

TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON DECEMBER 15, 2022 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN LAMBERT BOISSIERE, III, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER ERIC SKRMETTA, COMMISSIONER MIKE FRANCIS, AND COMMISSIONER CRAIG GREENE.

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1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**
2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON DECEMBER**
3 **15, IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN**
4 **LAMBERT BOISSIERE, COMMISSIONER FOSTER CAMPBELL,**
5 **COMMISSIONER ERIC SKRMETTA, COMMISSIONER MIKE**
6 **FRANCIS, AND COMMISSIONER CRAIG GREENE.**

7 **CHAIRMAN LAMBERT BOISSIERE:** May I ask everyone to stand, please.
8 I've asked Mike Francis to lead us in a prayer and Foster Campbell to lead us in
9 the pledge. Gentlemen.

10 **[COMMISSIONER MIKE FRANCIS LEADS IN PRAYER]**

11 **[COMMISSIONER FOSTER CAMPBELL LEADS IN THE PLEDGE]**

12 **COMMISSIONER FOSTER CAMPBELL:** What's the deal? What are we
13 going to do?

14 **SECRETARY BRANDON FREY:** We're ready?

15 **CHAIRMAN BOISSIERE:** Yeah, please. I'm ready.

16 **MS. KATHRYN BOWMAN:** Okay. So good morning, Commissioners. We do
17 have 17 agenda items today. We have one that's deferred, it's under Exhibit
18 Number 15 and it's the JDEC discussion on the transmission project, so that is
19 deferred. We do have a couple of Staff announcements today. Do you want to do
20 them?

21 **SECRETARY FREY:** I have an announcement as well, but let's do the Staff
22 ones first and then I'll do mine.

23 **MS. BOWMAN:** Okay. So --

1 **MS. LAUREN EVANS:** Good morning, Commissioners. Lauren Evans on
2 behalf of Staff. I do have two announcements today. First, there was a technical
3 conference in Docket Number R-35462 that was scheduled to start right now and
4 we will still be having that technical conference today. It will begin 30 minutes
5 after the conclusion of the B&E and it will be held in this room. So again, 30
6 minutes after the conclusion of the B&E. Second, we do have a new personnel
7 hire. We have hired a new attorney in the Legal Division, Mr. Paul Rachal. He
8 graduated from Southern Law in 2021 and lives in Baton Rouge, and he's
9 extremely excited to start his second day here at the PSC at this B&E.

10 **SECRETARY FREY:** And I have a couple of announcements. One, actually, I
11 was reminded about this. As Lauren noted, we have a technical conference
12 immediately following. We'd ask -- apparently after some of the past meetings,
13 we've been a little messy in here, so if you've got any water bottles, coffee cups,
14 clutter, please bring those to the garbage can when you leave out. Secondly, I
15 wanted to announce that the LURC ELL 2022A securitization, which was the one
16 we voted on last year, won a deal of the year award. The Bond Buyer, which is a
17 publication, selected the LURC Energy Louisiana 3.2 billion transaction,
18 Louisiana's largest municipal security transaction as the 2022 Southeast Region
19 Deal of the Year and one of ten finalists for the National Deal of the Year award.
20 The transaction securitized system restoration costs incurred by Entergy
21 Louisiana's results of Hurricane Laura, Delta, Zeta, and Winter Storm Uri along
22 with a portion of the costs for Ida. Criteria for selection by The Bond Buyer
23 included creativity, the ability to pull a complex transaction together under

1 challenging conditions, the ability to serve as a model for other financings, and
2 the public purpose for which the deal's proceeds were used. Jamie Watts, on
3 behalf of LURC, accepted the award at a ceremony held in New York and
4 Kathryn represented the Commission there. So we'd like to wish congratulations
5 to all those who contributed to the success of the transaction, including the
6 Commission, Staff, the bond commission, the LCDA as the issuer, Entergy, the
7 underwriting syndicate led by JP Morgan, and the LURC Board and its counsel
8 and advisors. And if anyone has any questions, we do have Don Wilbon from JP
9 Morgan, who's in town for a bond commission meeting here, as well as Mark
10 Gooding, who was our financial advisor on that transaction.

11 **MS. BOWMAN:** Commissioner Campbell.

12 **CHAIRMAN BOISSIERE:** Commissioner Campbell.

13 **COMMISSIONER CAMPBELL:** This is not one of my best days --

14 **MS. BOWMAN:** I'm sorry, his mic's not on.

15 **CHAIRMAN BOISSIERE:** Wait, wait.

16 **COMMISSIONER CAMPBELL:** Put me on, please.

17 **CHAIRMAN BOISSIERE:** You got it.

18 **COMMISSIONER CAMPBELL:** This is not one of my days I look forward to
19 too much. We're going to -- I'm speaking for my fondness of Lambert Boissiere,
20 who I've enjoyed serving with. Lambert came here right after I did. You've been
21 here 18 years and I think I've been here like 22 years or something like that. But
22 his dad and I served in the senate together. Before I ever knew Lambert, I knew
23 his dad. His dad and I served in the senate together for about, I don't know, four

1 years or five years or whatever it was. And politics is a tough game, it's a real
2 tough game. All of y'all are involved, most of y'all are involved, you know about
3 it, but you're not really involved until you put your name on the ballot, that's
4 when you get involved. Because they talk about you, they talk about your wife,
5 your kids. And I had just got a divorce and my opponent said I molested my
6 daughter. Hot damn. I'm going down the road and my opponent says Mr.
7 Campbell molested his daughter. I started laughing, and I said, man, you can't
8 mean that. Oh, yeah. You got a restraining order against you. I said, well, that's
9 true. I did get a restraining order. But I asked him, I said, let me ask you
10 something now, my daughter, Kate, she's a lawyer now. I said Kate is who
11 you're talking about? Yeah. I said well, Kate lives with me and if I had molested
12 her, don't you think she'd probably live with her mother? Well, you know, I
13 mean, you hear all kind of crazy stuff like that. But anyway, we just got out of a
14 hell of a race in Shreveport where both people were accused of beating their
15 wives in Shreveport, both of them. So anyway, Lambert is a good, kind man, and
16 I really enjoyed serving with him. I wish I had his demeanor. I wish I had his
17 demeanor, because I don't know -- I hope I'm good, but I don't know how kind
18 and gentle I am, but he's a good man and he's done a good job and he was
19 accused of a lot of things like I was accused of molesting, but he was accused of
20 not helping people that he helped, that he helped and he helped and he helped.
21 Matter of fact, he was the first one here to start out talking about clean energy.
22 And that group of people that came here, what's the name of them?
23 **CHAIRMAN BOISSIERE:** I don't remember. Alliance for Affordable Energy?

1 **COMMISSIONER CAMPBELL:** Yeah. Well, I -- you're the one that
2 introduced me to them. He voted with them every time.

3 **CHAIRMAN BOISSIERE:** Yep. Every time.

4 **COMMISSIONER CAMPBELL:** Every time that lady came here from Ruston,
5 voted for them.

6 **CHAIRMAN BOISSIERE:** You listening to this?

7 **COMMISSIONER CAMPBELL:** And so I mean, you know. The politics, like
8 I said, is tough. They say a lot of things about you that's not true and that's just a
9 game. In Louisiana, we're known for rough and tumble politics. But anyway,
10 Lambert, I personally thank you for what you've done for people in the state of
11 Louisiana. I thank you for being a kind guy, a nice fellow. I don't think you've
12 ever been rude to anybody up here. You've always, people came, you treat them
13 with respect, you let them talk. I don't know how nicer anyone could ever be to
14 the people that come before us here at the Public Service Commission. I'm going
15 to miss you. I wish you well. I know you're a lawyer, maybe you'll go on and
16 start practicing law, but I know they'll do some other things for you down the
17 road, and I'll always be your friend and I'll always try to help you. But this is
18 politics and it all comes to an end. I've been in politics 50 years, 50 years, and I
19 asked my wife the other day, I said what am I going to do when I get out of
20 politics? She said hell, you're going to be 80 years old. And that's true. So, I
21 mean, you've done a great job, you've helped so many people and you've been a
22 voice for poor people, consumers. I appreciate it. But it's a day that we're all
23 going to face up here, no matter how popular you are now. You can be on top of

1 the world today and you -- it's coming to everybody here. So I hate it, but that's
2 the way it is. And Lambert, you've done a good job, and I don't think you have
3 an enemy out there. I don't think there's one person out there that doesn't like
4 you.

5 **CHAIRMAN BOISSIERE:** Let's hope we can keep that by the end of this day.

6 **COMMISSIONER CAMPBELL:** And I know damn well I couldn't say that
7 about me. But anyway, Lambert, I've enjoyed your friendship, I enjoyed your
8 family, your dad, and y'all are good people. You have a history of helping
9 people, and I know that it's going to be that way, so I just wanted to tell you that.
10 And it's just not one of the good days, but it's going to come to everybody here.
11 We all -- you're going to be up and down. My dad used to have a saying and I'll
12 always remember it. He said, hey, everybody can take that ride up -- you're going
13 up, everybody wants on board. When you're going down, they start jumping off.
14 So y'all don't jump off, just stay on board because if you can go up, that's your
15 friend, when it goes down, stay there because that's what it's all about, but that's
16 sort of nature with people. I've lost some elections and shit, I'd lose and not
17 many people would call, say hey, I saw you lost, but if you win, you can't -- the
18 phone is ringing off the wall. Man, I was with you. That's just the way it is. But
19 thank you for the job you've done, thank you for being nice to everybody out
20 here. Thank you for being nice to everybody up here. You've always been polite,
21 you've been fair, and I don't know what else you could say about somebody.
22 You're a nice fellow, a nice fellow, and I appreciate your kindness and your
23 sincerity and your friendship.

1 **CHAIRMAN BOISSIERE:** Thank you.

2 **COMMISSIONER CAMPBELL:** Now, you know damn well they ain't
3 clapping for me. I can tell you that.

4 **CHAIRMAN BOISSIERE:** Thank you, Foster. Man, that was touching.
5 Commissioner Greene.

6 **COMMISSIONER CRAIG GREENE:** Hello. I would like to echo what Foster
7 said, namely that I wish that Foster had Lambert's demeanor. And I say that,
8 Foster, as a friend. One thing my dad did tell me, my dad and Foster served in the
9 senate together, and before he ran, one of his advisors, one of his friends said look
10 around before you do this and see who your friends are because when you get spit
11 out at the end of this, the same number of friends you had before are the ones you
12 had after. And unfortunately that's true. I think the friends in this room are often
13 dependent on how we vote. And so, look, I commend Lambert for his service. I
14 appreciate his friendship and I probably will join him in that downward spiral at
15 some point as well, as we all will. But I agree with Foster, you're a gentleman.
16 And you and I, I value our relationship because we can disagree and still ask each
17 other about each other's kids and I wish that politics had more of what you and I
18 have. And so I'll miss you but you can't rid of me that easily.

19 **CHAIRMAN BOISSIERE:** Thank you so much. Commissioner Skrmetta.

20 **MS. BOWMAN:** The mic's not on.

21 **COMMISSIONER ERIC SKRMETTA:** We got it? There we go. I'd like to
22 echo what Commissioner Campbell and Commissioner Greene have said and add
23 some stuff. I've actually, you know, I think this February, and I know my wife

1 listens to the meetings so she's probably going to correct me if I'm wrong, but I
2 think I've been married 28 years in February, and -- but before that, I lived in
3 New Orleans, and I lived in New Orleans my whole life. I actually grew up in the
4 same neighborhood as Cesily, she lived around the corner from me, we went to
5 grammar school -- the same grammar school together. And I remember the first
6 time I met Lambert's father, when he came to my dad's office, which was in Gert
7 Town, at our old machine shop and sold my dad a Lanier copying machine and I
8 think I was about -- I'm pretty sure I was 12 or 13 years old and Lambert's dad
9 and my dad became friends, really on and off all that time, and living in New
10 Orleans for the first 40 years of my life, and you can do the math, I really have
11 grown and known the Boissiere family through political activities for the first 40
12 years of my life and, you know, it's an interesting relationship you develop in
13 understanding politics of New Orleans and the families of New Orleans. And I've
14 been lucky to have experienced great support from all communities in New
15 Orleans because you know I've never had anybody run against me or had
16 problems in politics, so it's been a nice, you know, easy roll. But, so Lambert,
17 you know, I'll tell you all about how bad it can get sometimes. But, you know,
18 the one thing I do know is -- and it's a lot like you said, you know, you know who
19 your friends are before you come into politics and you know who your friends are
20 when you leave, but, you know, I consider Lambert and his family, you know,
21 friends for life. And, you know, politics is not life. Politics is a service and it's a
22 moment that you act on to do your duty and, you know, we're up here and we do
23 our duty. You know, we do it as we see it and we do it as we want and Lambert

1 has, you know, honored himself and he honored his oath to the state and he did a
2 hell of a job for the last 18 years. And so I couldn't be more proud to have served
3 with him and I think that he will have a interesting career as he leaves the Public
4 Service Commission, as he goes into it because as I told him the other day, you
5 know, the average career of service for a Public Service Commissioner in the
6 United States is four years because 80 percent of them are appointed, 20 percent
7 are elected. And there are very few that have service terms as long as Foster or
8 Lambert or me or what's going to happen for Craig and for Mike. And so there is
9 a wealth of knowledge that Lambert will bring to the utility world, not just in
10 Louisiana but to Washington and other places, so I suggest you guys who are
11 getting ready to clear out your rolodex keep it solid for Lambert because he's
12 going to be a hell of an asset for the utility community nationwide. So I want to
13 thank him for everything he's done for this state because, you know, we've never
14 been in complete agreement on things but we've always been in complete
15 agreement on doing the right thing for the ratepayers. Just, you know, sometimes
16 it's like playing that old game of Candyland and everything, there's a different
17 path you take sometimes, but we all have the same goal. And I'm incredibly sad
18 to see Lambert go, but at the same time I'm incredibly happy for his family to get
19 him into a six-figured income and out of a five -- because, you know, he'll get
20 past ramen into, you know, plated meals. And I'm looking very forward to seeing
21 him get some great success. And if there's anybody else that has anything for --
22 Mike, you have anything?

23 **COMMISSIONER FRANCIS:** Yeah.

1 **COMMISSIONER SKRMETTA:** I'm going to let you go first. I've got
2 something to finish up the announcements, but I'm going to hold off on that.

3 **CHAIRMAN BOISSIERE:** Thank you, Eric. Mike Francis.

4 **COMMISSIONER FRANCIS:** Am I live over here?

5 **CHAIRMAN BOISSIERE:** You're live.

6 **COMMISSIONER FRANCIS:** You know, six years ago as a guest at breakfast
7 with Bill Broadhurst --

8 **CHAIRMAN BOISSIERE:** That's right, Billy B.

9 **COMMISSIONER FRANCIS:** -- met Big Lam and Little Lam, and it's a
10 wonderful memory. Many times I've called Lam. He's visited me during
11 hurricanes, I've visited him during hurricanes. And as a newbie, I sought his
12 counsel and his wisdom over the years here and thank you for that, Lam. You've
13 really made my job more pleasant by knowing you and working with you and,
14 you know, to prove my support for you and my disappointment in your not being
15 reelected, on election day, my wife and I, we risked our lives to drive from
16 Crowley to New Orleans to be there with you at your election day. And besides
17 that, we put a lot of cold hard cash in that race to help you and I'm -- I don't like
18 to lose, and I'm disappointed for you. But I know that you're still a young man
19 and you've got a great future because I know that you put your life in the hands of
20 God, to serve God first, and I do, too. And that's been one of the most pleasant
21 things about working with you, Lam. If I could help you in any way, you know
22 that I will, all you got to do is call me, you've got my number. So thank you for
23 your friendship and we're going to miss you, brother. Thank you.

1 **CHAIRMAN BOISSIERE:** Well, I guess it's my turn. Oh, did you want to --

2 **COMMISSIONER SKRMETTA:** Well, no. I'll go last or whenever you want.

3 **CHAIRMAN BOISSIERE:** Yeah, let me try to be as brief as all of you. First of

4 all, thank you all. And I mean thank all the Commissioners for their kind words

5 just now. Oh, man, you caught me off guard with this today. And thank all of

6 you. You know what, that may have been my, you know, one of my -- maybe my

7 first standing ovation, huh? Came at the right time, I guess. Trying to clear my

8 throat a little bit, hang with me. It's been an absolute pleasure to serve with these

9 gentlemen next to me and to serve on this Commission for the people of

10 Louisiana. I, you know, I think about the job and I think about all the things

11 we've been through and I think about all the work that has been done, and it's a

12 little difficult today to think that, sitting up here, this is my last meeting. First of

13 all, I appreciate all the wonderful, wonderful, kind things my Commissioner

14 friends and friends have said about me today, but I'll tell you from my

15 perspective, and I'm not used to getting that much show of love coming my

16 direction, so bear with me. When I was elected, I took an oath and that oath was

17 to serve the people of Louisiana. And so every day I come to work, I work for the

18 people of this state. Oh, the companies ask for this and the neighborhood

19 associations ask for that and the, you know, the opposition to -- the intervenors

20 ask for something else and you have all these different voices in your head and

21 your job is to kind of manage them and at the end of the day, make the decision

22 that's best for ratepayers. And so I'm glad Foster thinks I don't have any enemies

23 in the room, and maybe that's true, but I've tried not to disappoint too many

1 people while doing my job. I was ready to live up to the oath. Now, in addition
2 to that, let me say this clear. Don't worry about me, I'm fine. Thank y'all,
3 everybody. I put it all on the table and I did my job, and I'm proud of the work I
4 did. Whether everybody is proud of that or not, I am. And I'm proud of the
5 people who know the truth, know the truth about me, and I don't really care what
6 other people who don't know me think about me. What I mean by that is, I don't
7 need the validation from those who are going to besmirch my name. Also, people
8 mention me a lot, they also mention my family, which is great because I want to
9 be clear in that I've been around this for a long time, not only at the Commission,
10 but I had an elected office before joining the Commission. I guess Foster
11 Campbell and I, I don't know if anyone else has held office prior to the
12 Commission, but I held office for several years before that, so I have a history of
13 serving the public. I have a history of understanding the politics. I have a history
14 of having elections. I have a history of winning, usually, but I understand how it
15 works. I understand how it goes, so I was fully prepared for the fight that it takes
16 to win and I was fully prepared for the outcome because there's only two
17 outcomes. And you only have to get prepared for one or the other, or both I guess
18 I should say. So even through the campaign and things weren't always going our
19 way, and I never -- I didn't have a bad day. Now obviously if you paid attention
20 to the race, and I don't want to relive the campaign a whole lot, I was clearly
21 targeted by out of state PACs, okay. And that's something I think everybody in
22 this room, on this dais, and in the sound of my voice needs to worry about
23 because Tip O'Neill used to say all politics is local. That's not true anymore.

