
22 which discourage a breach, okay, are the delay damages. The delay damages

1 contemplate a delay in completion and performance, but they don't contemplate a
2 walk away. You're correct.

3 **COMMISSIONER SKRMETTA:** Right. So delay versus termination?

4 **MR. EDWARDS:** Delay versus termination.

5 **COMMISSIONER SKRMETTA:** Okay. So --

6 **MR. EDWARDS:** Termination would be a breach of the contract, which would
7 entitle the co-ops, in my opinion, to bring suit for breach of the contract and seek a
8 damage claim for all damages.

9 **COMMISSIONER SKRMETTA:** I get it and litigation is a concern just in
10 general because of the time associated with that. But I will make a comment to the
11 Staff that I think that, for future reference, that any type of contracts of this type
12 contain a liquidated damage provision much like we looked at with the Entergy
13 element on that nuclear turbine that was defective that was built in Rota, Spain
14 where they had inadequate liquidated damage provisions to cover the costs of the
15 device and that, you know, contemplated damages for a walk away have to be taken
16 into consideration and that ought to be done in future contracts. Obviously, there's
17 very little that can be done about this. And then lastly, and I appreciate your
18 comments, I would like to restate my comments under Exhibit 8 and have them
19 applied to Exhibit 13. Thank you. And I'll ask for a roll call vote in my opposition
20 to this matter.

21 **CHAIRMAN CAMPBELL:** Let me ask a question. A lot of contractors have
22 performance bonds. You don't require them? You're doing all this money. Is
23 there any such thing like that that y'all require? If you're doing business with this

1 giant company promising you to do this, they didn't do it, what's the performance
2 --

3 **MR. EDWARDS:** Commissioner, that would probably be a question more
4 appropriately asked to the actual solar project, just so you understand the nature of
5 this relationship.

6 **CHAIRMAN CAMPBELL:** No. I'm just talking about in general.

7 **MR. EDWARDS:** What I'm saying is the owner of the solar project, Beauregard
8 Solar, may well have performance bond requirements in their contracts with their
9 contractors. As the co-ops in all three of these instances, these are not our facilities.
10 These folks are not building these facilities for us, we're just the off-takers of
11 power. Okay. So I am--

12 **CHAIRMAN CAMPBELL:** Whoever they build them for could have
13 performance bonds though?

14 **MR. EDWARDS:** I'm quite sure that the solar project, the NextEra solar groups
15 have negotiated contracts with construction contractors where they would have
16 performance bonds and things of that nature. But that's something that would have
17 to be answered by them and they're here, but I don't have -- I'm not privy to that
18 information.

19 **MR. PURVIS:** They have to perform by the same rate.

20 **MR. EDWARDS:** Yes. Right.

21 **MR. PURVIS:** They have to supply Concordia --

22 **MS. BOWMAN:** Russell, use the microphone please.

23 **MR. PURVIS:** I'm sorry.

1 **MS. BOWMAN:** Thank you.

2 **MR. PURVIS:** If they cannot supply the solar power, NextEra has to provide us
3 with power at the same rate, so that is their agreement to do this. If for some reason
4 it fails, they may well be able to go against Mondu, but they're obligated to
5 Concordia to provide that amount of power at that rate, so we won't lose.

6 **CHAIRMAN CAMPBELL:** That's how you're protecting your ratepayers?

7 **MR. PURVIS:** Right.

8 **CHAIRMAN CAMPBELL:** You're going to get the electricity at that rate --

9 **MR. PURVIS:** Yes, Commissioner.

10 **CHAIRMAN CAMPBELL:** -- and you want it to come from where it's supposed
11 to come from, but if it doesn't, that's their problem.

12 **MR. PURVIS:** That would be between them and Mondu.

13 **CHAIRMAN CAMPBELL:** I got you. Anybody got any questions? All right.
14 We have a motion.

15 **MS. BOWMAN:** We do not have a motion on the floor.

16 **CHAIRMAN CAMPBELL:** We don't?

17 **COMMISSIONER GREENE:** I have a motion to accept Staff -- I think we
18 already did the 57, correct?

19 **MS. BOWMAN:** We did 57, yes.

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

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

22 **COMMISSIONER SKRMETTA:** I oppose.

23 **MS. BOWMAN:** So a roll call --

1 **CHAIRMAN CAMPBELL:** There's one opposition. Call the roll.

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

3 **COMMISSIONER SKRMETTA:** No.

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

5 **COMMISSIONER GREENE:** Yes.

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

7 **VICE CHAIRMAN FRANCIS:** Yes.

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

9 **COMMISSIONER LEWIS:** Yes.