1 Decisions are being made outside of Louisiana for Louisiana. And you know
2 what, I'm not even upset with the public, because if you tell a lie long enough,
3 people start to believe it. That's natural, it's psychology, it's typical, it's
4 marketing. I get it. So I can handle the wins and losses of a political race, that's
5 not the problem. No problem at all. I signed up for this. Not to go too deep into
6 it, I'm proud of some of the work we did together. For example, not only did we
7 do the work on utility regulation but we went through a lot. You can tell a lot
8 about your friends when you go through adversity. And since I've been on this
9 Commission, the first big challenge was Hurricane Katrina, which destroyed my
10 home, my city, and much of my state, but we got through that. One of the first
11 securitizations, may I add, or maybe the first one we did in Louisiana and one of
12 the few in the nation, maybe, we won awards for our style of financing the storm
13 damage by saving ratepayers tons of money in that particular one and being able
14 to save our state and the people and the businesses that are in it by being able to
15 manage utility rates because of our financing on securitization. On the heels of
16 that, we had Rita, Gustav, Ike, and then Isaac, which ravaged our state, also
17 storms that we had to securitize and get through. Fast forward, we had several
18 other storms during that period of time. Each one of these was a 100 year storm,
19 by the way, and they just keep coming. In the last several years, we've -- this
20 year, thank goodness, we were spared, but we had Laura, Zeta, maybe one or two
21 others -- which one is it, they're trying to help me out here -- but I just -- and Ida
22 of last year, which once again, did tons of damage to our -- not only our state but
23 our utility grid. We have to rebuild it, securitize it, and move on. And it's those

1 times -- and not only that, storms are a big deal, but they don't tell you that when
2 they tell you about the job. They tell you about utility regulation, the law, and the
3 business of -- but storms are huge. We also went through a pandemic, another
4 100 year event. I hope that one's -- we can go another couple hundred of years
5 before we have one of those again. And we have to manage all the systems and I
6 think we worked hard, not just the five of us that sit here, but the Staff like
7 Brandon, and that was my biggest mistake just now, I named someone, but you
8 know who you are, I don't want to name everybody, and the entire Staff that
9 works really hard. Our experts, our attorneys who work with us to get though all
10 of these things together. I could take credit but I just want to be part of the team
11 that helped people in Louisiana and let people know. And then Commissioner
12 Skrmetta alluded to it and it's true, even Commissioner Greene, we don't always
13 agree. I mean there's five of us for a reason, we need different points of view and
14 perspectives, but at the end of the day, in utility regulation, and maybe in
15 Candyland which I never played that, I don't know, you're trying to get to the end
16 result and you may have a different path of trying to help people. And in the end
17 of the day, we, over the course of my time here, we had the lowest rates, if not the
18 lowest rates in the nation, throughout almost all of that time. It's very -- and that
19 is something that I'm extremely proud of and this Commission should take
20 extreme pride in. And I don't know if the people of Louisiana understand how
21 important that is and how vital that is to everybody's pocketbook, be it business,
22 residential, commercial, or industrial, we've held some of the lowest rates in the
23 nation, regardless of what can be said about any of us up here, and that's

1 something we should -- and there's a lot of things, a lot of lists Louisiana's on,
2 and we're not always near the right end of it, the good end of it. We might be the
3 number one in something bad and at the bottom of something good, but in this
4 case I think we're at the top of something good, and I'm very proud of that and so
5 I'm proud of the work I've done here. I served with a lot of other Commissioners
6 that's not here. When I came on the Commission, it was Jay Blossman, of course
7 Commissioner Campbell, Jimmy Field, and Dale Sittig, you know, and we've had
8 some iterations since then to bring us who we are today. You know, I thought of
9 a word to describe the Commissioners I worked with. Just one -- I thought of one
10 word just to kind of sum them up. Jay Blossman, you know, I could get into his
11 personality, incredible guy, he's a -- he's like your friend who's also like a frat
12 boy at the same time. I don't mean to pick on you, Jay, but I had to do it. And
13 what I mean by that, he's energetic, he's fun, he's funny, he's exciting, you know,
14 and he brightens a room, he's got a quick story, he's friendly, but he's been a
15 friend, you know. My word to Jay is friend. We don't always agree either, but
16 we usually work it out, and he's been a friend throughout all this time. He was
17 the first Commissioner I met, even -- because I actually helped him in his election
18 to get on the Commission. Jimmy Field was just a spiritual leader, just a great
19 mentor to me, so I guess my word for him is mentor. Dale Sittig could brighten a
20 room with his jokes. He had the best personality I've ever met kind of guy. I
21 don't care what the issue was, he had a one-liner for you. And since then, we
22 brought -- we have Eric Skrmetta. Now I've got two words for Eric: Predictable
23 and unpredictable.

1 **COMMISSIONER SKRMETTA:** That's what my wife says.

2 **CHAIRMAN BOISSIERE:** Yeah, you don't realize, that's what we all say.

3 He's unpredictable because you never know what he's going to do next, and then

4 when he does it, you say, yeah, that's Eric. I should've seen it coming. Scott

5 Angelle, another personality larger than life. We didn't have him here very long

6 so I didn't get to know him as well as I've gotten to know other Commissioners,

7 but he was fun. I almost forgot about Mr. Manuel, who came in for an interim,

8 and a few other interim guys. But Holloway, I guess I got two words for him, too.

9 Clyde Holloway served -- I served with Clyde Holloway and he was probably the

10 most stubborn person I ever met in my entire life. And believe it or not, if you

11 talked to him, he was probably the most caring person you ever met in your entire

12 life. So, once again, you know -- and I tell you what, he may not realize this, I

13 used to tell him that Eric was more conservative than him and it would bother him

14 so much. He said I'm right of Eric, I'm like you're not right of Eric. And I just

15 knew how to get his goat a little bit. Mr. Francis, Mike Francis, sitting here,

16 replaced Clyde Holloway and I, you know, I consider Mike similarly but different

17 than Jimmy Field as a spiritual leader, but I think he's a Godly man and he's got a

18 big heart. And so for me, this man, Mike Francis, Commissioner Francis, is all

19 heart and he puts it out there. And guess what, what he said, he meant. He came

20 to New Orleans for me last weekend and he helped me through my race and he

21 supported me and backed me. I've enjoyed having dinner with him and his

22 family and spending time with him, all heart. And Commissioner Greene, the

23 hardest working person I ever met in my life. I've never met a person who has

1 more jobs than Commissioner Greene. I mean, we all work hard as
2 Commissioners, but I don't leave here and go perform surgery after, he does.
3 And then he'll volunteer, and I volunteer, he will serve Nation Guard -- what is it,
4 the Navy, on the weekends. Well, I think that's -- you may be past that now but
5 he did for a long time. He's got a huge brood of family, he just -- I don't know
6 how he does it. He's the hardest working person and that's truly a quality. And I
7 saved the best for last, Commissioner Campbell. One word, there is no one word.
8 All of those words I said about all of the other Commissioners together, that's
9 Foster Campbell. He's predictable and unpredictable, he's a friend, he's a Godly
10 man, he's got a big heart, he works harder than anybody I know, great personality,
11 he's a fighter, he's a leader, and he's a good friend and he's one of the best things
12 Louisiana has going for it. And I'm proud to say I've worked alongside and have
13 spent time with all these great people and especially the people up here today. I
14 just wanted to make sure I got a chance to say that to each and every one of you
15 and a pleasure. Now, I worked with several governors and worked with several
16 secretaries. I'm not going to name them all, although I do see -- I did see Eve
17 here, so Eve was a former secretary. Hey, Eve. Thank you for coming. Eve said
18 she voted for me twice. Well, I need you to vote for me about five more times, I
19 think, would've helped out a lot more, so I appreciate that. And at the end of the
20 day I want to let you know that, be careful, this is a difficult game, its politics.
21 Oh, by the way, I received probably one of the highest, if not the highest, award
22 from Alliance for Affordable Energy. It was the Groesch Award, one of their
23 founders, Mr. Groesch, and it was for Consumer Champion. And then they go

1 and do this other stuff. So watch your friends and watch your back because I
2 don't trust them anymore. But it's not for me anymore, it's for the next people
3 who trust them. I won't name names but we know who they are. No offense, it's
4 good. But guess what, what goes around, you know, we'll see how they do. If
5 you're really about people's work, then we'll see what happens. Be careful of
6 your friends. Commissioner Campbell started this and he's absolutely right. I
7 don't have a problem with that. I understand the landscape that we work under.
8 At the end of the day, there's so many people here, I refuse to name any of them
9 because I would have to name each and every one of you, but each and every one
10 of you have meant a whole lot to me. I think I've met with almost everybody in
11 the room, as I pan the room, and talked to them and had in depth meetings with
12 everybody. And it is ultimately two things I'm going to walk away from this job
13 with. One, friendships and the connections and knowing so many great,
14 wonderful people, not only in this room but the people that follow us online and
15 the people that care about the Commission. And finally, I'm very, very proud of
16 the work that we've done, like I mentioned before. The bringing in solar and
17 diversification, caring about affordable energy, pressing utility companies to be
18 more reliable while keeping the price as low as possible. And I guess, you know,
19 at the end of the day I want to live up to my oath and I wanted to be able to walk
20 into a room and make tough decisions and be able to look everyone in the eye and
21 say I did the best job that I could do for you. And we got one more meeting,
22 today, so at the end of the day that'll be my message, again. But ultimately, I
23 want to thank you all for being so kind to me and giving me the opportunity to

1 work with you and to serve the people of Louisiana, I thank all of you. Meeting
2 adjourned. See you next month. Okay. That was a joke. Don't leave. All right,
3 everybody. I know. I still owe Commissioner Skrmetta, his words -- I don't
4 know how we move forward with it. Are we all ready to move forward? All
5 right. To complete this section, Commissioner Skrmetta.

6 **MS. BOWMAN:** The mic.

7 **COMMISSIONER SKRMETTA:** We got it now. I've started doing this a few
8 years ago and I'd like to continue. I want to talk to you since its December and
9 it's Christmastime and talk to you about one of the earliest moments and one of
10 the ways I learned about Christmas was from Charlie Brown and his friend Linus
11 and watching A Charlie Brown Christmas as a kid. And Linus -- Charlie Brown
12 was a little confused and Linus explained to Charlie Brown the meaning of
13 Christmas. And Linus told him that and there were in the same country shepherds
14 abiding in the field, keeping watch over their flock by night. And lo, the angel of
15 the Lord came upon them and the glory of the Lord shown round about them.
16 And they were sore afraid. And the angel said unto them, fear not, for behold, I
17 bring you good tidings of great joy which shall be to all people, for unto you is
18 born this day in the city of David a savior, which is Christ the Lord. And this
19 shall be a sign unto you, ye shall find the babe wrapped in swaddling clothes,
20 lying in a manger. And suddenly there was with the angel a multitude of the
21 heavenly host praising God and saying glory to God in the highest and on peace --
22 and on Earth, peace and goodwill towards men. And let us dedicate this moment

1 to Commissioner Boissiere and his family during this yuletide season. Thank
2 you.

3 **COMMISSIONER FRANCIS:** Amen.

4 **CHAIRMAN BOISSIERE:** Thank you. Commissioner Campbell.

5 **COMMISSIONER CAMPBELL:** It's someone else's last day today, too. I
6 worked with a lot of people down here, a lot of smart people. There's some
7 smart, smart folks that sit out there in the room. But we have somebody, this is
8 their last meeting and he works -- he is the president of SWEPCO up in
9 Shreveport. Some of you might not know him here, he's real quiet, very humble,
10 very, very, very smart. He has been on top of everything from storms to helping
11 people, this, that, and the other. I'll give you a story. One night I had a call at
12 about 3:00 in the morning and it was a man calling me, said Commissioner
13 Campbell, it's 3:00. I said, yeah, I know. And he said my wife is a paraplegic
14 and she's crying, she's sweating in her bed and she can't go to sleep. Is there any
15 way you can help me? So when I get a call like that, I call Malcolm, Malcolm
16 Smoak. I said hey, Malcolm, its 3:00. He said, I know. I said, well, you got to
17 do something. I just got a call from a man, his wife's a paraplegic, electricity's
18 off, his wife can't go to sleep. She's sweating in the bed, she's crying. You got
19 to do something. That guy called me back at 5:00, he said Mr. Campbell, its 5:00.
20 I said, yes, sir. He said I just want to tell you thank you. The electricity is on, I
21 gave my wife a bath, and she's sleeping like a baby. That's Malcolm Smoak
22 personified. Malcolm went to Bossier High School, like me. His daddy was a
23 blue collar family. He's an engineer, his brother's an engineer, he's got two sons,

1 they're all engineers. They work hard. Malcolm, like I say, is the president of
2 SWEPCO, makes a lot of money, drives an old car, nothing showy about him, just
3 down to Earth, humble. That's something hard for people to be, but it's the best
4 asset that you can have, if you can have humility and humble, especially when
5 you maybe have a higher position. You know where Malcolm Smoak is -- I
6 challenge the rest of you boys out there and I'm looking at you, at Entergy and
7 Cleco and all. You know where Malcolm Smoak is having his retirement party?
8 Not at the Shreveport Club, not at the Petroleum Club. Malcolm Smoak, now this
9 shows you what a guy he is. He's having his retirement party at 7:00 in the
10 morning at the warehouse where all those people put on their uniforms and go to
11 work. That's Malcolm Smoak. I don't know anybody else would be doing that.
12 Most people I've been around that are president, [INAUDIBLE] Club or whatever
13 the hell they call it in New Orleans or Shreveport Club, and everybody comes in
14 and tells you what a good fellow you are and how great you are. Malcolm goes to
15 where all the linemen get their trucks at 7:00 in the morning and has his
16 retirement because all those men love Malcolm. Because when there's a storm,
17 Malcolm is out there in the storm with them with blue jeans on and right there.
18 That's what a leader's about, he's with the men. Like the General said that time
19 in the war and when it was cold and raining, he was out there, he said -- they said
20 why are you out here in the rain? He said, when it rains on my men, it rains on
21 me. That's what real leadership is about. So Malcolm, we're going to miss you.
22 I don't think there's could ever be anybody in Shreveport to take your place.
23 Every time I've called, he answers the phone, if it's 3:00 in the morning or

1 whenever it is, he calls you back. And then he calls me and tells me the
2 electricity's on, this, that, and the other. So Malcolm -- I know he's going to go
3 to work with his sons, they're all engineers, five of them now, they're all
4 engineers. So good luck in y'all's business, I know you'll be successful, but
5 thank you for being understanding down here. When I was against SWEPCO,
6 and I've been against them, Malcolm doesn't blow up and sull up or anything.
7 He's nice to you the next day and you're sort of sorry you feel -- voting against
8 [INAUDIBLE], he's been so nice. But Malcolm, why don't you stand up and I
9 want to say this: Malcolm Smoak is the best president of all these three
10 companies in Louisiana. We'll never have another Malcolm Smoak. Thank you.

11 **CHAIRMAN BOISSIERE:** I want to just say that --

12 **SECRETARY FREY:** I'll just say that Malcolm's not off the hook because we
13 do have him on the agenda for discussions later and we have something we're
14 going to read about him, so.

15 **CHAIRMAN BOISSIERE:** All right. Good, good. All right. Great. And I
16 want to backtrack a little bit. I mentioned I didn't want to name names because I
17 would have to name everybody in the room, and then I could kick myself because
18 there's a couple of names I have to say. Cesily knows this. My assistants, my
19 two very loyal and hardworking people. I don't -- look, all that stuff they say
20 about me, it's really them because I couldn't do anything without Cesily Roberts
21 and Jared Reese sitting right here. They did everything for me. They manage my
22 docket, manage my schedule, manage my -- tell me where to go, what to say.
23 They've talked to every one of you, and when I can't be there, they manage the

1 business of this office and they handle all customer and consumer complaints.
2 And so I just wanted to make sure that -- I may not be able to mention everybody,
3 but I absolutely without question have to give all credit to Cesily, who's been
4 with me from day one, and Jared who came just a couple of years later, who's
5 with me now. And so if you don't mind, I want to give both of them a hearty
6 round of applause. And I'm going to go one step further. I didn't say it last
7 month because, you know, everybody's kind of private and Jared is a brand new
8 father and he's got, I think, a six week old right now at home, or really close to it,
9 maybe seven -- oh, seven. I'm sorry, seven weeks now. So he's got a seven week
10 old beautiful baby girl that he loves very much and we all do and I just want to
11 mention he's a brand new dad and congratulations, Jared. All right. Ooh man,
12 that's a way to start a meeting, huh? All right. Staff, y'all ready to get rolling?

13 **MS. BOWMAN:** We are ready.

14 **CHAIRMAN BOISSIERE:** Let's go.

15 **MS. BOWMAN:** So next agenda item is Exhibit Number 2. This is an
16 undocketed proceeding. It's our 2023 proposed Business and Executive Session
17 Schedule. It's a discussion and possible vote to accept the proposed 2023
18 schedule. I will read all the proposed dates in, and then we do have two yellow
19 cards for individuals who would like to speak on this matter. I'll call them up
20 after I read everything into the record. So the proposed 2023 B&E Schedule is as
21 follows: January 18th, February 16th, March 15th, April 19th, May 17th, we just
22 learned of a conflict with the proposed June date of the 21st so we are proposing
23 the week after of June 28th, July we will have no meeting, August 16th, September

1 20th, October 18th, November 16th, and December 20th. Staff recommends that the
2 Commission accept the proposed 2023 schedule. And before we take any
3 motions or seconds, I'd call Mr. David Treppendahl, if he'd still like to speak.

4 **MR. DAVID TREPPENDAHL:** I'm going to defer. [INAUDIBLE].

5 **MS. BOWMAN:** Okay. So both of you will defer? Okay. Perfect. So we will
6 entertain a motion and a second at this time with the proposed dates.

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

8 **COMMISSIONER SKRMETTA:** Second.

9 **MS. BOWMAN:** Motion by Commissioner Greene, seconded by Commissioner
10 Skrmetta. Any opposition? [NONE HEARD] Hearing none, that matter is done.

11 Exhibit Number 3 is Docket Number T-36550. This is the Commission versus
12 Kenny's Towing. It's an alleged violation of Louisiana Revised Statutes 45:1177
13 and 1179 for failure to pay the state proper fees for the years '18, '19, and '20 for
14 the inspection, control, and supervision of its business service and rates
15 authorized in Common Carrier Certificate Number 7227 pursuant to General
16 Order dated November 22, 2011. It's a discussion and possible vote pursuant to a
17 Rule 57 on an affidavit and stipulation executed by the carrier, so this will need
18 two votes. As a result of the routine review of the Louisiana Department of
19 Revenue's ISF logs, a citation was issued to Kenny's Towing on October 13,
20 2022 based on the aforementioned allegations and violations. In response to the
21 citation, the owner of the company executed an affidavit and stipulation on behalf
22 of the company admitting to violating all violations alleged in the citation and in
23 that affidavit and stipulation, the company agreed to the imposition of a \$1,000

1 fine with 500 of it being suspended contingent on the following conditions: That
2 Kenny's Towing not violate the Revised Statutes for three years from the date of
3 execution of this document; that the company file all outstanding ISF fee returns
4 for the years of '18 through '20 to the Louisiana Department of Revenue and
5 provide proof of same to the Commission; that the company pay all outstanding
6 ISF fees for the years '18, '19, and '20 to the Department of Revenue and show
7 proof of payments to the Commission; and that there's an execution and
8 stipulation -- submit the affidavit and stipulation along with all the fines and fees
9 totaling \$525 to the Commission Staff by November 23, 2020. Staff recommends
10 that the Commission: 1) Exercise its original and primary jurisdiction under Rule
11 57 to consider the affidavit and stipulation; and 2) Accept the affidavit and
12 stipulation executed on November 23, 2022 for fines and fees totaling \$525.