10 **MS. BOWMAN:** Chair?

11 **CHAIRMAN CAMPBELL:** Yes. Thank you. What's the next issue? Fourteen?

12 **MS. BOWMAN:** Exhibit 14 is a similar docket to the one we just discussed. It's

13 Docket Number U-36515. It's Pointe Coupee Electric Membership Corporation,

14 and NextEra Energy Marketing, and Mondu Solar's application for approval of

15 power supply agreements. It is also a discussion and possible vote on an

16 uncontested stipulated settlement pursuant to Rule 57 at the request of Chairman

17 Campbell. In Order Number U-36515, the Commission certified a 10-year full

18 requirements power supply agreement between PC Electric and NextEra Energy

19 Marketing. In regards to the applicants' request for their approval of the Mondu

20 Solar PPA, the order states that the Commission may determine that it serves the

21 public convenience and necessity pursuant to Commission's General Order '83,

22 upon filing of a joint application within 60 days of the issuance of that order,

23 containing the following information: Quantification of the effects of the price

1 increases and/or decreases discussed in finding of Fact Number 22; an assessment
2 of the potential savings associated with the Inflation Reduction Act; and a proposal
3 for flowing any identified savings to the cooperative. On November 29, 2023, the
4 applicants executed a first amended Mondu Solar PPA, which maintained the
5 commercial operation date of the facility, transferred the rights to the RECs to
6 Mondu Solar to help offset cost increase, and slightly increased the price Pointe
7 Coupee would pay for energy from the facility. The First Amendment preserves
8 many attractive advantages of the PPA to PC Electric, including all capacity rights,
9 and the pricing reflects recent market conditions for solar PPAs in the region. Staff
10 reviewed the request and supporting documentations and reached a stipulated
11 settlement with the joint applicants, which was filed into the record on December
12 5, 2023, and which was not opposed by the intervenors. The stipulated settlement
13 finds that the first amendment is in the public interest subject to certain conditions,
14 including all the terms and conditions included in Order Number U-36515
15 remaining in place, except as specifically modified by the first amendment. Staff
16 recommends that the Commission: 1) Assert its original and primary jurisdiction
17 pursuant to Rule 57 of the Rules of Practice and Procedure to consider the
18 uncontested stipulated settlement; and 2) Accept the uncontested stipulated
19 settlement filed into the record on December 1, 2023.

20 **COMMISSIONER GREENE:** Motion to take the item up under Rule 57.

21 **COMMISSIONER LEWIS:** Second.

22 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Greene, a second by Mr.
23 Lewis to take this item up under Rule 57. No objections?

1 **COMMISSIONER SKRMETTA:** Object -- not for the 57, no.

2 **CHAIRMAN CAMPBELL:** You object to the --

3 **COMMISSIONER GREENE:** No, he doesn't.

4 **CHAIRMAN CAMPBELL:** Okay. Does anybody have anything to say?

5 **COMMISSIONER GREENE:** Well, now we're going to -- I motion to accept

6 Staff recommendation.

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

8 **COMMISSIONER SKRMETTA:** And opposed to the Staff recommendation

9 and adopt my previous comments from Exhibit 8 for Exhibit 14. No other

10 comments.

11 **COMMISSIONER GREENE:** Do you want a roll call vote?

12 **COMMISSIONER SKRMETTA:** Roll call vote.

13 **MS. BOWMAN:** So no discussion? So Commissioner --

14 **CHAIRMAN CAMPBELL:** There's a motion --

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

16 **CHAIRMAN CAMPBELL:** -- on the floor to accept Staff recommendation --

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

18 **CHAIRMAN CAMPBELL:** -- by Mr. Greene. Second by Mr. Lewis. Is there

19 any objection? Got an objection. Would you call the roll?

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

21 **COMMISSIONER SKRMETTA:** No.

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

23 **COMMISSIONER GREENE:** Yes.

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

2 **VICE CHAIRMAN FRANCIS:** Yes.

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

4 **COMMISSIONER LEWIS:** Yes.

5 **MS. BOWMAN:** Chair?

6 **CHAIRMAN CAMPBELL:** Yes.

7 **MS. BOWMAN:** Exhibit Number 15 is Docket Number U-36516. This is
8 Southwest Louisiana Electric Membership Corporation, NextEra Energy
9 Marketing, and Beauregard Solar’s joint application for approval of long-term
10 power supply agreements. It is also a discussion and possible vote on an
11 uncontested stipulated settlement pursuant to Rule 57 at the request of Chairman
12 Campbell. In Order Number U-36516, the Commission certified a full
13 requirements power supply agreement between SLEMCO and NextEra Energy
14 Marketing. In regards to the applicants’ request for approval of the Beauregard
15 Solar PPA, the order states that the Commission could determine that the PPA
16 serves public convenience and necessity and be certified under the Commission’s
17 1983 General Order. Upon review of a filing by the joint applicants within 60 days
18 of the order containing a quantification of the effects of the price increases and/or
19 decreases discussed in finding of Fact Number 22, an assessment of the potential
20 savings associated with the Inflation Reduction Act and a proposal for flowing any
21 identified savings to the cooperative. On November 29, 2023, the applicants
22 executed a first amendment to the Beauregard Solar PPA which extended the
23 commercial operation date by 18 months to October 31, 2026, transfer the rights

1 the renewable energy credits to Beauregard Solar to help offset cost increases, and
2 slightly increase the price SLEMCO would pay for energy from the facility. The
3 first amendment preserves many attractive advantages to the PPA to SLEMCO,
4 including the recent market conditions for the solar PPAs in the region. Staff
5 reviewed the request and supporting documentation and reached a stipulated
6 settlement filed into the record on December 5, 2023, which was not opposed by
7 the intervenors. The settlement finds that the amendment is in the public interest
8 subject to certain conditions, including all the terms and conditions within Order
9 Number U-36516 remaining in place except as specifically modified by the first
10 amendment. Staff recommends that: 1) The Commission assert its original and
11 primary jurisdiction pursuant to Rule 57 of the Rules of Practice and Procedure to
12 consider the uncontested stipulated settlement, and 2) Accept the uncontested
13 stipulated settlement filed into the record on December 1, 2023.

14 **COMMISSIONER GREENE:** Motion to take the item up under Rule 57.

15 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Greene, I'll second it, to
16 take the item up under 57. Is there any objection? [NONE HEARD] No objections.

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

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

19 **COMMISSIONER SKRMETTA:** Objection.

20 **CHAIRMAN CAMPBELL:** Okay.

21 **COMMISSIONER SKRMETTA:** I'm going to ask that the Staff adopt my
22 comments under Exhibit 8 for Exhibit 15.

1 **CHAIRMAN CAMPBELL:** There's a motion to accept Staff recommendation,
2 objection by Mr. Skrmetta. Call roll, please.

3 **COMMISSIONER SKRMETTA:** And ask for a roll call vote.

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

5 **COMMISSIONER SKRMETTA:** No.

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

7 **COMMISSIONER GREENE:** Yes.

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

9 **VICE CHAIRMAN FRANCIS:** Yes.

10 **MS. BOWMAN:** Commission Lewis?

11 **COMMISSIONER LEWIS:** Yes.

12 **MS. BOWMAN:** Chair?

13 **CHAIRMAN CAMPBELL:** Yes.

14 **MS. BOWMAN:** Exhibit Number 16 is Docket Number U-36793. It's Dow
15 Chemical Company's petition for jurisdictional determination. It's a discussion
16 and possible vote on Staff's report and recommendation pursuant to Rule 57 at the
17 request of Commissioner Greene. On May 9, 2023, Dow filed its petition
18 requesting that the Commission declare the ownership, lease, management
19 operation, maintenance, power and steam transfers, and any and all interests
20 described in the petition and related to the two existing electric facilities and
21 infrastructure not render the facilities Dow, Union Carbide Corporation, or a to-be-
22 formed affiliate of Dow and Union, either individually or collectively as a public
23 utility or an electric public utility. Notice of the petition was published in the

1 Commission’s Official Bulletin with Olin Corporation and its wholly-owned
2 subsidiary Blue Cube Operations and Entergy Louisiana intervening. Dow is in the
3 process of creating the affiliate to which it will transfer full ownership of
4 infrastructure assets including the Plaquemine facility, St. Charles facility, and
5 related infrastructure. Dow will own a controlling interest in the affiliate and
6 maintain operational control of the sites. The facilities will continue to provide
7 Dow and Union with power necessary to operate the production units at the site as
8 they currently do but will now do so through an undivided lease hold interest in
9 electric power and steam generated from the facilities, with Dow leasing
10 approximately 160 megawatts and Union leasing approximately 155 megawatts.
11 Neither Dow, Union, the affiliate, nor any of the facilities will have captive
12 customers, jurisdictional assets, or a rate base subject to regulation. Staff filed its
13 report and recommendation into the record on December 5, 2023, wherein Staff
14 found that the interested parties, particularly Dow and Union and the affiliate fall
15 within the exception to the definition of electric public utility as provided in
16 Louisiana Revised Statute. Staff also recommended certain conditions, including
17 the reservation of the Commission’s right to review the transaction structures in the
18 future and Staff’s report was unopposed. Staff recommends that the Commission:
19 1) Assert its original and primary jurisdiction and take the matter up under Rule 57;
20 and 2) Accept Staff’s report and recommendation filed into the record on December
21 5, 2023.