13 **CHAIRMAN BOISSIERE:** Do we have a motion, gentlemen? I think we've
14 got to go under Rule 57, right?

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

16 **CHAIRMAN BOISSIERE:** Moved by Commissioner Francis, second by
17 Commissioner Greene to take the item up under Rule 57. Next, a motion, please.
18 Gentlemen.

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

20 **COMMISSIONER FRANCIS:** Second.

21 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, second by
22 Commissioner Francis. And hold up one second, guys. Are we going to pay
23 attention to this meeting or what? Come on. Let's keep everybody focused here.

1 We're doing great. Just a couple of more to go. So I'm going to be managing my
2 last meeting, and I want it to be a good one. And so I'm going to give everybody
3 a few little tips and pointers as we get through it, so. All right. Next one, please.

4 **MS. BOWMAN:** Exhibit Number 4 is Docket Number S-35889. This is WJB
5 Transport 2 doing business as Two Men and A Truck. It's an application to
6 increase tariff rates for Common Carrier Certificate Number 7871. It's a
7 discussion and possible vote on a Staff report and recommendation. On March 2,
8 2021, WJMB Transport doing business as Two Men and A Truck filed an
9 application with the Commission requesting authorization to increase its tariff
10 rates pursuant to Commission General Order dated October 2, 2012. Notice of
11 the application was published in the Commission's Official Bulletin and an
12 amended application was filed by the carrier on June 2, 2021, also published in
13 the Commission's Official Bulletin and no interventions or protests were filed at
14 either time. Following discovery, Commission Staff filed its report and
15 recommendation with exhibits on June 14, 2022. Subsequently, counsel for
16 WJMB filed into the record a request that Staff approval an immediate 10 percent
17 rate increase with the intention to enter into negotiations regarding an additional
18 increase and Staff accepted that request. On November 18, 2022, counsel for the
19 carrier filed a letter into the record accepting Staff's report and recommendation
20 with no additional rate increase. So the major terms of Staff's recommendation
21 are as follows: WJMB will be authorized a 10 percent increase to its rates and
22 charges as prescribed in the current tariff on file with the Commission pursuant to
23 the Commission's General Order dated October 2, 2012; the company is ordered

1 to file into the record of this proceeding the new and revised tariff reflecting the
2 Commission's action; and any newly approved rates charged to customers prior to
3 satisfying those conditions shall be considered a direct violation of this rate
4 proceeding. Staff recommends that the Commission accept the Staff report and
5 recommendation filed into the record on June 14, 2022 allowing WJMB #2 a 10
6 percent increase in its tariffed files.

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

8 **COMMISSIONER FRANCIS:** Second.

9 **CHAIRMAN BOISSIERE:** Moved by Commissioner Skrmetta, second by
10 Commissioner Francis to accept Staff recommendation. Any opposition?

11 [NONE HEARD] Hearing none, so ordered. Next item, please.

12 **MS. BOWMAN:** Exhibit Number 5 is Docket Number S-36500. It's Conexon
13 Connect's petition for an expanded designation as a Lifeline-Only Eligible
14 Telecommunications Carrier. It's a discussion and possible vote on a Staff report
15 and recommendation. On July 27, 2022, Conexon filed with the Commission its
16 petition to seek expansion of its designation as an ETC and this expansion of ETC
17 designation was for the purpose of participating in federal and state Low-income
18 Lifeline and Affordable Connectivity Programs to be allowed to offer federal and
19 state Lifeline benefits to eligible and qualifying customers in additional census
20 blocks. Notice of the company's request was published in the Commission's
21 Bulletin with no intervention or protests. Conexon is a Missouri LLC and is a
22 wholly-owned subsidiary of Conexon, LLC. Conexon deploys and operates a
23 state of the art, low-latency, fiber-to-home network and provides high-speed

1 broadband internet access and interconnected Voice over Internet Protocol.
2 Conexon has been designated an ETC in nine other states and currently assists
3 nearly 200 rural electric cooperatives in connecting upwards of 150,000 fiber to
4 the home subscribers. The company is currently a certificated VoIP provider in
5 Louisiana. Pursuant to Section 214(e) of the Act, State commissions are given the
6 authority to designate as ETCs those common carriers that meet certain federal
7 service requirements and whose designation would be consistent with the public
8 interest, convenience, and necessity. Consistent with its authority under federal
9 law, the Commission issued the ETC General Order, which created a list of public
10 interest criteria to be applied on a case-specific basis to all requests for ETC
11 designations in areas served by rural telephone companies. On November 14,
12 2022, Staff filed its report and recommendation on the company's petition into the
13 record and in that report and recommendation, Staff found that the company
14 demonstrated its compliance with the requirements of the Act, applicable FCC
15 regulations, and the ETC General Order, and that it will make available to its
16 customers universal service offerings that provide all of the services supported by
17 the federal universal service program and that it will appropriately advertise the
18 availability of those services. Therein, Staff also found that the designation of the
19 company as an ETC is in the public interest. Staff recommends that the
20 Commission accept the Staff report and recommendation filed into the record on
21 November 14, 2022, and grant the company's petition to be designated as an ETC
22 in the designated service areas for the limited purpose of obtaining low-income

1 Lifeline support, subject to the conditions contained in Staff's report and
2 recommendation.

3 **COMMISSIONER SKRMETTA:** Mr. Chairman, I move to accept Staff
4 recommendation. I also direct Staff to monitor FCC movement that looks
5 towards a designating VoIP communications as public utilities for the purposes of
6 future regulation.

7 **CHAIRMAN BOISSIERE:** All right. Do we need a -- is that a directive?

8 **COMMISSIONER SKRMETTA:** No, just suggest that they monitor it for the
9 purposes of bringing it back to the Commission.

10 **CHAIRMAN BOISSIERE:** I hear you. And do I have a second?
11 Commissioner --

12 **COMMISSIONER FRANCIS:** What are we seconding?

13 **MS. BOWMAN:** Seconding the --

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

15 **CHAIRMAN BOISSIERE:** Yeah, we're just -- yeah, seconding that.

16 **COMMISSIONER FRANCIS:** Okay. I got it. And then we'll have a little
17 discussion?

18 **CHAIRMAN BOISSIERE:** Yes, of course. Yes, of course. Hold on one
19 second. Commissioner Skrmetta, on that non-directive, maybe -- would we like
20 to bring it up later in the meeting?

21 **COMMISSIONER SKRMETTA:** It's just for the -- it's just at the moment
22 because it's a VoIP issue that the Commission should be looking at it because the
23 FCC is moving towards designating VoIP as a potentially regulated

1 telecommunication system and I've been monitoring that through the Washington
2 Action Committee, so it's something that they may just want to be paying
3 attention to.

4 **CHAIRMAN BOISSIERE:** So Staff is being put on notice to pay attention.

5 **COMMISSIONER SKRMETTA:** Yeah.

6 **CHAIRMAN BOISSIERE:** I guess it's short of a directive, but it's notice.

7 **COMMISSIONER SKRMETTA:** It's not a directive as much as a notification.

8 **MS. BOWMAN:** Got it.

9 **CHAIRMAN BOISSIERE:** Pay attention, that's all. And otherwise, it was
10 seconded by Commissioner Francis and now we can have discussion.
11 Commissioner Francis.

12 **COMMISSIONER FRANCIS:** I got a question for our resident
13 communications man, Secretary Frey. We're voting to approve this, okay. We
14 have very limited authority over telecommunications, you know. I wish I had
15 limited phone calls to the -- but the service out there has been terrible. Can we
16 rescind one of these?

17 **SECRETARY FREY:** Yes, absolutely. So that's -- I mean, its authority granted
18 to or I say reserved to the state commissions of the Telecom Act, but it's
19 something you can grant, it's something you can rescind. I know we've had
20 discussions in the past about revoking authorities. We actually had some who
21 voluntarily come in because there's certain requirements that they may not want
22 to continue to have to adhere to, so we've had some rescinded or revoked on the
23 carrier's own motion, but yes, that's certainly something we can do.

1 **COMMISSIONER FRANCIS:** Well, our -- many of our constituents, you
2 know, they like take two or three hours to get someone on the phone to discuss a
3 problem with a telecommunications and we're approving, you know, all this
4 RDOF money we got going out in the countryside. I hate to see what the service
5 is going be like if it's like the trend right now and I'll just say, all we need to do is
6 rescind one of these and we're going to get their attention.

7 **SECRETARY FREY:** I would note, though, on that topic, I know there's been
8 discussion at the federal level to have the FCC do away with that requirement to
9 get certified by the state commissions. I know some of the carriers have pushed
10 for that, probably for the very reason you're stating. But as of now, we've still
11 got that authority.

12 **COMMISSIONER FRANCIS:** Well, yeah. They don't want local jurisdiction
13 to -- it's like Washington DC's a million miles away when it comes to cracking a
14 whip and getting some service. One of our jobs that I enjoy doing is giving our
15 people reliability when it comes to electricity and gas and water. But
16 telecommunications, you forget it. So I want to send a message out there, we
17 need a little more -- little bit of service in the future on telecommunications.
18 Okay. I'm through. Thank you.

19 **CHAIRMAN BOISSIERE:** Are we good? Do we need anything else,
20 Commissioner Francis? You okay?

21 **COMMISSIONER FRANCIS:** I'm through, yeah.

22 **CHAIRMAN BOISSIERE:** All right. Good. Next, please.

23 **MS. BOWMAN:** Any opposition?

1 **CHAIRMAN BOISSIERE:** Oh. Any opposition? [NONE HEARD] No.
2 Okay. Hearing none, so ordered. Next item, please.

3 **MS. BOWMAN:** Exhibit Number 6 is Docket Number U-35987. This is the
4 Commission’s audit of fuel costs of Entergy Louisiana for provision of electricity,
5 associated with the February 2021 Winter Storm Event. It’s a discussion and
6 possible vote on a budget increase for United Professionals Company to do a
7 scope expansion. Pursuant to Commission directive, Staff solicited several
8 consultants for under \$50,000 bids to assist Staff in fuel audits of its jurisdictional
9 electric and gas utilities for purchases associated with the February 2021 Winter
10 Storm. United Professionals was retained at the June 2021 B&E to assist Staff in
11 the audit for Entergy Louisiana for a total budget of \$45,000. Staff, in
12 coordination with UPC, has completed the audit of Entergy Louisiana’s winter
13 storm fuel costs and filed Staff’s audit report into the record. Thereafter,
14 Louisiana Energy User’s Group intervened in the docket questioning Staff’s audit
15 report. LEUG’s intervention converts this audit docket to a contested matter,
16 which was not contemplated by Staff in the original solicitation of UPC. It is
17 Staff’s opinion that an expansion of scope is necessary to allow UPC to defend
18 Staff’s audit report in a potential contested hearing with LEUG, and based
19 thereon, solicit UPC to continue to assist Staff in this docket. Defending Staff’s
20 audit report is substantially related by common factual and legal components to
21 conducting the audit itself. Based on this request, UPC provided the following
22 proposed budget increase: 142,500 in fees and 5,000 in expenses for a total
23 additional budget of \$147,500. Staff recommends that the Commission retain

1 UPC for an additional budget of 142,500 and 5,000 in expenses for a total
2 additional budget not to exceed of \$147,500.

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

4 **COMMISSIONER FRANCIS:** I'll second it, but I'd like to have a discussion.

5 **COMMISSIONER CAMPBELL:** Are we looking at anybody else or are we
6 just back doing what we used to do?

7 **MS. BOWMAN:** This is an expansion of scope, so UPC was already hired to
8 handle this and then the scope of the docket expanded, and so instead of trying to
9 get someone else in, it makes sense to have UPC continue to work on it.

10 **COMMISSIONER CAMPBELL:** Okay. I understand. I'm going to have
11 something to say later on, not about this. Just for the purpose of asking
12 something, when somebody comes up with a bill \$700,000 more or something
13 like that, first time I ever hear about that is put on a deal. Do y'all ever think
14 about calling people and say, hey, we got a big increase coming. I don't ever
15 remember y'all doing that. You know, I know these firms, you know, I know
16 they're wonderful, nobody can do the jobs like them and all that, but you get a
17 \$700,000 asked for. Don't y'all think y'all ought to have some kind of apparatus
18 where you call and say, hey, a bunch of money coming, we need to dig into this?
19 You know, I'm just, I think it's a little loose. Maybe it's just me, maybe I'm the
20 one that's not up to date on things, but 700 grand and tell me the other -- it's all --
21 I'm just saying, when you come with these big numbers, we ought to hear about
22 them before the meeting. That's all I'm saying. It's coming up later and some
23 people act like \$700,000 is not a lot of money. That's a whole lot of money to

1 me. But anyway, same thing here, you couldn't get anybody, you thought this
2 was the right thing to do because they were already involved; is that correct?

3 **MS. BOWMAN:** Correct.

4 **COMMISSIONER CAMPBELL:** Okay. Okay.

5 **CHAIRMAN BOISSIERE:** Commissioner Francis.

6 **COMMISSIONER FRANCIS:** Is this 700,000 or this is 140 something
7 thousand?

8 **MS. BOWMAN:** No, 147,000.

9 **SECRETARY FREY:** No, that's another one coming up.

10 **COMMISSIONER FRANCIS:** Where did the 700,000 come in?

11 **MS. BOWMAN:** That's another potential increase later on.

12 **COMMISSIONER FRANCIS:** What?

13 **MS. BOWMAN:** It's another potential increase later on the agenda.

14 **COMMISSIONER FRANCIS:** Not in this case?

15 **MS. BOWMAN:** No, sir.

16 **COMMISSIONER FRANCIS:** Okay. So now what's -- what was the original
17 bid of the job to start with?

18 **MS. BOWMAN:** The original bid was 45,000. So when this happened, so this
19 was all related to Winter Storm Uri. Given that we were going to open an audit
20 on all of the electric IOUs as well as the natural gas companies, we did
21 solicitations to all of our consultants who had previously worked on the fuel
22 audits for each of those companies, so the work, as Commissioner Campbell likes,
23 was spread around. We did it as an under 50 solicitation, so all of those were

1 under \$50,000 worth of work. Staff has completed its audit for Entergy Louisiana
2 for its electric system. Generally speaking, these are not contested matters so we
3 didn't add that into the scope of the original proceeding when we hired UPC, so
4 UPC's original budget does not contemplate a contested hearing. Now that
5 LEUG is involved and has discovery and is looking to contest maybe a portion of
6 Staff's audit report, UPC needs additional budget to defend their position that was
7 taken in that audit report, and so that's what we're voting on today.

8 **COMMISSIONER FRANCIS:** So Louisiana Energy Users are the ones who
9 really drove this, take another look and increase our costs, Randy, but, you know,
10 just for the record, Louisiana Energy Users Group is most of the industry people
11 in Louisiana. They use a lot of electricity, you know. And, of course, I enjoyed --
12 since I'm from the business community, I enjoy their criticisms, their work, what
13 they look and their questioning about this fuel audit, and so we're spending
14 another 150,000 --

15 **MS. BOWMAN:** Up to.

16 **COMMISSIONER FRANCIS:** Up to, to make sure that we got a good audit on
17 this thing. So I'm -- I think LEUG's a good intervenor on a lot of these issues. If
18 somebody wants to complain about our price going up, you can call Randy
19 Young, but I think you're doing a good job. Okay. So I'll support the -- I'm in
20 support of this.

21 **CHAIRMAN BOISSIERE:** I think -- could y'all give me my motion and
22 second again on this one?

1 **MS. BOWMAN:** Yes. We have a motion by Commissioner Skrmetta and a
2 second by Vice Chairman Francis.

3 **CHAIRMAN BOISSIERE:** Okay. Any opposition? [NONE HEARD]
4 Hearing none, so ordered. Let's move on.

5 **MS. BOWMAN:** Exhibit Number 7 is Docket Number U-36223. This is Baton
6 Rouge Water Works Company doing business as Baton Rouge Water Company's
7 application for an increase and adjustment in retail rates, request for interim rates,
8 approval for Hurricane Ida recovery, and request for establishment of an
9 emergency reserve fund. It's a discussion and possible vote on a uncontested
10 stipulated settlement. On December 15, 2021, Baton Rouge Water filed an
11 application for the above mentioned request. Notice of the application was
12 published in the Commission's Official Bulletin and no interventions were
13 received. At the January 25, 2022 Business & Executive Session, the
14 Commission approved Baton Rouge Water's request for an interim rate relief,
15 subject to bonding requirements. On July 19, 2022, Baton Rouge Water filed an
16 unopposed motion to amend its application to include proforma adjustment and
17 requests for implementation of a formula rate plan. Notice of that application was
18 published in the Commission's Official Bulletin and no interventions were
19 received. Following discovery on the application and the amended application
20 and accompanying testimony, Baton Rouge Water and Commission Staff has
21 reached an agreement and executed an uncontested stipulated settlement, which
22 was filed into the record on November 21, 2022. The major terms of the
23 settlement are as follows: Baton Rouge Water is authorized to earn an increase in

1 its annual revenues in the amount of \$3,572,878.33 in order to earn a return on
2 rate base. Baton Rouge Water is authorized to recover prudently incurred costs
3 through a Formula Rate Plan, subject to the terms and conditions recommended
4 therein. And that Formula Rate Plan is subject to a three-year term to include
5 test-years ending December 31, 2022, 2023, and 2024. If Baton Rouge Water's
6 capitalization increases its equity above 50 percent in any of those test years, then
7 a hypothetical 50/50 capital structure will be used. The ROE earnings bandwidth
8 for the FRP shall be the range of 9 to 10 percent. Baton Rouge Water is
9 authorized to establish an emergency reserve fund and to collect a surcharge of
10 approximately \$0.60 per customer for a period not to exceed 12 months, with use
11 of these funds solely for emergency repairs and/or restoration of service efforts
12 after an emergency. Baton Rouge Water must seek approval from the
13 Commission if these funds are expended and they intend to replenish these funds.
14 And finally, raises implemented in the fourth quarter of 2022 will be a proforma
15 adjustment annualized and allowed subject to a prudence review by Commission
16 Staff for the full 2022 test year. As there are no unresolved issues, Staff
17 recommends that the Commission approve the joint stipulation filed into the
18 record on November 21, 2022.

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

20 **COMMISSIONER FRANCIS:** Second.

21 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene and second by
22 Commissioner Francis to accept Staff recommendation. Any opposition?

23 [NONE HEARD] Hearing none, so ordered.