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

1 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta to bring it up
2 under -- item up under Rule 57. No objection. I second it anyway. I'll second the
3 motion. There's no objection? [NONE HEARD] Go ahead with the --
4 **COMMISSIONER SKRMETTA:** Move to approve the Staff recommendation.
5 **CHAIRMAN CAMPBELL:** You move to approve?
6 **COMMISSIONER SKRMETTA:** Yes.
7 **COMMISSIONER GREENE:** Second.
8 **CHAIRMAN CAMPBELL:** Second by Mr. -- man, that's a switch.
9 **COMMISSIONER SKRMETTA:** Well, we got the past the --
10 **CHAIRMAN CAMPBELL:** Look, I've been there before. I've had a bunch of
11 four to one's.
12 **COMMISSIONER SKRMETTA:** You know how it is. You know how it is.
13 **CHAIRMAN CAMPBELL:** All the four to one's.
14 **COMMISSIONER SKRMETTA:** You know how it is.
15 **CHAIRMAN CAMPBELL:** I could give you a speech on those. Okay. There's
16 a motion to accept Staff recommendation. Second by Mr. Greene. No objections?
17 [NONE HEARD] Passed.
18 **MS. BOWMAN:** Exhibit Number 17 is Docket Number U-36992. This is
19 Northeast Louisiana Power Cooperative's application for an increase in rates,
20 including interim rates, and for the establishment of an emergency reserve fund.
21 It's a discussion and possible vote on an interim rate increase pursuant to Rule 57
22 at the request of Chairman Campbell. On September 29, 2023, Northeast filed an
23 application for an increase in rates including interim rates and establishment of a

1 reserve fund. In its current application, NELPCO states that it has not had a rate
2 increase since 2000 and further indicates that it had experienced increasing costs
3 due to inflationary pressures, declining financial markets, increased load growth,
4 declining equity position and a decrease in cash reserves for emergencies.
5 NELPCO is requesting the entirety of the base rate relief be implemented by virtue
6 of interim rates and proposes the interim rate increase is 12.01 percent, which is the
7 full amount of the rate relief requested in the application. And the company has
8 indicated in their application that should this rate increase -- the interim increase be
9 approved, the monthly bill for residential customers using approximately 1,390
10 kilowatt hours would increase \$17.11 and at this time Staff has not had an
11 opportunity to fully review the application. Staff recommends that the Commission
12 exercise its original and primary jurisdiction under Rule 57 to consider NELPCO's
13 request, but while Staff makes no formal recommendation regarding the interim
14 rate increase, Staff does note that pursuant to applicable law, any interim increase
15 should be subject to refund and applicable bonding requirements. So if NELPCO's
16 request is approved, Staff recommends that NELPCO be required to file proof of
17 the applicable bond requirements with the Commission, be required to file an
18 updated tariff indicating the interim rates and its terms with the Utilities Division
19 within 30 days of the order approving the interim rates, and that NELPCO cannot
20 begin charging the interim rate until proof of the applicable bond requirements and
21 updated tariff have been provided to and approved by Staff.

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

23 **COMMISSIONER GREENE:** Second.

1 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta, second by Mr.
2 Greene to bring the item up under 57. No objection? [NONE HEARD]

3 **COMMISSIONER LEWIS:** Mr. Chairman, I have some questions for the
4 company.

5 **COMMISSIONER SKRMETTA:** Can I put a motion on the floor to accept Staff
6 recommendation?

7 **CHAIRMAN CAMPBELL:** Just a second, please. Mr. Lewis, you were first.

8 **MR. KENT PARSONS:** Good morning, Commissioners. My name is Kent
9 Parsons, Roedel Parsons. I'm here today representing Northeast Electric Power
10 Cooperative, and I have with me Jeff Churchwell, the chief executive of that co-op.
11 So we're here to respond to your inquiries, Commissioner.

12 **COMMISSIONER LEWIS:** Thank you. Thank you. And I first want to thank
13 you for taking some time -- was it last week, this week, I don't know what week it
14 was -- to meet with me about this and I told you I would follow-up if I had some
15 further questions and I did in reviewing it. So I just want to make sure that I am
16 correct looking at your requests, this would be a 12 percent rate increase per your
17 application; is that correct?

18 **MR. PARSONS:** That's correct.

19 **COMMISSIONER LEWIS:** And so, we're looking at an average residential
20 customer, about \$17 per month?

21 **MR. PARSONS:** That's correct. Yes, sir.

22 **COMMISSIONER LEWIS:** And so, where I'm struggling with a little bit and
23 maybe you can help me is, when I look at your application compared to some of

1 the other interim rates we have applied, this would be a very significantly higher
2 TIER metric than your contemporaries that we've used in an interim rate. And so,
3 I'm trying to wrestle with that. So can you explain to me why that is the case?

4 **MR. JEFF CHURCHWELL:** Well, Commissioner Lewis, Jeff Churchwell,
5 general manager Northeast Louisiana Power Cooperative. As I explained to you in
6 our meeting, the matrix that were used by our lenders is a TIER base. It's 1.25
7 TIER. It's what our lenders deem us to be a good investment to them. But as I
8 explained to you, that is at the minimum amount just to keep us where we, on their
9 books, look to be solvable, you know, we're not insolvable or insoluble, whatever.

10 **MR. PARSONS:** Insolvent

11 **MR. CHURCHWELL:** Insolvent, thank you, Kent, you should have talked. But
12 as I said, those are so low as they stand now and when we were talking about 1.45,
13 1.55, that's just not enough to get Northeast to where we need to be to remain
14 reliable for our membership.

15 **COMMISSIONER LEWIS:** Thank you. And can you explain just a little bit
16 more about what your current financial positioning is for this interim rate right
17 now?

18 **MR. CHURCHWELL:** I can't -- I can do that.

19 **MR. PARSONS:** I think he should do it.

20 **MR. CHURCHWELL:** Okay. This is Mutt and Jeff up here, but anyway we're -
21 -

22 **COMMISSIONER LEWIS:** I see --

23 **MR. CHURCHWELL:** I'll let you figure out which one's Mutt.

1 **COMMISSIONER LEWIS:** I see. I see.

2 **MR. CHURCHWELL:** We are currently at a negative rate of return for our -- at
3 negative 5.3 percent. The situation we're in right now, Commissioner Lewis, is we
4 have about three days cash on hand. And had we had that storm that hit -- we did
5 have that storm and I hope nobody was too damaged in that deal, but, you know,
6 we had loss of life in Tennessee. Had that storm hit Northeast with the same
7 ferocity that it hit in Tennessee, we would have just been in a tailspin because we
8 just don't have the resources that right -- we've been living on the line of credit and
9 we've gotten to the point -- tapped out. So the three days cash reserves are just too
10 close for us.

11 **COMMISSIONER LEWIS:** Thank you. Thank you for that. I guess part of
12 where my concern is, is -- and can you explain your rationale of why you didn't
13 come for a partial interim rate increase? What was the factor that said we had to
14 go to the full request that you have pending just because we have not been able to
15 review it? And so, I guess my secondary question to that is: I want to ensure that
16 we are not going to put us in a situation after Staff review that we do not approve
17 the full rate and there's still some economic problems. And so, I'm trying to
18 understand that rationale between going for the full interim rate instead of a partial
19 rate.

20 **MR. PARSONS:** Let me -- Kent Parsons, I'll try to address that, Commissioner.
21 We're in a situation where we have basically as a co-op about a 4 percent rate of
22 return. And the propriety of that is driven by the fact that we're not a stock-held
23 for profit entity. This is owned by our members. The prudent thing to do as a

1 prudent operator would have been to come in perhaps 18 months ago. The COVID
2 situation was such when we started really looking closely and drilling down into
3 what our current cost of service is, there had never been a cost of service study. I
4 don't think this company has ever even had one, but one has been done now. Over
5 the last 18 to 20 months, what we've discovered is a dire financial situation such
6 that if we do have a problem with a winter ice storm, with tornados coming through,
7 we've got three days of operating cash in order to address those items. How did
8 we get there? We got there by the fact that we were concentrating on providing the
9 most reliable service that we could. And we're in a position where to be prudent,
10 we've got to come to you and say -- waive our -- what we're doing here today is
11 waiving our hands and asking for the interim emergency rate relief is such that we
12 need it now and we needed it yesterday. We filed our case on September the 29th.
13 What we have here under the law is a lag of one year for this Commission to act.
14 We can't wait that long. It's too risky for us. So we as a utility are coming in with
15 not so much our hands out, but on our knees saying we really do think the prudent
16 thing to do is to enact all of the relief that we're asking for on an emergency basis.
17 We are prepared and the constitution allows for -- and as you said, the constitution
18 says you can approve all or part of the rate request on an interim basis subject to
19 refund, secured by appropriate security, which is either a bond or a letter of credit.
20 Letters of credit are a lot less expensive and are the best -- the best way to go, we
21 believe, for our ratepayers. But a partial increase at this point in time, we're afraid,
22 would send the wrong signal that that is something we would be willing to accept
23 at this point in time. We've asked -- we're not in a situation and I'm not alluding