1 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-36312. This is
2 Evangeline Gas Company's application for adjustment in gas service rates and the
3 establishment of a compliance surcharge rider. It's a discussion and possible vote
4 on an uncontested stipulated settlement. On March 22, 2022, Evangeline Gas
5 Company filed its application seeking modification of its gas service rates and of
6 a surcharge rider to finance the replacement and pressure testing of certain
7 portions of Evangeline's pipeline system. Notice of the application was published
8 in the Commission's Official Bulletin with no interventions received. Following
9 discovery on Evangeline's application, Staff filed its report and recommendation
10 on September 7, 2022. And October 6, 2022, Evangeline filed correspondence
11 into the record indicating its acceptance of Staff's recommendation, subject to
12 modifications of the proposed reporting deadlines and modifications to Condition
13 Number 5. Evangeline and Staff reached an agreement, and executed an
14 uncontested stipulated settlement which was filed on November 3, 2022. The
15 major terms are as follows: Evangeline is authorized to increase its gas rates as
16 requested in its application, subject to the following conditions: 90 days after the
17 date of the issuance of the order in this proceeding, and continuing every 180 days
18 thereafter for a period of 5 years, Evangeline shall file reports of the progress
19 made to remedy any and all compliance issues cited by LDR. Evangeline shall
20 provide written notice to customers of the increase in rate gas no later than 15
21 days prior to implementing any rate changes. Within 60 days of the issuance of
22 the order, Evangeline shall submit a report to the Utilities Division of the
23 Commission and the Legal Division on potential updates to Evangeline's billing

1 procedures. The Commission reserves its right to review the ratemaking
2 treatment of this docket in any future rate proceeding. As there are no unresolved
3 issues, Staff recommends that the Commission approve the uncontested stipulated
4 settlement filed into the record on November 3, 2022.

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

6 **MS. BOWMAN:** Motion by Commissioner Skrmetta.

7 **COMMISSIONER GREENE:** Second.

8 **MS. BOWMAN:** Seconded by Commissioner Greene. Any opposition?

9 [NONE HEARD] Hearing none, we can move on. Exhibit Number 9 is Docket
10 Number U-36318. This is Louisiana Water Company's application for an
11 increase in rates, including interim rates, approval of formula rate plan, request
12 for establishment of regulatory asset, and request for establishment of an
13 emergency reserve fund. It's a discussion and possible vote on an uncontested
14 stipulated settlement. On March 29, 2022, LAWCO filed its application which
15 was published in the Commission's Official Bulletin with no parties intervening.
16 At the April 27, 2022 Business & Executive Session, the Commission voted to
17 approve LAWCO's request for interim rates, subject to certain conditions,
18 including bonding requirements. On September 9, 2022, Staff filed the direct
19 testimony of Mr. Broady and on September 21, 2022, LAWCO filed the rebuttal
20 testimony of Mr. Simmons. On October 7, 2022, LAWCO and the Commission
21 Staff filed a joint motion to convert the hearing to an uncontested stipulation
22 hearing as the parties had reached a settlement. The major terms of the stipulation
23 are as follows: LAWCO is authorized to earn an increase in its annual revenues

1 in the amount of \$1,201,308 in order to earn a return on equity. In order to
2 achieve the authorized revenue increase, LAWCO is authorized to increase its
3 metered water rates as follows: By approximately \$1.35 for in-town and \$1.50
4 for out-of-town residents. LAWCO is authorized to recover prudently incurred
5 costs through a formula rate plan, subject to a three-year term, for test-years
6 ending December 31st of '22, '23, and '24. And if LAWCO's capitalization
7 increases its equity above 50 percent in any of the test years, then a hypothetical
8 50/50 capital structure will be used. The earnings bandwidth for the FRP will be
9 of a 9 to 10 percent. LAWCO is also authorized to establish an emergency
10 reserve fund and collect a surcharge of approximately \$1.05 per customer for a
11 period not to exceed 12 months, with the use of the emergency repairs and/or
12 restoration of service efforts. If these funds are expended, and the company
13 intends to replenish these funds, LAWCO must seek approval from the
14 Commission. As there are no unresolved issues, Staff recommends that the
15 Commission accept the joint stipulation filed into the record on October 7, 2022.

16 **COMMISSIONER FRANCIS:** Make a motion we accept that.

17 **COMMISSIONER GREENE:** Second.

18 **COMMISSIONER CAMPBELL:** Got a question.

19 **CHAIRMAN BOISSIERE:** Moved by Commissioner Francis, second by
20 Commissioner Greene. Discussion for Commissioner Campbell.

21 **COMMISSIONER CAMPBELL:** Hey, would y'all look on Page 17?

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

1 **COMMISSIONER CAMPBELL:** Would you do me a favor? I get it, it says
2 recommended increase \$1.35, but the rate's 16.50, 10 percent would be \$1.65.
3 Would you put the percentage over there, too? \$1.35 looks like it's nothing, but if
4 you tell people that's 8 percent, that's something else. So every one of these, look
5 at this: 19.10, recommended increase \$1.50. Here's one down here, 16.50, \$1.35.
6 You just say -- 1.35 looks like that's peanuts, but if you put the percentage on it
7 when they're 8 percent, that's not peanuts. So I make a suggestion, whoever's
8 filling these things out, put the percentage on it. Because if you say, well, it's
9 only \$1.35 a month, well, that's, hey, that's not even a cup of coffee. But if you
10 say it's 8 percent, people get to thinking a little bit about it. That's all. I'm not
11 voting against it, I'm just saying I'd like to see some percentages.

12 **CHAIRMAN BOISSIERE:** So is that a spreadsheet that we typically use or is
13 that an audit sheet that -- or is that just submitted documents?

14 **MS. BOWMAN:** It's typically something that auditing Staff puts together that
15 breaks down what was requested, what Staff is proposing, and then showing those
16 increases, so that's not a difficult thing to add the percentage to that.

17 **COMMISSIONER CAMPBELL:** Yeah, I'm fine. I just like to know the
18 percentage.

19 **CHAIRMAN BOISSIERE:** Yeah, I think Commissioner Campbell's correct
20 because not only would he like to know it but others would, too, so it's important
21 to give as much accurate information in this case as possible. And so we have a
22 motion and a second, right?

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

1 **CHAIRMAN BOISSIERE:** Any opposition? [NONE HEARD] Hearing none,
2 so ordered. Next. I'm sorry, I'm sorry. Wait, wait, wait. Let me not move too
3 quickly. Commissioner Francis.

4 **COMMISSIONER FRANCIS:** I just want to say, most of this area if not all of
5 it's in my district, and in particular in Acadia Parish where I live and we do a lot
6 of work down in Iberia Parish. The service has been very good, very reliable,
7 good water, and we've got a new, larger prospect possibly coming up in Iberia
8 Parish where we'll need their help in expanding their services, so I'll give them
9 good marks on their reliability.

10 **CHAIRMAN BOISSIERE:** Thank you, Commissioner Francis. So I think we
11 have a motion and a second.

12 **MS. BOWMAN:** We do.

13 **CHAIRMAN BOISSIERE:** No opposition.

14 **MS. BOWMAN:** We don't.

15 **CHAIRMAN BOISSIERE:** Next item, please.

16 **MS. BOWMAN:** Exhibit Number 10 is Docket Number U-36349. This is
17 Southwestern Electric Power Company's application for approval of a short-term
18 natural gas Capacity Purchase Agreement. It's a discussion and possible vote
19 pursuant to Rule 57 on an uncontested stipulated settlement at the request of
20 Commissioner Campbell. On April 29, 2022, SWEPCO filed its application and
21 notice of the application was published in the Commission's Official Bulletin,
22 with no interventions received. In the application, SWEPCO indicated that it has
23 a capacity need beginning in 2023 driven by the retirement of existing SWEPCO

1 generation. SWEPCO seeks certification of a short-term natural gas capacity
2 purchase agreement with Oneta Power for 250 megawatts to provide its customers
3 with reasonably priced natural gas capacity at a fixed price, and to provide needed
4 bridge capacity as SWEPCO moves to further diversify its generation portfolio.
5 SWEPCO also requested inclusion of the PPA costs in its FAC. After discovery
6 and the filing of testimony, SWEPCO and Staff filed an unopposed joint motion
7 for expedited approval pursuant to Rule 57 of the uncontested joint stipulation
8 term sheet and to continue the hearing without date on November 30, 2022. In
9 the settlement term sheet, SWEPCO and Staff agree that SWEPCO's application
10 for certification of the PPA is in the public interest, consistent with the
11 Commission's General Order dated September 20, 1983, and complies with the
12 Commission's MBM Order. The PPA provides SWEPCO customers with natural
13 gas capacity with a term from June 1, 2023 through May 31, 2024. The
14 settlement further provides that, due to the short duration of the PPA, the
15 Commission Staff is not opposed to SWEPCO's request for inclusion of the PPA
16 costs in its FAC. Staff recommends that: 1) The Commission assert its original
17 and primary jurisdiction to take this matter up under Rule 57; and 2) That the
18 Commission accept the uncontested stipulated settlement filed into the record on
19 November 30, 2022. So this will need two separate votes.

20 **COMMISSIONER CAMPBELL:** I will make a motion to bring this up under
21 Rule 57.

22 **MS. BOWMAN:** A motion by Commissioner Skrmetta.

23 **COMMISSIONER FRANCIS:** Second.

1 **CHAIRMAN BOISSIERE:** Moved by Commissioner --

2 **MS. BOWMAN:** Excuse me, Campbell.

3 **CHAIRMAN BOISSIERE:** Yeah, yeah, what happened there?

4 **MS. BOWMAN:** I don't know, I'm tripping up.

5 **CHAIRMAN BOISSIERE:** I knew who it was. I was going to say, moved by

6 Commissioner Campbell, second by Commissioner Francis. Do we have any

7 other discussion on this? Commissioner Campbell, do you have any discussion

8 on this one?

9 **COMMISSIONER CAMPBELL:** I make a motion we accept Staff

10 recommendation.

11 **CHAIRMAN BOISSIERE:** Great. It's moved and seconded. Any opposition?

12 [NONE HEARD] Hearing none, so ordered. But wait, that's Rule 57. So now he

13 made a second motion, so the Chair will second it. Moved by Commissioner

14 Campbell, second by the Chair to pass the item. Any opposition? [NONE

15 HEARD] Hearing none, so ordered. Thank you. Thanks for catching me there. I

16 was squeezing two votes into one vote there.

17 **MS. BOWMAN:** You were trying. Exhibit Number 11 is Docket Number U-

18 36380. This is Utilities, Inc. of Louisiana's 2021 formula rate plan annual report.

19 It's a discussion and possible vote on a joint report. UIL filed its annual formula

20 rate plan report for test year ending December 31, 2021 on May 31, 2022, in

21 compliance with Commission Order Number U-36003. Notice of this annual

22 report was published in the Commission's Official Bulletin with no intervenors.

23 UIL's FRP provides for an ROE rate bandwidth of 9 to 10 percent, and should the

1 ROE fall above or below that bandwidth, UIL is permitted under the FRP to reset
2 rates to the midpoint of 9.5. In its 2021 FRP annual report, UIL requested an
3 increase in water revenues of \$1,464,115 and an increase in wastewater revenues
4 of \$475,397, for a total revenue increase of \$1,939,512. Staff conducted its
5 review of the annual report, and filed its report and recommendation on
6 November 4, 2022 setting forth its adjustments and findings. Staff's examination
7 resulted in adjustments to the allocation percentages between water and
8 wastewater in regards to annualized compensation and related benefits. Staff's
9 recommendation was for a total revenue increase of \$1,871,366, which is an
10 overall decrease in the request of \$68,146. As there are no unresolved issues,
11 Staff recommends that the Commission accept the joint report filed into the record
12 of December 1, 2022.

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

14 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, second by the
15 Chair. Any opposition? [NONE HEARD] Hearing none, so ordered. Next one,
16 please.

17 **MS. BOWMAN:** Exhibit Number 12 is Docket Number U-36581. This is Dyno
18 Nobel and Duke Energy One's joint petition for jurisdictional determination. It's
19 a discussion and possible vote pursuant to Rule 57 on Staff's recommendation and
20 draft order, so this will also need two votes. On November 7, 2022, Dyno Nobel
21 and Duke Energy One filed a joint petition for jurisdictional determination
22 requesting the Commission declare that a proposed project would not render the
23 petitioners, either individually or collectively, a public utility or an electric public

1 utility as those terms are used or defined in the Constitution and the Revised
2 Statutes. The proposed project is a bottoming cycle electric co-generation facility
3 utilizing waste heat from Dyno Nobel's ammonia manufacturing process to fuel a
4 steam turbine generator capable of generating up to 20 megawatts. Notice of the
5 joint petition was published in the Commission's Official Bulletin and Entergy
6 Louisiana filed a petition of intervention on November 18, 2022. Dyno Nobel
7 currently obtains its electric utility services from Entergy, with a current electric
8 load of up to 10 megawatts, and recently in an effort to reduce its overall
9 greenhouse gas production, Dyno Nobel began a study for carbon capture facility
10 at the company's Waggaman site, which, if built, would decarbonize the ammonia
11 production at the site. The facility is expected to require up to 15 megawatts of
12 electric power. The proposed project would allow Dyno Nobel to self-generate its
13 electric power requirements while still purchasing supplemental power needs and
14 standby and maintenance power from Entergy. The petition indicates that Dyno
15 Nobel will enter into a master service and lease agreement with Duke Energy One
16 for the construction, lease, operation, and maintenance of the project, with Dyno
17 Nobel leasing the entirety of the electric energy generated from the project.
18 Further, Dyno Nobel anticipates certifying the project as a qualifying co-
19 generation facility within the meaning of Section 2.10 of PURPA and anticipates
20 doing so prior to commercial operation of the co-generation unit. Staff reviewed
21 petitioners' filing, applicable law, conducted informal discovery, and had
22 conversations with counsel for petitioners as well as for Entergy, and based
23 thereon, Staff filed a recommendation and draft order on December 5, 2022.

1 Therein, Staff found and recommended the Commission find that the project as
2 described in the joint petition and herein does not render Dyno Nobel, Duke
3 Energy, and/or the project, either individually or collectively, a public utility or an
4 electric public utility under state law, subject to conditions contained in Staff's
5 recommendation. Entergy has indicated its non-opposition to the project, and as
6 such, Staff recommends the Commission's Order issued in this docket be
7 effective immediately, consistent with Staff's recommendation and draft order.
8 Staff specifically recommends the following motion: Based upon representations
9 of fact and law set forth in the joint petition, the Commission finds and confirms
10 that the financing, construction, ownership, lease, and operation and maintenance,
11 power and steam transfers, and any and all interests, whether arising from
12 investment, ownership, lease, mortgage, or assignment, as described in the joint
13 petition, in and/or related to the project will not render Dyno Nobel, Duke, and/or
14 the project, either individually or collectively, a public utility or an electric public
15 utility, as those terms are defined in Section 21 of Article 4 of the Louisiana
16 Constitution of 1974, Louisiana Revised Statute 45:121, 1161, or 1164, or
17 otherwise subject the petitioners or the project to regulation as a public utility or
18 an electric public utility by the Commission, pursuant to the Louisiana
19 Constitution or relevant statutes, Commission rule, order, regulation, or practice.
20 Staff recommends that the Commission: 1) Assert its original and primary
21 jurisdiction to take the matter up under Rule 57; and 2) Accept the Staff
22 recommendation and draft order filed into the record on December 5, 2022. And

1 we do have a few folks here who are willing to speak, if any of the
2 Commissioners have questions.

3 **COMMISSIONER FRANCIS:** Yes. I'd like for them to come up if you don't
4 mind.

5 **CHAIRMAN BOISSIERE:** Please. Commissioner Francis, can you invite the
6 parties up that you wish to come up?

7 **COMMISSIONER FRANCIS:** Yeah.

8 **MS. BOWMAN:** Yeah, y'all can come on up.

9 **COMMISSIONER FRANCIS:** Do they have to say who they are and all that?
10 They have cards? You have cards for them?

11 **MS. BOWMAN:** Yes, sir. I have cards for those that are wanting to speak. And
12 just please, for the record, introduce yourself before speaking and in order to turn
13 the mic on, it's the little button, and just make sure the light is on green before
14 speaking.

15 **COMMISSIONER FRANCIS:** I don't know who's going to answer my
16 questions, but --

17 **MS. BOWMAN:** Whichever one you want.

18 **COMMISSIONER FRANCIS:** We'll just say -- well, I'm not sure who has the
19 answer, but let's start out by Dyno Nobel.

20 **CHAIRMAN BOISSIERE:** If you don't mind me -- how about if we let them
21 introduce themselves to get started.

22 **COMMISSIONER FRANCIS:** Okay. Good. Chairman.

1 **CHAIRMAN BOISSIERE:** Can we get everyone's introduction? Mr. Gordon,
2 would you please start off for us?

3 **MR. GORDON POLOZOLA:** Commissioner, thank you. Gordon Polozola
4 with Kean Miller Law Firm on behalf of Duke Energy. With me today is Pieter
5 Haverkamp with Dyno Nobel, Kim Weaver with Duke Energy, Chris Lesmes
6 with Duke Energy, and Freddie Gardner with Duke Energy as well, and we
7 appreciate the opportunity to address you today.

8 **COMMISSIONER FRANCIS:** So we got three Duke's and a Dyno Nobel? Is
9 that a public company, Dyno Nobel? It's a public company on the New York
10 Stock Exchange? Okay.

11 **MR. PIETER HAVERKAMP:** It's an international company.

12 **COMMISSIONER FRANCIS:** Okay.

13 **MR. HAVERKAMP:** It's explosives and fertilizer.

14 **COMMISSIONER FRANCIS:** We're talking about a steam turbine generator.
15 Your plant produces ammonia manufactured in Waggaman; is that right?
16 Where's Waggaman, Louisiana?

17 **MR. HAVERKAMP:** Jefferson Parish, so.

18 **COMMISSIONER FRANCIS:** Okay. All right.

19 **CHAIRMAN BOISSIERE:** In the lovely District 3, Commissioner Francis.

20 **COMMISSIONER FRANCIS:** That's right, that's in our Chairman's district,
21 there. I'm sure he's proud of y'all. You're going to build a steam turbine
22 generator. How much money are you going to spend on this project?

1 **MR. HAVERKAMP:** Roughly -- I think I've roll it to about \$53 million. The
2 turbine's part of that.

3 **MS. BOWMAN:** And sir, for the record, can you introduce yourself?

4 **MR. HAVERKAMP:** Sorry, Pieter Havencamp, Dyno Nobel.

5 **MS. BOWMAN:** Thank you.

6 **COMMISSIONER FRANCIS:** Are you the manager at Dyno?

7 **MR. HAVERKAMP:** Yeah, I'm the Vice President for Special Projects for
8 North America, so.

9 **COMMISSIONER FRANCIS:** Oh, really. Wow. Do you live in New
10 Orleans?

11 **MR. HAVERKAMP:** I do. I've got the pleasure of living there.

12 **COMMISSIONER FRANCIS:** You need to work on that accent, you know.
13 Some of them say New Orleans, its Nawlins, that's the way you say that. Let's
14 see. Now, your -- right now, your lights are being powered by Entergy, right?

15 **MR. HAVERKAMP:** Correct, yeah.

16 **COMMISSIONER FRANCIS:** So you're going to produce some of your own
17 electricity, but you're not going to sell any to anybody else, just for you?

18 **MR. HAVERKAMP:** No, certainly not.

19 **COMMISSIONER FRANCIS:** Fifteen megawatts. Okay. Well, I'm glad to
20 see anybody spending money in Louisiana. It's going to create a few jobs. It
21 shows that you like it here, you're going to expand. Thank you for coming. Let's
22 see. I think that's -- and of course, you hired Gordon as your attorney. He knows
23 what he's doing around here. We have a lot of confidence that he's -- he's always

1 shoots straight with us, so. We welcome your expansion. I'll sure support it.
2 Thank you.

3 **MR. HAVERKAMP:** Thank you for your support.