1 to you treating this as if you're buying a car or a house where -- or if you're selling
2 your house, you're going to ask for more than what you'd really take hoping you'd
3 end up getting what you want. That's not what we did here. And that is not what
4 this board felt like it could do responsibly. They asked for exactly what they feel
5 like they need based upon their cost of study service -- cost of service study. Based
6 upon that, we asked for everything that we can raise our hand and swear we're
7 really -- we really are entitled to this. But if the Commission later changes its mind,
8 today is a vote that is not a final vote. It is a vote that is interim until the full
9 Commission has had a chance to do its analysis, say grace over it, everybody says
10 kumbaya and say yeah, that's the final rate. If there's a delta between what you
11 grant us here today on an emergency basis and what you believe is appropriate at a
12 later time then that money is going to be secured and able to be flowed back as a
13 line item on the Northeast Electric bill.

14 **COMMISSIONER LEWIS:** Okay. And so just to alleviate my worries, I'm
15 getting a guarantee that you would refund if there is a delta in a very timely fashion?

16 **MR. PARSONS:** Yes, sir. Absolutely. Absolutely, we will do that. We're
17 prepared to do that. And the way we have filed our application is such that, we are
18 prepared to implement things virtually immediately. Would we accept half? We
19 can't accept half right now, and we would just want you to know the reason why is
20 that we have sent our rates based upon our new, hopefully, approved interim relief
21 today, we've sent out rates to the folks that set up our bills. We would have to
22 retrofit our billing system in order to do a new rate and it would cause delays of
23 maybe a couple of months, which would defeat part of what we need to have done.

1 So it's very important to us to have the full rate right now. We do -- will, and under
2 the constitution guarantee that any amount that y'all determine was excessive based
3 upon your interim rate relief, hopefully, you'll be granting all of it today, but any
4 amount of it that is excessive that you later determine that to be the case, we will
5 be refunding it as quickly as we possibly can.

6 **COMMISSIONER LEWIS:** Thank you. And I'll just tell you where my head is
7 really quickly. I have a very strict scrutiny policy and I can't put myself in a
8 position where I am reviewing this one way for certain companies and a different
9 one, so that's why my line of questioning would be very consistent along the matter
10 and I do agree with all your points. I am struggling to do a full interim. I would
11 prefer a partial. And so, if we are going to vote on this, I would probably have to
12 oppose this today, but it is simply because I would like more time to really ensure
13 that that delta is significant and this was added on the supplemental. I understand
14 that and I understand the dire need, but I am -- rates are very serious to me. And
15 this is a significant increase when we talk about poverty in this state, which I have
16 mentioned. And so, this is not against the company, but it's more of I have to have
17 the same standard that I apply to the IOUs on the co-ops exactly. And then I can't
18 put myself and I won't have one standard for some companies and another standard
19 for others. And so, I want to thank you for meeting with me and answering my
20 questions, but I just kind of wanted to give you the rationale of where I'm coming
21 from.

22 **MR. PARSONS:** We understand your position, Commissioner.

23 **CHAIRMAN CAMPBELL:** Mr. Francis.

1 **VICE CHAIRMAN FRANCIS:** Mr. Parsons, what are you going to do if we vote
2 no?

3 **MR. PARSONS:** Well, you know, there's all sorts of options you have about
4 driving home and screaming by yourself in the car. That's not what we'll do. What
5 we will likely do is ask you to do it next month because this problem's not going
6 away. The problem is only being exacerbated by not acting today. And so, we will
7 be coming right back asking for the exact same thing and we're going to keep --

8 **VICE CHAIRMAN FRANCIS:** Well, your --

9 **MR. PARSONS:** And excuse me for -- I apologize. I'm not trying to interrupt,
10 but we believe the prudent thing to do is for y'all to know about the problem and
11 the forecast and say this is coming, it's going to be bad. And so, the prudent thing
12 for us to do is to come in and fall on the spear and say we need the relief right now
13 and got to have it. So we're going to keep coming until we get it.

14 **VICE CHAIRMAN FRANCIS:** And your service area is in Commissioner --

15 **MR. PARSONS:** Commissioner Campbell's, yes.

16 **VICE CHAIRMAN FRANCIS:** -- Commissioner Campbell's district, right?

17 **MR. PARSONS:** Yes, sir.

18 **VICE CHAIRMAN FRANCIS:** And so, what I'm understanding is your lender
19 -- you're out of compliance, your ratios are not right with your lender and they're -
20 - and you're just --

21 **MR. CHURCHWELL:** They're projecting for this year, Commissioner Francis,
22 yes, to be -- to not comply with that component.

1 **VICE CHAIRMAN FRANCIS:** So a simple question to the public, what caused
2 the company to get out of compliance, caused this problem to happen? Just --

3 **MR. CHURCHWELL:** Well, it's our financials that we submit each year is a
4 Form 7 that the co-ops send to our lenders and in that is all the expenses that go
5 into us providing service to our members. And you either have a positive margin
6 which can be affected by nonoperating, by the sale of different properties and things
7 that are not related to the delivery of electricity. It can put us into a positive for the
8 lender, but without that it can -- because we're not meeting our operational costs,
9 which our base rates cover. And that's all salaries and benefits related to that and
10 then any equipment needed to -- and when I say equipment, I mean poles,
11 transformers, the things it takes to maintain, to Commissioner Greene's point, a
12 very reliable, robust, resilient plant.

13 **VICE CHAIRMAN FRANCIS:** So inflation, price of --

14 **MR. CHURCHWELL:** All of those things. Ever since March of 2020, we've all
15 experienced this, whether IOU or co-op, whether large or small, we're all facing
16 these -- the materials not being available and when they are available, they're
17 astronomically priced.

18 **VICE CHAIRMAN FRANCIS:** And I'm in sympathy to what Commissioner
19 Lewis is talking about, you know, one line for all, but ten co-ops, you're different,
20 you're in different regions, different impact -- financial impacts across the state and
21 because all the other co-ops don't have this same problem, but they have other
22 situations coming up, so --

1 **MR. PARSONS:** One interesting thing, Commissioner, if I might interject. Mr.
2 Churchwell is looking for a bucket truck; is that right?

3 **MR. CHURCHWELL:** I've got it ordered.

4 **MR. PARSONS:** Okay. He ordered a bucket truck, one. Is it used?

5 **MR. CHURCHWELL:** No, it's new.

6 **MR. PARSONS:** It's new. He ordered one. And the deliverability of this they
7 told him was -- he said when can I get it? He said they said in '28. He said the 28th
8 of what month? They said 2028. So those are the types of challenges, that's just,
9 you know, a truthful anecdote about the situation, the dire situation, that this
10 particular co-op is in. Is it can't even get a brand-new bucket truck, which it's never
11 had before. It's gotten by on used ones. And so, we're at the end of the list on
12 being able to get certain absolutely crucially important -- in order to provide reliable
13 service to our customers, we're at the end of the list because we're small. People
14 who have an order for 900 trucks are going to get theirs delivered maybe in '26, but
15 we have to wait until '28 to get one. So those are the types of things that the
16 company's been struggling with since before COVID and it's been exacerbated
17 since. Again, we did our first cost of service study probably ever in the company's
18 history and once that came in on July, the decision was made by our board, we've
19 got to file for an immediate rate increase for immediate relief subject to refund and
20 we're ready to do that and that's what we're here asking for very respectfully.

21 **CHAIRMAN CAMPBELL:** I've got a question or two for you. First of all, for
22 the record Mr. Churchwell's at 9.3 cents per kilowatt hour, which is the cheapest in
23 state. What will you be if you add this?

1 **MR. CHURCHWELL:** If we get the full rate relief, Commissioner, I think it's
2 12.02 percent. That would be slightly less or right at a penny across the board on
3 the base rate. So it would push us to right at \$100 for a 1,000 kilowatt hour usage.

4 **CHAIRMAN CAMPBELL:** The good news about his co-op is I never have a
5 complaint. If I do, they take care of it. But they run a real great co-op. People are
6 pleased with them. They have a lot of people who really believe in them and I
7 believe in them. But I hear what people are talking about. It is a big rate increase,
8 but as I understand -- Brandon, as I understand, as they audit this, if they're
9 overpriced, they give the money back immediately. You have a bond that you will
10 refund the money immediately. Okay.

11 **MR. CHURCHWELL:** I heard Ms. Bowman. We have to have an updated tariff
12 and a bond in place, so I already got that written down and ready to roll.

13 **SECRETARY FREY:** And that's the way it works. I mean, it's --

14 **CHAIRMAN CAMPBELL:** When would this happen, within a year?