4 **CHAIRMAN BOISSIERE:** Any further questions? Thank you for investing in
5 District 3. I look forward to the more growth and industry and jobs that are
6 coming in and also your self-sufficiency of managing your electricity. Very good.
7 Thank you, Gordon. Thank everyone for coming and answering our questions.
8 Thank you so much. That's it.

9 **MS. BOWMAN:** So we'll entertain a motion to take this matter up under Rule
10 57.

11 **COMMISSIONER FRANCIS:** Motion to take it up Rule 57, Chairman.

12 **COMMISSIONER GREENE:** Second.

13 **CHAIRMAN BOISSIERE:** Moved by Commissioner Francis, second by
14 Commissioner Greene to hear the matter under Rule 57. Do we need also a
15 motion to pass?

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

17 **CHAIRMAN BOISSIERE:** I need a motion, gentlemen.

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

19 **CHAIRMAN BOISSIERE:** Motion to accept by Commissioner Greene and the
20 Chair will second it. Any opposition? [NONE HEARD] Hearing none, so
21 ordered. Next one.

22 **MS. BOWMAN:** Exhibit Number 13 is Docket Number U-36582. This is Cleco
23 Power's formula rate plan annual earnings monitoring report for the 12 months

1 ending June 30, 2022. It's a discussion and possible vote to retain UPC. UPC
2 was retained at the April 2019 B&E to assist Staff with Cleco Power's rate
3 proceeding, which included a request for approval of a three-year renewal of the
4 company's formula rate plan. When UPC was retained, Staff inadvertently did
5 not include the FRP annual report reviews within the scope of services. Cleco has
6 now filed its first FRP annual report, pursuant to Order Number U-35299, which
7 has been docketed as Docket Number U-36582. Given UPC's retention on the
8 underlying rate case that resulted in the approval of Cleco Power's formula rate
9 plan, it's Staff's opinion that a solicitation to UPC to review Cleco Power's
10 annual report is warranted as the annual reviews are substantially related by
11 common factual, legal, and regulatory issues that were considered in Docket
12 Number U-35299. Further, Staff historically retains one consultant to assist in the
13 rate case reviews as well as any annual reviews that result from a rate proceeding.
14 In response to Staff's solicitation, UPC provided a not to exceed budget of
15 400,000 in fees and 10,000 in expenses for a total budget not to exceed of
16 410,000. This budget encompassed the entire scope of work, including
17 anticipated contested hearings in each of the three years of the three-year term.
18 Given the uncertainty of whether contested hearings would occur, UPC also
19 provided an estimate of \$50,000 per test year if there are no disputed issues, or a
20 total not to exceed budget of 150,000 in fees and 10,000 in expenses. Staff
21 recommends that the Commission retain UPC for 150,000 in fees and 10,000 in
22 expenses, for a total not to exceed budget of 160,000, recognizing the potential

1 need to seek additional budget should any or all of the test years have contested
2 issues.

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

4 **CHAIRMAN BOISSIERE:** Commissioner Campbell.

5 **COMMISSIONER CAMPBELL:** Did y'all -- we ask for anybody else?

6 **MS. BOWMAN:** The original was an RFP that UPC won. Typically, when
7 those RFPs go out, the scope of services in those include any of the annual
8 reviews that result from the rate case. For whatever reason, this scope of services
9 did not include that and we caught it when Cleco came in for its first annual report
10 filing.

11 **COMMISSIONER CAMPBELL:** So they won it for how much money?

12 **MS. BOWMAN:** So its uncertainty in the sense of whether these would be
13 contested or not, so UPC gave a total budget, but what Staff's recommending is to
14 hire them at -- assuming there is no contested issues, which is 50,000 a year, or a
15 total of 150 in fees and 10,000 in expenses, for a total budget of 160.

16 **COMMISSIONER CAMPBELL:** But they want 410,000?

17 **MS. BOWMAN:** That would be if you want to assume that every single year
18 was contested.

19 **COMMISSIONER CAMPBELL:** So what's the vote, 160 or 410?

20 **MS. BOWMAN:** Staff recommends 160, but if the Commission wishes to, you
21 know, take out any unknown and uncertainties and do the 400, they have the right
22 to do so.

23 **COMMISSIONER GREENE:** So is the vote for 160?

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

2 **COMMISSIONER GREENE:** And so if it were to ever get to the 410, would
3 we have another vote?

4 **MS. BOWMAN:** Correct. So if any of the three test years -- if Cleco opposed
5 Staff's recommendation in any of those test years or someone intervened and the
6 docket became contested, UPC would have to give us another budget, which
7 would have to come before you to get approval for.

8 **COMMISSIONER GREENE:** I'm seeing a pattern where you put in a low bid
9 and then they realize there's more work and then we just have to approve what's
10 already started.

11 **MS. BOWMAN:** So this one was on Staff.

12 **COMMISSIONER GREENE:** Okay.

13 **MS. BOWMAN:** So when Staff did the original request for proposal for the rate
14 case that Cleco came in for and got approved, typically if the rate case asked for
15 approval of a formula rate plan, Staff's scope of services for the consultant is the
16 rate case itself plus whatever the annual report review would be for the formula
17 rate plan, should the Commission approve it. This one, it -- the scope of services
18 inadvertently did not have that in there so this isn't on a lowball bid of a
19 consultant, this was something that Staff just inadvertently didn't include in the
20 RFP and now we need a consultant to review the annual report.

21 **COMMISSIONER FRANCIS:** Kathryn.

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

1 **COMMISSIONER FRANCIS:** Inadvertently, that word doesn't sound good,
2 inadvertently. What was the original price on the UPC RFP follow up?

3 **MS. BOWMAN:** That's a good question, Commissioner, that I don't have the
4 answer for.

5 **COMMISSIONER FRANCIS:** UPC is there, they'd probably know. Lane's
6 here somewhere, hiding out back there? What was the original bid, do you
7 remember?

8 **MS. BOWMAN:** Off the top of my head, Commissioner, I don't know what the
9 original bid was.

10 **MR. LANE SISUNG:** Lane Sisung, United Professionals Company, LLC.
11 Unfortunately, Commissioner, that one I don't recall. It was a rate case that was
12 filed quite some time ago and then during the [INAUDIBLE] of the rate case,
13 there was the hurricane happened and the COVID happened and there were
14 additions of scope to that case for that, and so I just don't remember what the
15 original bid was.

16 **COMMISSIONER FRANCIS:** So if you'd have the right scope, you'd have bid
17 that in the price.

18 **MR. SISUNG:** Yes. We typically bid some extra fees, so we just didn't have
19 that information when we were given the scope.

20 **COMMISSIONER FRANCIS:** Okay.

21 **SECRETARY FREY:** And just to circle on that point, Commissioner, when we
22 used to issue RFPs for rate cases that had formula rate plans, we'd issue for that
23 and we'd issue one later, and it didn't really make sense to have someone who

1 wrote the formula rate plan handle the rate case and then hire a different
2 consultant to do the annual reviews because they've got knowledge built in, so we
3 do the RFPs all encompassing, as Kathryn said. That just didn't make it in this
4 one, but that would be the standard procedure.

5 **COMMISSIONER FRANCIS:** Yeah, I agree. That's the way the real business
6 world does it, they wouldn't do that, so we need to be more like them, less
7 political. Okay. All righty. So we'll just have to choke that down. We could
8 have three 150 pops, if possible?

9 **MS. BOWMAN:** No, sir. We would have -- it would either be a total of 150 --
10 excuse me, a total of 160 today and that would be to review all three annual
11 reports and no contested issues come up.

12 **COMMISSIONER FRANCIS:** Okay.

13 **MS. BOWMAN:** And that's the way Staff recommends we go because normally,
14 these are not -- these don't result in contested issues. For the uncertainty and the
15 contingency of if you want to, say, plan for all three years to have contested issues
16 where they have to go in front of our judges and go through a full blown hearing
17 process, that's where the proposed budget of 410 comes in.

18 **COMMISSIONER FRANCIS:** All right.

19 **MS. BOWMAN:** And so given the track record, we don't think we need to take
20 that uncertainty today, the risk of that uncertainty today, and we would
21 recommend voting for the 160.

22 **COMMISSIONER FRANCIS:** Okay. All right. All right. Thank you.

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

1 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene. I think there's
2 comments by Commissioner Campbell.

3 **COMMISSIONER CAMPBELL:** Hey, this is what I was talking about a while
4 ago. This is what I was talking about a while ago. You're giving him 160,000 or
5 whatever, but if it's going to be more, you come back. Well, that makes sense.
6 What doesn't make sense is you don't know about this until when you get one
7 that says you owe 700,000; you know what I mean? If you keep up with what's
8 going on, you let us know, now, this thing's moving up, we're in court now, we're
9 in court, now they're going to want a bunch of money here. Then it's fine. That's
10 fine, but what you're doing here makes sense. You say we're giving 160 and if
11 it's going to cost more, we'll let you know, you'll get to vote on it. But you don't
12 get to vote on the other one, it's like it or leave it, lump it, whatever you want to
13 call it, 700, and I'm not saying they don't deserve it because I understand how
14 great they are. I understand. So now we're fixing to say 700,000 and we didn't,
15 you know, maybe I'm the only one that didn't know but I'd just like to know as
16 gradually these things go up, y'all ought to tell us that. And the way you're doing
17 this deal makes sense, you know.

18 **SECRETARY FREY:** You're talking about the next one coming up after this
19 one?

20 **COMMISSIONER CAMPBELL:** Yeah.

21 **SECRETARY FREY:** Yeah. Okay. And I think there's some reasons for that,
22 Commissioner, but we'll hear from that one in a minute.

23 **COMMISSIONER CAMPBELL:** I know the reason.

1 **CHAIRMAN BOISSIERE:** Are we ready for the next one?

2 **SECRETARY FREY:** We have a motion --

3 **MS. BOWMAN:** Well, we have a motion by Commissioner Greene.

4 **CHAIRMAN BOISSIERE:** Second by the Chair. Any opposition? [NONE
5 HEARD] Hearing none, so ordered. Let's move on.

6 **MS. BOWMAN:** So Exhibit Number 14 is FERC Docket Number EL20-72. It's
7 Louisiana Public Service Commission versus System Energy Resources. It's a
8 discussion and possible vote on a budget increase for Stone Pigman and United
9 Professionals Company due to an expansion in scope. There is also the potential
10 for an executive session to discuss litigation strategy pursuant to Revised Statute
11 42:16 et seq. So at the June 2020 B&E, the Commission retained Stone Pigman
12 to assist in a complaint against SERI regarding its Unit Power Sales Agreement.
13 As indicated when the original budgets were approved, FERC proceedings are
14 difficult to estimate because they are dependent on when and how the FERC sets
15 the matter for hearing and how the defense is conducted. EL20-72 has been one
16 that is difficult to estimate with prior estimates being incorrect. The hearing for
17 EL20-72 began September 13, 2022 and was scheduled for three weeks. The
18 hearing is still ongoing as of last week and is ongoing now. This unforeseeable
19 extension, as well as new positions taken by SERI throughout the docket,
20 including as late as during the trial, have required extensive and unforeseen effort
21 by Stone Pigman and UPC. The effort was not contemplated in the prior budget
22 estimates provided for by Stone Pigman and UPC as that work was not
23 contemplated. Given this, Stone Pigman and UPC provided revised budget

1 estimates for the remainder of 2022 and to cover the expenses already incurred.
2 Stone Pigman estimates an additional budget of 597,000 in fees and 112,000 in
3 expenses for a total budget of \$709,000. And UPC estimates an additional budget
4 of 25,000 in fees and 30,000 in expenses for a total budget not to exceed of
5 \$55,000. Staff recommends that the Commission approve the budget increase for
6 Stone Pigman and for UPC, as indicated. And we do not have to have an
7 executive session. However, if the Commission would like one, we could do that
8 as well.

9 **SECRETARY FREY:** And that would be to get an update on the case, which --

10 **MS. BOWMAN:** Correct. Not to discuss --

11 **CHAIRMAN BOISSIERE:** Would we want to do it now or at the end?

12 **SECRETARY FREY:** I'd say at the end, if we're going to do executive session.

13 **MS. BOWMAN:** I would recommend the end.

14 **SECRETARY FREY:** We still need to vote on the budget outside of executive
15 session, but if you want to get into specifics of what's going on in the case, which
16 I think is close to being finished.

17 **CHAIRMAN BOISSIERE:** Okay.

18 **COMMISSIONER FRANCIS:** I understand the case.

19 **CHAIRMAN BOISSIERE:** We can address that near the end, if you like as we
20 get there.

21 **MS. BOWMAN:** Yes. We can take this matter back up for executive session.

22 **CHAIRMAN BOISSIERE:** We may have to do that for the executive session
23 portion of it. So on the -- I'm looking for a motion on the item itself.

1 **COMMISSIONER SKRMETTA:** I move to accept.

2 **CHAIRMAN BOISSIERE:** Can I get a second, gentlemen?

3 **COMMISSIONER FRANCIS:** Second.

4 **CHAIRMAN BOISSIERE:** Moved by Commissioner Skrmetta, second by
5 Commissioner Francis. Any opposition?

6 **COMMISSIONER CAMPBELL:** I want to talk about it a little bit.

7 **CHAIRMAN BOISSIERE:** Okay. Commissioner Campbell.

8 **COMMISSIONER CAMPBELL:** This troubles me and I've already said it.
9 This is the people's money. So is the people -- you know, the tragedy here, you
10 go to Washington and we spend 700,000. That's not all we're spending, we paid
11 for those other people, too. It all comes out of the people's pocket. So how much
12 are you spending -- Dana, where's Mr. Fontham, is he here?

13 **MS. BOWMAN:** Mr. Fotham's still at the trial.

14 **COMMISSIONER CAMPBELL:** He's where?

15 **SECRETARY FREY:** It's still -- the trial's still going on.

16 **MS. BOWMAN:** The trial's still going on, so he's in D.C.

17 **COMMISSIONER CAMPBELL:** How much money have the other people
18 charged us so far -- have they charged the people so far?

19 **CHAIRMAN BOISSIERE:** Let me start off, please state your name for the
20 record and sign in, if you don't mind, please.

21 **MS. DANA SHELTON:** Yes. Good morning, Commissioners. Dana Shelton
22 from the law firm of Stone Pigman. Commissioner Campbell, to address your
23 question, we have data that shows that Entergy and the subcomponents of Entergy

1 that are involved in this litigation have spent almost \$9 million so far in this
2 litigation. So those are costs that are passed on to the ratepayers and Louisiana
3 ratepayers get a portion of that.

4 **COMMISSIONER CAMPBELL:** Yeah. How much have y'all charged so far?

5 **MS. SHELTON:** Well, with this -- if this budget request is granted, I think our
6 costs -- fees and costs would be approaching \$2.2 million. I mean, I know that's a
7 lot of money, and we are very mindful of that and how much that costs, but, you
8 know, this is very extensive litigation and this is a lot of money that would go and
9 benefits that would go to ratepayers as a result of this. Just to remind you and the
10 other Commissioners of the background of this, this complaint arose from a prior
11 complaint that we handled for the Commission at the FERC. That complaint has
12 so far has garnered a judgment that's worth over \$500 million in refunds. That's
13 a judge decision that is now pending before the FERC and could be ruled on as
14 early as today by the FERC. The judge in that case identified a bunch of other
15 issues that had to be raised by subsequent complaints.

16 **COMMISSIONER CAMPBELL:** How close are -- how long has this case been
17 going on?

18 **MS. SHELTON:** We filed the complaint after we were directed to do so in June
19 of 2020.

20 **COMMISSIONER CAMPBELL:** It's been going on.

21 **MS. SHELTON:** That was September was when we filed the complaint. The
22 hearing started in September of this year, was scheduled for three weeks, but, as it
23 turned out, the hearing has lasted for 13 weeks now. Tomorrow will be the 52nd

1 and we now think the last day of hearing. There is no possible way we could have
2 anticipated the hearing going on for as long as it did. You know, we've
3 responded and we've continued to represent the ratepayers, you know, with all of
4 our skill and work for those refunds that we're going for and continue to handle
5 the case, even though we do realize we were going beyond the budget limits, but
6 we're in the middle of the case and, you know, no choice but to continue to work
7 and then inform the Commission at the earliest time.

8 **COMMISSIONER CAMPBELL:** So Entergy has no -- you don't feel like they
9 have any inclination to settle this, right?

10 **MS. SHELTON:** Well, they settled -- if you'll recall, they did settle a portion of
11 the case. They offered us a partial settlement which we brought to you in
12 September of this year.

13 **COMMISSIONER CAMPBELL:** And we didn't take it?

14 **MS. SHELTON:** We did take it. We took that partial settlement and that with --
15 under that settlement, ratepayers will get 20 million in refunds and that's some of
16 the issues that you, yourself raised, Commissioner with regard to corporate
17 aircraft travel and executive incentive compensation. Some of the issues you
18 brought up were discussed.

19 **COMMISSIONER CAMPBELL:** No. You told me and I brought them up, but
20 I'm real glad because I want to give you a crown because you're the one that
21 exposed that. It was foolishness and I say that man resigned on account of it
22 because it was absolutely nuts for him to be on a vacation when his company was
23 in the peril they were in. I appreciate you telling me that, and I'm glad I brought

1 it up because the people need to know that. And that was -- you're worth --
2 whatever they pay you, you're worked for that because that helped a lot.

3 **MS. SHELTON:** And that settlement that we entered into, that more than covers
4 many times over the legal fees in the case and that was just a very small portion of
5 this case. There continues to be over 500 million, 600 million, we're talking
6 about hundreds of millions of dollars at stake in this case, so, I mean, Entergy
7 calls this bet-the-company style litigation. They've hired 18 witnesses and
8 they've filed testimony from 18 witnesses that we have 3 lawyers working on the
9 case at Stone Pigman and we've had to handle all of those witnesses. And
10 they've hired consultants and experts from outside the company, are using a
11 bunch of people from inside the company, so they consider this bet-the-company
12 litigation and we have been, you know, handling that.

13 **COMMISSIONER CAMPBELL:** Well, I appreciate you coming up. Listen,
14 I'm going to vote for it, but you just -- I just hear these numbers like 700,000 for
15 lawyers, you know, like it ain't no big deal, but it's a hell of a big deal and you're
16 telling me they're -- how much have they spent on their lawyers, 10 million or
17 something like that. Well, it all goes back to that little person up there at Plain
18 Dealing, Louisiana, that's who gets to pay it.

19 **MS. SHELTON:** I understand that.

20 **COMMISSIONER CAMPBELL:** And I appreciate you pulling the lid off of it.
21 Some of the things that people need to hear because people get arrogant and they
22 get used to eating big steaks and flying in jets and, you know, all of a sudden the
23 rates go up and people raise hell. But anyway, I'm going to vote for it, but I sure

1 want you to do one thing for me, and Brandon, I wish y'all would listen to this. If
2 you see these things are going to be increasing like 700,000, if it's just me, break
3 the news, would you? Say, hey, they're in there two more months and it would be
4 nice to know that. I'm not going to pull the cord on you and say I'm not voting
5 for it. Anyway, but I just -- 700 here, 600 here, before long you're talking about
6 money, you know. But I'm voting for it but I want to know more about these
7 things, how much it's costing, okay?

8 **MS. SHELTON:** Yes, sir. And thank you very much to Commissioner Boissiere
9 and the other Commissioners for being such great partners in this important work
10 we've been doing for ratepayers at the FERC.

11 **COMMISSIONER CAMPBELL:** Hey, thanks for that information, too, hear.

12 **CHAIRMAN BOISSIERE:** Let me ask you a question, if you don't mind. I just
13 want to kind of sum up, if you will, to make it easy to understand here. This case
14 has given us at least a partial settlement. Do you remember how much the
15 settlement was? Twenty?

16 **MS. SHELTON:** Twenty million dollars and Louisiana gets about five to six
17 million dollars out of that and then, of course, the city of New Orleans would get,
18 I don't know, another ten maybe out of that. So overall, it's, you know, a good
19 deal for Louisiana right there.

20 **CHAIRMAN BOISSIERE:** That's the settlement so far?

21 **MS. SHELTON:** Correct. And then there's some, going forward -- that's
22 refunds and there's some going forward rate reductions, the results of that

1 settlement so far that'll be, you know, over time, more millions to be saved by
2 Louisiana ratepayers, Louisiana and New Orleans ratepayers.

3 **CHAIRMAN BOISSIERE:** And this whole complaint came from a previous
4 complaint that netted approximately 500 million?

5 **MS. SHELTON:** It could. I mean, we have a judgment -- a judge's judgment
6 that gives us that much. We're waiting on the FERC to act and fingers crossed,
7 FERC will act today and it will be good news. We shall see.

8 **CHAIRMAN BOISSIERE:** Okay. So, again, we don't know the outcome, but
9 as we discuss these numbers and these salary increases and these fees to increase
10 the work of our experts and lawyers, it's important to know what's at risk and
11 what the benefit is, for people to understand. These numbers sound like big
12 numbers, 700,000, I hear stuff like that, of course. But we're ultimately, there's a
13 potential for \$500 million or \$20 million here, so in many ways, the case -- being
14 successful in this case has a huge upside to the ratepayer, more than just the cost
15 of the services and employment of the attorneys and experts in this case. It's --
16 we find it to be worth the investment. Like Foster said, you're worth your money
17 for sure.

18 **MS. SHELTON:** Thank you very much. And we do work because of, you
19 know, some of the concerns the Commissioners have addressed previously, at
20 discounted rates in comparison to the utility counterpart, so we like to think the
21 ratepayers are getting their money's worth, our costs versus, you know, the
22 money we hopefully will save them.

1 **CHAIRMAN BOISSIERE:** Yeah, and I just wanted to kind of sum it up that
2 way because some people will hear part of it and not digest the whole amount that
3 we can truly benefit, from spending a small -- relatively small amount of money
4 in comparison to the benefit. That's all I wanted to highlight. So thank you so
5 much and thank you for -- and it's been a pleasure working with you. And
6 Mike's not here?

7 **MS. SHELTON:** No. Mr. Fontham is still in D.C. in the hearing right now
8 which continues, but I can report the last day will be tomorrow, so it is coming to
9 a close tomorrow, but that is where he is today.

10 **CHAIRMAN BOISSIERE:** Well, I didn't have to see him on my last day, that's
11 good, but give him my regard and thank you for all your hard work. Thank you,
12 Dana.

13 **COMMISSIONER FRANCIS:** Chairman.

14 **MS. SHELTON:** Thank you.

15 **CHAIRMAN BOISSIERE:** Commissioner Francis, please.

16 **COMMISSIONER FRANCIS:** Ms. Shelton, if you were speaking to a
17 constituent from Plain Dealing, Louisiana, you know, how would you explain the
18 fact that your attorney fees by your competition are four times what yours are?
19 How do you explain that, your bids outspent four-to-one on attorneys by your
20 competition? What's the deal there? I don't understand that.

21 **COMMISSIONER CAMPBELL:** Let me explain it. I said it, I can explain it.

22 **MS. SHELTON:** Go for it.

1 **COMMISSIONER FRANCIS:** I'm from Plain Dealing, now, keep it simple,
2 hear.

3 **COMMISSIONER CAMPBELL:** All the bills, Mr. Francis, I'm glad you
4 brought that up.

5 **COMMISSIONER FRANCIS:** All right.

6 **COMMISSIONER CAMPBELL:** I'm glad you brought that up. I got a good
7 joke to tell you about that one time.

8 **COMMISSIONER FRANCIS:** Okay.

9 **COMMISSIONER CAMPBELL:** But all these bills, they're compiled, and
10 guess who pays for them? The ratepayers. So that's how they pay for it. They
11 pay for your salary, all the charges, all the charges up there in Washington, where
12 you sleep, how you get there, it all goes in a pile and it's split up and the people
13 pay for it. You know, I got a joke I wanted to tell you about that, if you just give
14 me one second. This actually happened. This was in a union hall in Houston,
15 Texas, when they were building everything down there, it was a boom. And there
16 was a guy, the business agent, that's the guy that runs the union, his name was
17 Johnny Nims. Now I'm going to describe Johnny Nims for you. He was 6'4", he
18 weighed about 155 to 160 pounds, he had shoe polish black hair, and he wore
19 western suits and cowboy boots with steel toes; you got it?

20 **MS. SHELTON:** Got it.

21 **COMMISSIONER CAMPBELL:** So it's 300 people there and Johnny Nims,
22 he was the union representative; this is fact. A guy got up in the back, said
23 Johnny Nims, you and your sorry so-and-so daddy, you all have broke everybody,

1 all the working people in south Texas, your crooked dice games, all them damned
2 horse races. And this was in a room of 300, you no good so and so, so and so.
3 Johnny Nims said, ahem, ahem, I'm glad you brought that up. God knows I love
4 each and every one of you. That's the way you handle it. So I'm glad you
5 brought that up, Mr. Francis. It all goes in a pile, we pay for it. We pay for her
6 and we pay for everything. That's our job here is to make sure that this money is
7 watched after, that's what we do. So the people in Plain Dealing, the people in
8 Bogalusa, Lake Providence, they all pay for that. And that's what we're
9 struggling every time to reduce these rates. So that's it.

10 **MS. SHELTON:** And I would also respond, that is one of the issues we raised,
11 Commissioner Francis. I would explain, it's not a fair system because the utility
12 can spend whatever they want on these costs and there's no oversight., Whereas
13 when we're hired by the Commission, we come here, it's a matter of public record
14 that keeps our costs down. The utility gets to hire whoever they want. We've
15 made that claim and the case is pending here. Entergy would not settle that, so we
16 have that and will be pending before this judge that it's not a fair system when the
17 utility can hire whoever they want and pass all those costs through. And we're
18 limited, we're cost capped, so we'll see what they do with that. But I think in the
19 bottom, there's really no good explanation, it's not fair.

20 **COMMISSIONER FRANCIS:** When we audit the company and do their
21 annual reviews, what is it, formula rate plan, you know, those dollars aren't on
22 that formula rate plan somewhere? I mean, Commissioner Campbell's talking to
23 those Plain Dealing people, that'd be, what, 9 million, you say, 10 million they've

1 spent? Isn't that going to show up on the formula rate plan and we're going to
2 deny it? How about that, Mr. Secretary. Oh, here we go.

3 **SECRETARY FREY:** I'll say some of it is probably going to be in FERC rates
4 since that's what we're arguing about here. Some would be in retail rates as well,
5 but there's litigation, attorneys' fees, et cetera, standard costs built in, but
6 sometimes you'll see these as a outside of the normal bandwidth expense, when
7 you start getting to these levels.

8 **COMMISSIONER FRANCIS:** All right. It's outside the bandwidth, that
9 means their stockholders are paying for it, huh?

10 **SECRETARY FREY:** Potentially.

11 **COMMISSIONER FRANCIS:** Yeah.

12 **CHAIRMAN BOISSIERE:** All right. Let me see if we can manage this very
13 well. Any more questions, Mr. Francis?

14 **COMMISSIONER FRANCIS:** I'm okay so far.

15 **CHAIRMAN BOISSIERE:** I think you made -- okay. I think you make -- yeah.
16 I see that. I think you've raised some great questions, and I think the people
17 deserve an answer for that. Have they sufficiently answered your questions so
18 far?

19 **COMMISSIONER FRANCIS:** Yes, I'm good.

20 **CHAIRMAN BOISSIERE:** Okay. Well, let me -- the next question is
21 Commissioner Skrmetta's.

22 **COMMISSIONER SKRMETTA:** Yes, thank you, Mr. Chairman. You know,
23 this is one of those moments when you realize that bible stories come back, you

1 know, and this is David and Goliath all over, and it happens all the time.
2 Corporate entities always try to outweigh the people that are fighting them, the
3 little guy. In this case, we're the little guy. And the way they do it is they try to
4 out-man you, out-spend you, and out-game you. But the trick is is to, you know,
5 find the right stone, find the right sling, and to win, and that's why we litigate.
6 And I'm pretty sure that we've won more than we've lost and that's why we, you
7 know, we look at the cases, we do the analysis, we make the determination. If
8 we've got good causes of action, put our faith in the legal system and we spend
9 the money that's necessary to do it and we have a goal of winning to accrue
10 potentially a couple of billion dollars in recovery for the ratepayers. But if you
11 don't, you know, if you don't step up, you get downtrodden and that's basically
12 why we have to fight these large companies and we've got to step into it with the
13 best talent we can and, you know, that's where we are right now. And
14 unfortunately this is sort of a game that all these big companies -- and, you know,
15 the utility companies are a good example. The best example are credit card
16 companies and how you can never fight a credit card company, you know,
17 nobody's ever going to take them to court. Well, I disagree with you because I've
18 taken a lot of credit card companies to court for clients. And its -- they will try to
19 outspend you and you can win and that's what we do to these companies, and I
20 think that the public deserves to know why we take these companies to court, is
21 we take them to court to win so they can get credits, and I'm proud to say that this
22 Commission, when we get credits, immediately gives the credits back to the
23 ratepayers, unlike other jurisdictions that still are holding credits and not giving

1 them to the ratepayers. But we drop credits immediately, as quickly as possible,
2 and we plan on doing that again, when we win this case. So that's why I'm
3 supporting, you know, making this and continuing it and not showing any
4 weakness towards not funding this litigation as long as necessary to win this case,
5 because I believe we are on solid ground to win this on behalf of the ratepayers.
6 So thank you.

7 **MR. MARK KLEEHAMMER:** If I may, Commissioner.

8 **CHAIRMAN BOISSIERE:** Yes.

9 **MR. KLEEHAMMER:** Mark Kleehammer on behalf of Entergy, Louisiana. As
10 you know, we --

11 **COMMISSIONER SKRMETTA:** We're talking, not you, right? Okay. Go
12 ahead.

13 **MR. KLEEHAMMER:** I don't practice anywhere near the FERC, so I have
14 very limited input here, but I would say that the numbers, I suspect, and I don't
15 know if they're accurate or not, are Entergy system, right, they are four retail
16 regulators involved in the litigation so if you're -- if the numbers are accurate and
17 its 8 million to 2 million, recognize there is money coming from each other, retail
18 regulator, and I think the SERI share is roughly 14 percent of all of SERI.

19 **MS. SHELTON:** You're talking about the Louisiana share?

20 **MR. KLEEHAMMER:** Yes.

21 **MS. SHELTON:** That's true. That -- it's always Louisiana portion, but with
22 respect to -- and each of the retail jurisdictions purchase a portion of that and
23 Louisiana's portion is about -- after resale, is about 16 percent, but with the

1 refunds that we've already gotten as part of that partial settlement, the three retail
2 regulators that remain, Mississippi has already settled out in a global basis. The
3 three remaining regulators are sharing that Mississippi portion, so that increases
4 our share to something over 20 percent. I think it's 23, 24, but of all the numbers
5 I've discussed, those have been companywide and I've always been clear,
6 Louisiana gets a portion, New Orleans gets another portion, Arkansas gets a
7 portion, and Mississippi gets a portion, although now Mississippi has settled out
8 which is actually, I think, a good thing because in any going forward refunds, you
9 know, it might -- that might be a factor in our favor that they are no longer
10 involved. So that's where it stands and that's where it's at.

11 **MR. KLEEHAMMER:** Thank you very much. I appreciate it.

12 **CHAIRMAN BOISSIERE:** Commissioner Greene.

13 **COMMISSIONER GREENE:** Brandon, so, if we wanted to consider
14 disallowance of legal funds, either for current cases or future cases, can you get
15 back to us on what that might look like? Would that be in a rate case, would that
16 be in a docket, what percentage of that can we actually address if it's FERC
17 related? But if you could get back to us in a formal response about how we could
18 address, not our legal expenses, but the legal expenses that our ratepayers are
19 paying for that we haven't seemed to be able to intervene in yet.

20 **SECRETARY FREY:** Sure. And it's, you know, likely it can be either a rate
21 case or a formula rate or both, depending on what's in the base rates right now
22 that's recoverable. There's probably an amount of legal fees already included
23 therein through whatever category of expense that is. If it gets outside of that,

1 that's when you would catch it in the formula rate plan. But if it's on a
2 perspective basis, taking that number down, then yes, that would be in a rate case,
3 but we'll certainly look into it and give you the details on how that would work.

4 **COMMISSIONER GREENE:** If you could get us something written about
5 what our options may be.

6 **COMMISSIONER FRANCIS:** I got another one for you.

7 **CHAIRMAN BOISSIERE:** Commissioner Francis, yes, sir.

8 **COMMISSIONER FRANCIS:** I think it's important for the public to
9 understand some of these -- the details that -- you're representing Louisiana, but
10 this case is in a suit against Entergy for New Orleans, Louisiana, Mississippi, and
11 Arkansas, right?

12 **MS. SHELTON:** That's correct.

13 **COMMISSIONER FRANCIS:** So that -- those \$9 million in attorney fees, it is
14 being paid by those four different entities, whereas Louisiana ratepayers are
15 paying you in a suit that each one of those states would get a settlement; isn't that
16 right?

17 **MS. SHELTON:** That's right, and of -- but also, you know, each of those
18 jurisdictions have their own counsel that are participating and those jurisdictions
19 pay for those lawyers.

20 **COMMISSIONER FRANCIS:** So, to be fair, would we have to add up the total
21 of all of those others against Entergy to see if this is more of a fair fight as far as
22 dollars for attorneys goes.

1 **MS. SHELTON:** I think that, you know, sometimes all the retail regulators are
2 aligned and sometimes we share work equally and sometimes we don't, so I think
3 it would depend on the circumstances. But it is true that each of those
4 jurisdictions has counsel, has costs of their own that they're, you know, using to
5 prosecute these cases against a utility, so you would add those together, I suppose.

6 **COMMISSIONER FRANCIS:** All right. I was hoping to get a better
7 explanation for the Plain Dealing folks, but I don't think that did any good there,
8 so thank you.

9 **MS. SHELTON:** Okay. Sorry about that.

10 **CHAIRMAN BOISSIERE:** Thank you, Ms. Shelton.

11 **MS. SHELTON:** Thank you very much.

12 **COMMISSIONER SKRMETTA:** Did we vote on it?

13 **MS. BOWMAN:** So we have a motion by Commissioner Skrmetta and a second
14 by Vice Chairman Francis to accept Staff's recommendation on the budget
15 increases.

16 **CHAIRMAN BOISSIERE:** Any opposition? [NONE HEARD] Hearing none,
17 so ordered. Number 15, please.

18 **MS. BOWMAN:** Exhibit Number 15 is undocketed. This is reports, resolutions,
19 discussions, and ERSC, OMS, and SPP. So under discussions, we do have a
20 discussion with SWEPCO's president and COO, Mr. Malcolm Smoak, if he wants
21 to come up.

22 **SECRETARY FREY:** And while Malcolm's coming up, Commissioner
23 Campbell had asked us to put this together, so I'm going to read this before he

1 speaks. This is a resolution recognition of President COO for SWEPCO Albert
2 Malcolm Smoak on his retirement. In recognition of President and Chief
3 Operating Officer for SWEPCO, Albert M. Smoak, retirement after 38 years of
4 service. Whereas Malcolm is a lifetime resident of Bossier Parish residing with
5 his wife Janice and their children and grandchildren. And whereas Malcom
6 started with SWEPCO in 1984 as a distribution engineer and served in a variety of
7 management roles in the metering, operation, and engineering functions and
8 served as the Vice President of distribution region operations prior to his current
9 role. And whereas as President and COO, Malcolm is responsible for the electric
10 distribution system, engineering, operations, constructions, and maintenance
11 serving approximately 521,000 customers in Louisiana, Arkansas, northeast
12 Texas and the panhandle of Texas. Whereas community service has been a vital
13 part of Malcolm's career, currently serving as a board member of Shreveport
14 Green, a nonprofit organization dedicated to improving the city's environment.
15 Whereas as President and COO, Malcolm has worked with the Louisiana Public
16 Service Commission to ensure safe, reliable service of SWEPCO customers at the
17 lowest reasonable costs. Now, therefore, it be resolved that the Louisiana Public
18 Service Commission does recognize Albert Malcom Smoak for his 38 years of
19 service to SWEPCO. Be it further resolved that a suitable copy of the resolution
20 be transmitted to Mr. Smoak. Thank you, Malcolm.

21 **MR. MALCOM SMOAK:** Malcom Smoak, President and [INAUDIBLE] --

22 **MS. BOWMAN:** Press the button, Malcom.

1 **MR. SMOAK:** I forgot that key point there. Malcom Smoak, president and
2 chief operating officer of SWEPCO. Thank you very much for that, Brandon and
3 Kathryn. Thank you very much and Commissioner, thank you very much for that
4 resolution. It was very nice words and Commissioner Campbell, earlier you made
5 a lot of nice comments and thank you for that, that was quite embarrassing.

6 **COMMISSIONER CAMPBELL:** What'd he say? Thank you for the kind
7 words?

8 **COMMISSIONER FRANCIS:** He said --

9 **COMMISSIONER CAMPBELL:** What'd you say, Malcolm?

10 **MR. SMOAK:** I said thank you for the kind words and it was quite
11 embarrassing.

12 **COMMISSIONER CAMPBELL:** Well, it's okay. You deserve them,
13 Malcolm. So that's it?

14 **SECRETARY FREY:** Well, this is part of having COOs coming up so --

15 **COMMISSIONER CAMPBELL:** Malcolm, everybody knows the good job
16 you did and you deserved everything I said about you. You're a fine guy. Good
17 family guy. Your whole family is -- you've raised them right, they're all
18 engineers, they're smart. And I hope that the new guy cares about the people of
19 SWEPCO as much as you do. I understand he's a nice fellow, and you're an
20 example -- you are a good example of what utility managers ought to be, that you
21 care about the people and you're good for us up here to find somebody that
22 handles your business like you do. Very seldom that we have -- I ever have a
23 fault with SWEPCO that you don't try to help. A lot of times you can't do it, but

1 you give me a reason why you can't. It's always logical. So thank you again, and
2 I hate to see you leave, hate to see you leave.