15 **MR. PARSONS:** Yes. Constitutionally, the Commission has one year to decide
16 it. We filed on case on September 29 of this year and so our goal is to get this
17 finalized on or before September 29, 2024.

18 **CHAIRMAN CAMPBELL:** Okay. I'm for this. I got a tip -- I want to ask you
19 one other question. You might not want to answer this but I need an answer. Does
20 your board members receive health benefits, insurance, and all that?

21 **MR. CHURCHWELL:** We have two, I think, that are grandfathered in only in a
22 supplemental capacity for health insurance.

23 **CHAIRMAN CAMPBELL:** The rest of them don't have --

1 **MR. CHURCHWELL:** Yes, sir. Nobody else does.

2 **CHAIRMAN CAMPBELL:** You see, he's trying to work with this. You know,
3 you got some of these co-ops that's got every board member's got luscious, big, fat
4 health plans. They got it. We raised hell about it. And it cost sometimes 2 or 3,000
5 a month per co-op member, which is crazy because they're part-time -- not even
6 part-time. They come once a month and Claiborne knocked theirs out. All the co-
7 ops ought to be able to knock them out. No reason in the world that a co-op board
8 member that comes a month should have he and his family on the health insurance
9 program. They do and they're high, 3, 4,000. So you got 10 of them, that's 40,000,
10 \$50,000 a year, so I would -- if the co-op members out there, hear me. That's nuts
11 for you to be paying your board members health insurance for he and his family.
12 That is absolutely crazy. Wasteful, crazy, and not in good taste. You're not keeping
13 with what you're supposed to be doing representing the people. These are people
14 owning the co-op paying hundreds of thousands of dollars a year to keep your board
15 member and his family insured. That's nuts. And we ought to -- y'all ought to not
16 be doing that. But I can talk to you all I want to until we pass a rule that tells you,
17 you can't do that. That's where the mule jumps a fence and we ought to have that
18 rule. If you're on a board of a rural electric co-op, the co-op cannot pay for your
19 health insurance. That is absolutely crazy. Anyway, I'm going to make a motion
20 that we -- is a motion in order?

21 **COMMISSIONER SKRMETTA:** I made the motion to accept the Staff
22 recommendation.

1 **CHAIRMAN CAMPBELL:** Mr. Skrmetta made a motion to accept Staff
2 recommendation.

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

4 **COMMISSIONER LEWIS:** And I'll object.

5 **CHAIRMAN CAMPBELL:** You object?

6 **COMMISSIONER LEWIS:** Yes, sir.

7 **CHAIRMAN CAMPBELL:** All right. Call the roll, please.

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

9 **COMMISSIONER SKRMETTA:** Yes.

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

11 **COMMISSIONER GREENE:** Yes.

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

13 **VICE CHAIRMAN FRANCIS:** Yes.

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

15 **COMMISSIONER LEWIS:** No.

16 **MS. BOWMAN:** And Chair?

17 **CHAIRMAN CAMPBELL:** Yes.

18 **COMMISSIONER SKRMETTA:** Move to adjourn.

19 **MR. PARSONS:** Thank you, Commissioners.

20 **CHAIRMAN CAMPBELL:** Thank you, Mr. Churchwell. Doing what you're
21 doing with the board members up there. You got them off. Used to have them on
22 and you got them off.

23 **MR. CHURCHWELL:** Getting them off.

1 **CHAIRMAN CAMPBELL:** Well, you did right.

2 **COMMISSIONER SKRMETTA:** Mr. Chairman, move to adjourn.

3 **COMMISSIONER GREENE:** Second.

4 **CHAIRMAN CAMPBELL:** There's a motion to adjourn. There's a second.

5 Y'all have a merry Christmas.

6

7 **(WHEREUPON THE MEETING WAS ADJOURNED)**

8

1 I certify that the forgoing pages 1 through 76 are true and correct to the best
2 of my knowledge of the Open Session of the Business and Executive Meeting
3 held on December 13, 2023 in Natchitoches, Louisiana.

4 *****

5 **Rough Draft prepared by:**

6 Clarisa Findley December 27, 2023
7 Clarisa Findley, Date
8 Court Reporter

9 Kayla Fiorenza December 27, 2023
10 Kayla Fiorenza, Date
11 Court Reporter

12 Kathy Dykes December 27, 2023
13 Kathy Dykes, Date
14 Court Reporter

15 *****

16 **Proofed by:**

17 Kayla Fiorenza January 5, 2024
18 Kayla Fiorenza, Date
19 Court Reporter

20 **Finalized by:**

21 Clarisa Findley January 5, 2024
22 Clarisa Findley, Date
23 Court Reporter