3 **MR. SMOAK:** Well, thank you, Commissioner. The person who's going to
4 replace me as the president and chief operating officer is Brett Mattison, a long-
5 time SWEPCO employee, and he currently is serving in Kentucky as the president
6 of Kentucky Power Company, also one of AEP's subsidiaries. And he'll do a
7 great job, and I know you'll get to know him well and y'all will team up. He'll do
8 a great job. He always has. He and I worked closely together for 30 years, and so
9 he's just been over there for a little training if you will and he's going to come
10 back to Louisiana. He's lived here his whole life in Louisiana, so he's a good
11 guy. And so if I could, and I'll be glad to answer questions y'all might have
12 about any topic, I'll do my best. But if I could say this, so it was 30 years ago in
13 1992 right here in Baton Rouge on of the floor of the senate when I first met then
14 Senator Foster Campbell. And ever since the last 30 years, he and I have been
15 working together, I think, to help people and to better our territory, the parish and
16 northwest Louisiana. And so that's how I view my -- in fact, I told Senator
17 Campbell at the time that he and I had a lot in common, and that was that we help
18 people. We helped everybody. Whether it be with electricity or in his business, it
19 was in, you know, the Senate. So that's been the way that I felt through these
20 years. In 38 years, that's how long my career has been, it's gone by really fast. I
21 can still remember things that happened that very first day when I went to work,
22 my first supervisor, and the discussion that we had. So I just say this: The
23 SWEPCO team is a very strong team. Now, we're not perfect; we recognize that.

1 And we admit that, but we're always trying to get better. But for the people -- for
2 the men and women at SWEPCO, it's a very strong team of people. SWEPCO's
3 going to be in good hands. And so I remember when I first went to work for the
4 company in '84, there were people that were old guys then, but they were younger
5 than I am now, but they seemed old at the time in '84 and some of those guys
6 retired. And so, you know, there were people that thought well, when I retire,
7 they can't do without me. But I can tell you, it's been true my whole career, the
8 lights never blinked when somebody retires, and that will be true for me as well.
9 SWEPCO's in good hands, a great team, very strong team of people taking care of
10 business, taking care of the customers and trying to getting better at all times.
11 And this -- my career's gone by really fast and so the year 2020 is one year that
12 will just go down in my memory and y'all's as well because we had a lot of
13 challenges in 2020. The first day of the year was a great day of 2020 because
14 that's when my grandson Thomas was born, but then February came and we had
15 COVID and then March came and we had the lockdowns. And then Hurricane
16 Laura came in August and it was a \$10 billion storm, maybe the -- supposedly the
17 strongest storm we ever had in that year, in 2020. There were 30 named storms, 5
18 of those made landfall in Louisiana, and both of those are records, 5 in landfall in
19 Louisiana and the 30 named storms. Hurricane Laura was a CAT 4 near
20 Cameron, CAT 2 in Alexandria, and CAT 1 in -- when it made it to Arkansas,
21 first time that's ever happened. And so if that wasn't enough, and then in
22 February we had Uri, and there had never been that much snow and ice on the
23 streets in Benton, Louisiana. I've lived there my entire life. It's never gotten

1 down to minus 6 degrees either in my lifetime. So we've had a lot of challenges,
2 but we made it through those challenges. And so everybody in this room knows
3 how bad Hurricane Laura was. Obviously, Entergy and Cleco got hit worse than
4 we did, but it was our worst storm. It came right up the middle of Louisiana and
5 went across Shreveport and caused a lot of damage in Winnfield. In fact, Foster
6 called me and said hey, Winnfield needs -- they have no transformers in
7 Winnfield. We got them a truck load of transformers. So we worked together to
8 take care of things. And I met with a customer in the Kisatchie Forest, Paul
9 Dowden and he offered to make me some coffee that would float buckshot if I got
10 his lights back on. Hurricane Laura, then I met Sherman Busby in Hinston,
11 Louisiana. And he's a dear friend of mine, and so we just help people. That's
12 what we do. And so I'm going to stop talking because you can't sum up 38 years
13 in 5 or 10 minutes, so.

14 **COMMISSIONER SKRMETTA:** You did a good job so far.

15 **MR. SMOAK:** It's been fun though. It's been a fun career, and very -- and what
16 we do and what y'all do in this room is we do important work taking care of the
17 grid in Louisiana, taking care of customers, keeping the lights on, because
18 everybody knows -- they don't think about electricity right now, but when the
19 lights go out, they think about a lot. And when the linemen show up, they're the
20 heroes because everybody waits on the linemen to get there after a hurricane
21 because they know that's when life's going to kind of start getting back to normal,
22 once the linemen show up. And so you have important people keeping the power
23 plants running, you've got important people doing every job between the power

1 plants and the meter. It takes everybody and what we do is really important. We
2 take care people, the life, safety, and health of our friends and our -- and
3 everybody in our neighborhoods that everybody who we see every day, that's
4 depends on energy and that's what we do in this room here today. And so it's
5 been my pleasure to work with y'all, and so I'm going to stop and take any
6 questions.

7 **COMMISSIONER FRANCIS:** Malcolm, thank you what you've done to help
8 me. And over the last six years, you've always answered my calls and answered a
9 lot of my dumb questions trying to understand this business and especially going
10 through the hurricanes. And congratulations on your retirement, but I hope to see
11 you come back in the private sector to help us. We need your help. Thank you.

12 **MR. SMOAK:** Yes, sir.

13 **CHAIRMAN BOISSIERE:** Commissioner Greene.

14 **COMMISSIONER GREENE:** I just want to thank you for being a gentleman,
15 and I'm actually -- this sounds weird, but I'm glad I don't know you that well
16 because you seem to take care of business before it gets to here. And I appreciate
17 you putting the ratepayers first before it ever comes to us. So I just hope your
18 replacement is as much a gentleman and can put the ratepayers first and I hope he
19 uses the word "hep" hep people. I like that. Thank you.

20 **COMMISSIONER SKRMETTA:** Mr. Chairman.

21 **CHAIRMAN BOISSIERE:** Yes, Commissioner Skrmetta.

22 **COMMISSIONER SKRMETTA:** Well, you know, Malcolm, in four years
23 Foster's retiring, and I don't know what you're going to be doing. And you kind

1 of know the industry, and I know a few people. So you know, just kind of put it
2 in your pocket.

3 **MR. SMOAK:** All options open.

4 **COMMISSIONER SKRMETTA:** All options open. And I want to thank you
5 for everything you've done.

6 **MR. SMOAK:** Yes, sir.

7 **COMMISSIONER SKRMETTA:** You and your team have always been
8 receptive to me when I've called you and talked to you about issues and you've
9 been a great guy to work with and it's been a real pleasure. So thank you.

10 **MR. SMOAK:** Thank you, sir.

11 **SECRETARY FREY:** Now, I want to say one thing, back when I was a Staff
12 attorney, I handled a lot of the SWEPCO dockets. Unfortunately for me,
13 Malcolm was not the CEO at that time, so I had to deal more with Bobby. I might
14 have handle more cases if Malcolm would have been there at that time, so.

15 **CHAIRMAN BOISSIERE:** All right. Mr. Malcolm, I want to thank you. It's
16 been a pleasure for me to work with you throughout the years. We haven't had as
17 much contact because of the geography, but every time you've been before the
18 Commission or coming to meet with me, you've been an incredible professional
19 and it's always a pleasure to work on issues with SWEPCO. And we got a lot of
20 good things done I can think of over the years, and I can think of a few things we
21 almost got done over the years. But overall, I think you're right when you
22 mentioned him and Foster's -- to echo the words Foster said as well that you work
23 hard to help people and that we do important work here for others. And I agree

1 with that and I agree with the quality of work you've always done here at the
2 Commission. It's been my absolute pleasure, and, look, we get to leave on the
3 same day; it's pretty good. If you ever come down to New Orleans, look me up.

4 **MR. SMOAK:** I will. Thanks, Chairman.

5 **CHAIRMAN BOISSIERE:** Let's go have a bite somewhere. All right. Well,
6 thank you so much. Any more questions? Thank you, sir.

7 **MR. SMOAK:** Thank y'all.

8 **CHAIRMAN BOISSIERE:** Really appreciate you.

9 **MS. BOWMAN:** So also under Exhibit Number 15, there's a discussion and
10 possible vote to ratify the vote taken by Commissioner Greene acting as the
11 Commission's representative of the Board of Director of Organization of MISO
12 States. The matters is on the agenda for ratification of a vote taken on November
13 14, 2022 by Commissioner Greene. Staff followed the protocols set forth in
14 Special Order 17-2019 to consult with Executive Secretary and the Chairman and
15 to make a recommendation to Commissioner Greene prior to the vote. The
16 protocols also require that the votes taken be ratified at a following B&E. The
17 OMS sought approval to submit a position statement to MISO on MISO's
18 consideration of a revised demand curve for use in MISO's annual planning
19 resource auction. The OMS position statement generally supported preservation
20 of current opt-out rights of participating utilities and it reserved final judgment on
21 the demand curve until after the shape of the demand curve is developed. Based
22 upon Staff's recommendation, Commissioner Greene voted in favor of the OMS
23 position statement but joined a footnote expressing disagreement with the bullet

1 point Number 4, which was critical of the ability of the existing vertical demand
2 curve to value the excess capacity. Staff recommends the -- Staff recommends
3 that the Commission ratify Commissioner Greene's vote taken on November 14,
4 2022 as the Commission's representative to the OMS Board of Directors.

5 **CHAIRMAN BOISSIERE:** Commissioner Greene has to abstain from this vote.

6 **MS. BOWMAN:** Correct. So we'll entertain a motion and a second. You okay?

7 **COMMISSIONER FRANCIS:** I make a motion.

8 **CHAIRMAN BOISSIERE:** All right. Let me hear -- I entertain a motion from
9 the Commissioners?

10 **MS. BOWMAN:** Vice Chairman made a motion.

11 **CHAIRMAN BOISSIERE:** Moved by Commissioner Francis.

12 **COMMISSIONER SKRMETTA:** Second.

13 **CHAIRMAN BOISSIERE:** Second by Commissioner Skrmetta. Any
14 opposition? [NONE HEARD] Hearing none so ordered. Hold on, give me a 30
15 second break here.

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

17 **CHAIRMAN BOISSIERE:** All right. Where are we on -- do we have any
18 directives on 15?

19 **MS. BOWMAN:** No, sir.

20 **CHAIRMAN BOISSIERE:** Do we have any issues?

21 **MS. BOWMAN:** No, sir.

22 **CHAIRMAN BOISSIERE:** Any more -- any issues on 15?

1 **MS. BOWMAN:** No, sir. We would move on to Exhibit 16 if the Commission
2 is ready. Are we ready for 16?
3 **CHAIRMAN BOISSIERE:** I don't know.
4 **COMMISSIONER CAMPBELL:** Don't tell me you can hear it.
5 **COMMISSIONER SKRMETTA:** I think they can hear it.
6 **CHAIRMAN BOISSIERE:** What was the name of that movie, the Quiet -- the
7 Quiet Place or something like that.
8 **COMMISSIONER CAMPBELL:** It's in my hand; you can't hear it now.
9 **CHAIRMAN BOISSIERE:** Kind of hear it.
10 **MS. BOWMAN:** Are you ready to move on to Exhibit 16?
11 **COMMISSIONER CAMPBELL:** I just bought new hearing aids. From
12 Walmart. They went on sale. It's Bose.
13 **SECRETARY FREY:** There's a reason --
14 **COMMISSIONER CAMPBELL:** And they advertise them for a thousand
15 dollars, you know. If you go buy them somewhere else, they're 7,000. So Bose
16 is coming to Walmart. I don't know what to tell you about Walmart hearing aids.
17 **CHAIRMAN BOISSIERE:** All right.
18 **MS. BOWMAN:** Okay. So Exhibit Number 16 is Docket Number U-36350.
19 It's Entergy Louisiana's application for recovery and rates of costs related to
20 Hurricane Ida and related relief. It's a discussion and possible vote pursuant to
21 Rule 57 on an uncontested stipulated settlement at the request of the chairman.
22 On April 29, 2022 Entergy filed a quantification application to determine the
23 prudence of its restoration efforts associated with Hurricane Ida as well as certain

1 additional costs associated with Hurricanes Laura, Delta, and Zeta and Winter
2 Storm Uri. The damage resulting from Hurricane Ida resulted in Entergy
3 incurring significant recovery costs to restore service to customers and to
4 reconstruct the transmission and distribution systems in Entergy's service area. In
5 its quantification application, Entergy requested that the Commission determine
6 the level of system restoration costs that were prudently incurred. Notice of the
7 company's application was published in the Commission's official bulletin with
8 the Louisiana Energy Users Group, Marathon Petroleum Company, and Walmart
9 intervening. On June 20, 2022, Entergy filed its financing application wherein
10 Entergy sought the Commission's approval and authorization for the LURC to
11 finance the storm restoration cost authorized for recovery, related carrying costs,
12 and financing costs for issuance of system restorage bonds pursuant to Act
13 Number 55 of the Louisiana Regular Session of 2007 as supplemented by Act
14 Number 293 of the Louisiana Regular Session of 2021. Entergy also filed its
15 ancillary application on June 20th wherein Entergy requested that the Commission
16 approve tariffs for the company to implement the ancillary rate adjustments, or
17 offsets, relating to elements other than those addressed in the financing
18 application. As a result of these additional filings, the docket was republished in
19 the Commission's Official Bulletin and no other parties intervened. Following
20 discovery Entergy, Commission Staff, LURC, Marathon, LEUG, and Walmart
21 reached an agreement and executed an uncontested stipulated settlement, which
22 was filed into the record on December 12, 2022. The major terms of the
23 Settlement are as follows: The \$2,543,251,969 of storm restoration expenditures

1 related to Hurricanes Ida and \$31,949,864 of storm restoration expenditures
2 related to Hurricanes Laura, Delta, Zeta, and Winter Storm Uri, for a collective
3 total of \$2,575,201,833, that were presented in the company's application are
4 reasonable and prudent and eligible for recovery from customers; Entergy's
5 carrying costs, through December 31, 2022, of the \$59.2 million is reasonable and
6 eligible for recovery from customers; additional carrying costs of 200,000 per
7 month starting January 1, 2023, shall be eligible for recovery from customers until
8 permanent financing under Act 293 occurs; the allocation methodology presented
9 by the Company, and most recently approved by the Commission in Orders
10 Number U-35991 and U-35991-A, is agreed to be reasonable and to apply to the
11 stipulated settlement; and, the parties recommend that the Commission approve
12 Riders Financed Storm Cost V and Storm Cost Offset V. As there are no
13 unresolved issues, Staff recommends that the Commission take the matter up
14 pursuant to Rule 57 and approve the issuance of a Quantification Order, a
15 Financing Order, and an Ancillary Order consistent with the terms of the
16 Uncontested Stipulated Settlement that was filed into the record of December 12,
17 2022.

18 **COMMISSIONER FRANCIS:** Move to take it up under 57.

19 **CHAIRMAN BOISSIERE:** We have a motion by Commissioner Francis.

20 **MS. BOWMAN:** To take the matter up under Rule 57. Do we have --

21 **CHAIRMAN BOISSIERE:** For 57. Apparently not, no second so the Rule 57
22 fails for lack of a second. Now, I think we have a potential for some discussion
23 about it, though.

1 **COMMISSIONER CAMPBELL:** Just call our boy up.

2 **CHAIRMAN BOISSIERE:** Okay. Any -- to keep similar to it, Commissioner

3 Campbell has asked me to -- asked for our Attorney Patrick to come up --

4 **MS. BOWMAN:** Sure.

5 **CHAIRMAN BOISSIERE:** --for potential discussion of issues related.

6 **MS. BOWMAN:** Okay.

7 **SECRETARY FREY:** And Pat, just make sure you sign the clipboard.

8 **CHAIRMAN BOISSIERE:** Please sign and state your name, please.

9 **MR. PAT PATRICK:** I'm sorry.

10 **CHAIRMAN BOISSIERE:** Sign in and state your name. All mics will be hot.

11 **MR. PATRICK:** Pat Patrick. I am the counsel for the Staff in this matter. I

12 have assisted Justin Bello and worked, also, for some consultants. And I am here

13 to answer any questions that you might have, and I also filled out a card.

14 **COMMISSIONER CAMPBELL:** What were you asked to do?

15 **MR. PATRICK:** Well, one of the things that I was asked to do, Commissioner,

16 is to research the legal limits that are placed on the Commission as to the

17 maintenance or requirements to carry forward the 100 percent pass-through that

18 has been done in storm dockets since 2005, to look at it from a constitutional

19 standpoint, a statutory standpoint; to look at the court cases; and to also look at

20 rules and the decisions by this Commission. And the conclusion that I reached

21 after considerable research is that -- well, there really are two issues. First of all,

22 there is the legal limits, and I think the legal limits that are placed upon this

23 Commission are not absolute because this procedure was adopted and carried

1 forward from 2005 forward, doesn't necessarily mean that it has to be done or
2 done exactly the same with a 100 percent pass-through from then forward. My
3 research indicated to me that historically, in fact, there was not storm dockets so
4 to speak.

5 **COMMISSIONER CAMPBELL:** Mr. Patrick, let me ask you, this goes back to
6 the discussion, it was a pretty hot discussion we had here, a discovery if you
7 might. I asked a lot of lawyers here, prominent lawyers, after we found out that
8 basically Entergy, just use Entergy because that's what who we're talking about.
9 It could be SWEPCO; it could be Cleco. All these storm damages they pass on,
10 and we pass them on to the people. Isn't that right?

11 **MR. PATRICK:** That's the way it's been done. Yes. Yes.

12 **COMMISSIONER CAMPBELL:** Well, I asked several prominent lawyers. I
13 don't want to name them out, but they're prominent, prominent lawyers that we
14 pay a lot of money, and they said there's no way you could do that. No way. So
15 you know, I just, you know, I mean, that's -- I thought it made a lot of sense that
16 we were making the people pay for everything, and that's just the way it was, two
17 or three that I talked to, oh, you can't do it, you can't do it. You just can't do it.
18 What you're telling me that you think we could pass it on, some of it, to the
19 customer -- I mean, to the companies and there's no reason why they couldn't
20 have to pay some of it; is that correct?

21 **MR. PATRICK:** Yes. That is correct as the matter of the constitutional limits
22 that are placed on the Commission, the statutory limits. Now, as a matter policy,
23 whether or not it would be in the best interest of the public to pass on 100 percent

1 outside of base rates as is been done since 2005 forward, that's a different
2 question. And I'm not going to advise the five of you, nor have I been asked --

3 **COMMISSIONER CAMPBELL:** Yeah.

4 **MR. PATRICK:** -- to advise as to what would be good policy.

5 **COMMISSIONER CAMPBELL:** Yeah. That wasn't -- that's not my question.

6 **MR. PATRICK:** Yes, sir.

7 **COMMISSIONER CAMPBELL:** My question is real simple.

8 **MR. PATRICK:** Yes, sir.

9 **COMMISSIONER CAMPBELL:** We passed along \$3.1 billion to the
10 ratepayers of Entergy. One million people got a \$3 billion bill or roughly \$15 a
11 month. And all I could hear was nothing you can do about it, that's the way we
12 do business, nothing you can do about it. And we hired you to look into it, right?

13 **MR. PATRICK:** That's correct.

14 **COMMISSIONER CAMPBELL:** And so now you're saying -- you think that
15 we could do something about it.

16 **MR. PATRICK:** I think you could. What you do and how you handle it are
17 different matters, but legality aside, the Constitution and the Statutes do not
18 require the pass-through at 100 percent.

19 **COMMISSIONER CAMPBELL:** Well, that sure makes me feel a lot better
20 than there's no way to do it, there's no way to do it. That reminds me when I was
21 in the Senate. The Senate voted 35 to 1 to take rural electric co-ops out from
22 under the Public Service Commission, 35 to 1. I was the only one who didn't
23 vote to remove them. And you know what we heard all the lawyers, oh, they're --

1 they're owned by the people, they're not public utilities. They're owned by the
2 people, you can't do that. It's unconstitutional to pass a law. Blowing --
3 everybody got religion pretty soon though, and we passed a law, and we put him
4 back under the Public Service Commission. But all you could hear was, oh, no,
5 they're not publicly traded, they're owned by their customers. But the court ruled
6 that they were a public utility and that's how they got back. So what you're
7 saying is there's some room for argument here or testing or whatever you want to
8 say. We don't have to give them -- we might not have to give them all their
9 money back is what I'm saying. Some of it could be shared by the companies.
10 And that's what I think we should be doing. We ought to try our best to find out
11 how much could be shared by -- I don't know. This bill they're presenting today
12 is how much, 1.1 billion? Isn't it?

13 **COMMISSIONER SKRMETTA:** 1.6.

14 **CHAIRMAN BOISSIERE:** 1.6.

15 **COMMISSIONER CAMPBELL:** 1 point -- huh?

16 **CHAIRMAN BOISSIERE:** 1.6.

17 **COMMISSIONER CAMPBELL:** 1.6 billion. I don't know what's the right
18 amount. Half of it? A fourth of it? I don't know. But I think this Commission
19 ought to search everything they can search to see if they can pass it. And I think
20 we ought to pass it back on the companies. Now, the company man is going to
21 jump up here and say oh, you can't do it, but I heard all the you can't do it. You
22 can sit down. Sit down. I heard all you can't do it. But there's no such thing as
23 you can't do it, and if you just believe the lawyers, just go to sleep and you can't

1 do it. So I appreciate you doing the research. I appreciate the work you've done
2 for us. I'm on your side. I want to see if there's any way we can ask these
3 companies that are making billions, that are paying big dividends to share in some
4 of these expenses some of the people of Louisiana.

5 **CHAIRMAN BOISSIERE:** Commissioner Skrmetta.

6 **COMMISSIONER SKRMETTA:** Mr. Patrick, you know, I read your, I guess,
7 review or paperwork on this. And ultimately, Mr. Barta reviewed the request for
8 recovery by Entergy and found it to be correct. Is that --

9 **MR. PATRICK:** He found it was prudent.

10 **COMMISSIONER SKRMETTA:** It was prudent. So even if we were, by your
11 analysis, to reduce the amount in the bond recovery and securitization, Entergy
12 would still have the right to recover the difference in some other way; isn't that
13 correct?

14 **MR. PATRICK:** Entergy certainly can ask for recovery.

15 **COMMISSIONER SKRMETTA:** Right.

16 **MR. PATRICK:** The way that I perceive it and what my research has indicated
17 to me is that in this particular type of docket there's more than just a prudence
18 review involved. The ultimate standard is what is just and reasonable that applies
19 and that goes beyond mere prudence. The operation here is within the context of
20 traditional ratemaking in which the base rates are set based upon expenses
21 projected and a reasonable rate of return and that's the revenue requirement and,
22 of course, we have the formula rate plan, which could make adjustments as we go
23 along. When I looked at the formula rate plan provisions they really don't fit

1 here. What they talk about is taking this type of expense and resolving it outside
2 of base rates.

3 **COMMISSIONER SKRMETTA:** Right.

4 **MR. PATRICK:** And there is no predetermined outcome. Now, would Entergy
5 or anybody in the shoes of Entergy be able to come forward -- and again, I'm not
6 suggesting that you shouldn't pass-through a hundred percent. I'm just saying
7 that legally, I don't think in this procedure you have to. Could they then come
8 forward in the next rate case or through a different process and seek to recover the
9 cost? Certainly. It would then again, of course, be up to the Commission to
10 negotiate, to deal with, and to decide, you know, what is just and reasonable.

11 **COMMISSIONER SKRMETTA:** Right.

12 **MR. PATRICK:** And there is no -- when I look at the law here, the law requires
13 --

14 **COMMISSIONER SKRMETTA:** Go ahead. I'm not done yet though.

15 **MR. PATRICK:** Yes, sir. The law requires that the -- that a regulatory body
16 dealing with a regulated utility engage in regulation particularly concerning, you
17 know, rates and charges that are fair and balanced, that do not act in a
18 compensatory manner that looks at the financial impact on the regulated utility,
19 the utility's ability to raise capital, the utility's ability to maintain its credit and a
20 reasonable rate of return. And this, of course, is in the public interest, too.
21 Because you want the utility to survive. But is it set in stone that it has to be X
22 amount, that there can never be any amount that is not recovered? No. I don't
23 see that. I don't see that in the law.

1 **COMMISSIONER SKRMETTA:** Well, once a determination is made that the
2 amount sought for recovery is just and reasonable as true recovery and been
3 audited, the determination from that point to a lesser amount, doesn't that leave
4 the differential to be a question mark of a constitutional taking?

5 **MR. PATRICK:** It does. And it, again, is -- there's not a sharp edge when you
6 look at the case law, which I've looked at and I'm sure other people have looked
7 at as well.

8 **COMMISSIONER SKRMETTA:** Right.

9 **MR. PATRICK:** There's no sharp edge. The regulatory action has to take into
10 account what is a fair rate of return and has to take into account the reasonable
11 expectations of the utility in raising capital in these types of situations. These are
12 all, of course, gradacious, they're not sharp edges.

13 **COMMISSIONER SKRMETTA:** Right.

14 **MR. PATRICK:** And when I look at the cases and when I look at the decisions,
15 both federal and state, I wish I could tell you that you're allowed X amount and
16 you're not allowed X amount, but it's really a rule of reason. And when you talk
17 about what is just and reasonable, you're not necessarily just talking about what is
18 prudent.

19 **COMMISSIONER SKRMETTA:** Right.

20 **MR. PATRICK:** I mean, the prudence is, you know, was the cost prudently
21 incurred, is it being prudently managed, is it being prudently handled, but the
22 recovery, of course, also depends upon what is just and reasonable.

1 **COMMISSIONER SKRMETTA:** Right. Well, my concerns -- and this is my
2 statement not yours. My concerns go from here: Let's say that there is a
3 determination of a reduction, okay --

4 **MR. PATRICK:** Yes.

5 **COMMISSIONER SKRMETTA:** -- that partial is moved towards securitization
6 --

7 **MR. PATRICK:** Yes.

8 **COMMISSIONER SKRMETTA:** -- and there is a differential into a question
9 mark of how to recover it down the road, whether there is a recovery. Okay.

10 **MR. PATRICK:** Yes, sir.

11 **COMMISSIONER SKRMETTA:** And let's look at it and say that gets pushed
12 down the road. We're fighting inflation. Number one, inflation doesn't go away,
13 right?

14 **MR. PATRICK:** That's correct.

15 **COMMISSIONER SKRMETTA:** Once it goes up, it never goes back down,
16 prices don't go back down. You know, we certainly have a minuscule shift in
17 inflation now down to seven and something from eight. I think it shifted last
18 month, but the fed raised interest rates a half point, I think, a couple days ago. So
19 we're looking at a tick in interest rate growth, and so every day we look at this,
20 the more it's going to cost ratepayers to pay for whatever methodology we do the
21 longer we wait. Okay. This is me talking, not questioning, okay. So my
22 concerns for this are if we move into a question mark of something that there is a
23 determination by a Staff statement through a process that an amount is found to be

1 just and reasonable and then we move into a question mark of how we determine
2 what's not just and reasonable to be looked at if a Commissioner says it's not just
3 and reasonable, that starts getting towards the edge of being outside -- well, I'm
4 going to find what I want to say in a minute. Okay. So give me a second. I think
5 it's going to be found to be outside or -- outside our authority. Okay. I think we -
6 - when we get a statement from a Staff member who is paid to do the analysis, the
7 terminology of just and reasonable really sets -- it sets a landmark, and we won't
8 want to be moving into a situation where we just make a sort of -- what's the
9 standard, Patrick, you can't act in a -- I'm losing -- I've lost it --

10 **MR. PATRICK:** Arbitrary --

11 **COMMISSIONER SKRMETTA:** Arbitrary and capricious. I'm sorry about
12 that --

13 **MR. PATRICK:** Arbitrary and capricious is --

14 **COMMISSIONER SKRMETTA:** So we don't -- but every movement we
15 make beyond what is found by a Staff analyst is at this point, an arbitrary number.
16 It might not be capricious, but it'll certainly have been arbitrary. So it's just, at
17 this point, is a throwing number around. So my concerns are is, we could
18 certainly get a value proposition for securitization of the number that we'll
19 eventually agree on. Okay. But that difference is going to go down the road and
20 cost more money to get later down the road. And that's my problem with this.
21 Because let's say we can pick these bonds up -- and I'm just saying a number
22 because it's not going to be the number, but let's say we can pick these bonds up
23 for 4 percent right now. I know that's not the number, but let's say we can get

1 them for 4 percent, right? And we wait because you know everything around here
2 moves at the speed of light, so let's say the difference is we're waiting three
3 months, six months, eight months, 10 months, and it goes from 4 percent and it
4 costs us 6 percent. Well, that 2 percent on a big number cost the ratepayers a lot
5 more money, whether it comes back in a formula rate plan, whether it comes back
6 in a rate case, whether it comes back in some form. My concerns are that, you
7 know, we were talking about litigation, earlier about the cost of litigation, if we
8 do this there will be litigation over this once there has been a finding by a
9 Commission Staff member that the amount that they can recover is just and
10 reasonable. That's where my real problem in this is. Okay. Now, if they had
11 made a determination outside of the Commission purview that it was just and
12 reasonable, I think we have a certain level of correction to take that tack. But
13 once we did it, I think we got a problem. So my concerns are: Do we go into an
14 attack quickly to get the lowest interest rates we can on these bonds to save the
15 ratepayers the most amount of money we can to pay the debt that we have a clear
16 obligation to pay? That's my real issue. Or do we take and create an arbitrary
17 number, whether Commissioner Campbell wants to cut \$100 million dollars or
18 \$800 million or what -- or wipe it out completely and say we're not going to pay
19 you anything because it doesn't matter at that point because any amount from a
20 dollar to a billion six it's arbitrary because it's not based on anything, right. So at
21 that point, all that money that we have to recover is going to cost more money to
22 recover on the -- for the value of the ratepayers. So it's just going to cost more so,
23 you know, my concerns are that we should make the move to buy money cheaper

1 while we can versus -- because rates are going up, they're not going down, you
2 know. We're trying to follow the actions of the Federal Reserve which will fight
3 inflation by raising rates higher than the rate of inflation. That's the only way you
4 can fight inflation, and that's the way they do it. And that's the way did it in the
5 '80s and that's the way they're doing it now. They're just pulling out the old
6 playbook. So that's my real concern about this.

7 **COMMISSIONER FRANCIS:** Is that a second on 57?

8 **COMMISSIONER SKRMETTA:** Sir?

9 **COMMISSIONER FRANCIS:** Is that a second on a 57 move?

10 **COMMISSIONER SKRMETTA:** Well, I think -- no because I think we'll end
11 up in the same place if we move forward.

12 **COMMISSIONER FRANCIS:** Okay.

13 **COMMISSIONER SKRMETTA:** Okay. And I think that's the problem. But
14 what I'm saying is I know where we're going to go in January and I'm willing to
15 look at this in January, but I'm going to tell you right now that all the
16 Commissioners need to consider what I'm saying is that there is a -- I would vote
17 -- if we had a vote right now, I would vote to go to securitization.

18 **COMMISSIONER FRANCIS:** Absolutely.

19 **COMMISSIONER SKRMETTA:** Okay. So there's absolutely no question
20 mark in my mind. And what I'm saying is I think that the other Commissioners
21 who would not vote to go to securitization --

22 **COMMISSIONER FRANCIS:** Well, I know you lose a vote but --

23 **COMMISSIONER SKRMETTA:** But I know --

1 **COMMISSIONER FRANCIS:** I didn't [INAUDIBLE] --

2 **COMMISSIONER SKRMETTA:** [INAUDIBLE] hang on.

3 **CHAIRMAN BOISSIERE:** Let Commissioner Skrmetta make a point.

4 **COMMISSIONER SKRMETTA:** I'm just trying to make this one final point.

5 What I'm concerned about is that if we don't vote to go to securitization, any

6 action we take will be found by any court --

7 **COMMISSIONER FRANCIS:** Yeah.

8 **COMMISSIONER SKRMETTA:** -- to be in the simplest definition to be

9 arbitrary because it's not based on anything. Like I said, it's not going to be

10 capricious because we're not doing it to be mean, we're doing it to do something

11 on the benefit of the ratepayers. But I can tell you this, by the definition of

12 arbitrary, we're just making up the number, and that's my problem with this. And

13 we have, you know, it's an interesting intellectual analysis that Mr. Patrick has

14 put forward, but the problem with it is, and I understand where we are on the vote

15 issue, but -- and I understand we should wait, you know, we're going to wait a

16 month and I asked that it be moved to the January docket for review, but I do

17 think that is our problem. And I just wanted to explain what I think the problem

18 is because while I found your dicta to be interesting to read it, my problem is,

19 yeah, you can do it, but it's kind of like, you know, your kid says, you know, I'm

20 going to go break a window in the house across the street because I can do it.

21 Yeah, but you got to pay for it. You know, you can do a lot of things, but in the

22 end you got to pay for it. And my concern is ultimately, you are going to have to

23 pay for this. Now, the question is just how much more is it going to cost if we

1 wait. So I'd rather, you know, tackle this problem and get it to the greatest value
2 for the ratepayers while we can because I don't want to move down the road and
3 tell people, you know, we cut their bill -- we told them we're not going to pay
4 them anything. We're not going to pay them a billion six. We told them we
5 weren't pay them, well, we found later we had to pay them and it only cost you an
6 extra \$200 million because we waited and didn't get the interest rates right.
7 That's my concern, and I don't really want that to happen. So anyway, thank you
8 very much.

9 **CHAIRMAN BOISSIERE:** Let me see. Do we have any more comments on
10 this topic?

11 **COMMISSIONER FRANCIS:** Yeah. I'm waiting for my turn, yeah.

12 **CHAIRMAN BOISSIERE:** Mr. Francis, please.

13 **COMMISSIONER FRANCIS:** Okay. Mr. Patrick.

14 **MR. PATRICK:** Yes, sir.

15 **COMMISSIONER FRANCIS:** Are you part of the Staff? Were you hired to
16 assist the Staff --

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

18 **COMMISSIONER FRANCIS:** -- so the whole opinion is from the Staff, right?
19 I mean, I read this document to try to understand, you know --

20 **MR. PATRICK:** The research --

21 **COMMISSIONER FRANCIS:** -- and suggests it go on 57 and none of that's
22 written in here, your -- this other opinion you have. It's not in here. What you

1 say -- it's says the Commission Staff, LURC, Marathon, LEUG, and Walmart
2 reached an agreement of an uncontested settlement. You're part of that.

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

4 **COMMISSIONER FRANCIS:** And down here at the bottom, it says, as there
5 are no unresolved issues, you know. What you've dialogued here is an
6 unresolved issue. Why isn't that part of this writing here? When I suggested a 57
7 to be voted on by us because of a unresolved issue -- all these people LURC,
8 Marathon, LEUG, Walmart, outstanding companies here in Louisiana, when I
9 read that and our Staff, no problems with supporting this, you know. And I don't
10 get a second on the 57 from any of my fellow guys, you know. So they're
11 opposing the Staff recommendation is what they're doing.

12 **MR. PATRICK:** Commissioner, I'm not opposing the Staff recommendation. I
13 simply -- I was asked to research a specific issue of law as to whether there is a --

14 **COMMISSIONER FRANCIS:** Isn't that what you're supposed to do when
15 you're hired to do it, is to research all the law?

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

17 **COMMISSIONER FRANCIS:** And the report here says there's no unresolved
18 issues from the Staff. That's what you said. That's your report, isn't it?

19 **MR. PATRICK:** Yes.

20 **COMMISSIONER FRANCIS:** That's what's written here. Okay. So there's
21 no second on the going to 57? Okay. All right.

22 **CHAIRMAN BOISSIERE:** Any more questions for Mr. Patrick?

23 **COMMISSIONER GREENE:** Do y'all want to go now?

1 **CHAIRMAN BOISSIERE:** Well, let me -- I want to ask Mr. Patrick a couple
2 questions myself. All right. No, no, let me -- and listen -- and guys, they'll be
3 willing to answer, maybe we'll need a few more chairs. Okay. The memo is
4 drafted to say that there's potential for Entergy to -- because I want to understand
5 it, but the truth of the matter is, apparently, I'm not going to be here to further the
6 discussion. I just wanted to frame it up a bit, your memo, and if I can reduce it
7 down to a short answer would be that there's nothing stopping utility companies
8 from assisting with the storm damage recovery.

9 **MR. PATRICK:** That's correct.

10 **CHAIRMAN BOISSIERE:** Okay.

11 **MR. PATRICK:** There is no black letter law that -- yes.

12 **CHAIRMAN BOISSIERE:** Is there anything requiring them to do so?

13 **MR. PATRICK:** No. I don't think there is. I mean, I think they can certainly
14 ask for -- they can ask for a pass-through of a hundred percent a year. They can --
15 they could put it in the next rate case.

16 **CHAIRMAN BOISSIERE:** I gotcha.

17 **MR. PATRICK:** But when I look at the law on here is that the regulatory bodies
18 do have some discretion within constitutional limits to say no, you know, if that
19 has to impact your earnings, it impacts your earnings.

20 **CHAIRMAN BOISSIERE:** I think that -- and like you said, I think to -- part of
21 your answer just now you said they, and "they" meaning Entergy, could come
22 back and recover any portion of the funds from storm recovery in rates.

23 **MR. PATRICK:** They could ask for it.

1 **CHAIRMAN BOISSIERE:** So basically, they don't have -- they would have to
2 pay doing storm recovery, but then they could recover that amount in rates
3 making themselves basically whole again for the entire amount that they put in for
4 the recovery?

5 **MR. PATRICK:** Well, again, that depends upon, you know, the outcome of the
6 rate case --

7 **CHAIRMAN BOISSIERE:** That's kind of separate issue, sort of.

8 **MR. PATRICK:** Yeah.

9 **CHAIRMAN BOISSIERE:** And -- but I just wanted to ---

10 **MR. PATRICK:** And Commissioners, there's no --

11 **CHAIRMAN BOISSIERE:** Again --

12 **MR. PATRICK:** Unfortunately, there's no hard cut offs.

13 **CHAIRMAN BOISSIERE:** There's no hard cut offs and there's really -- what it
14 sounds like is there's no real parameters on this saying yes or no. I know Foster's
15 chomping at the bit here; I'm going to let him in in just a second. But the -- and
16 so what I want to say as the outgoing Commissioner today that I think you raise
17 some really interesting points that we've not truly addressed per se really per se at
18 this Commission that I think needs discussion and development. At the end of the
19 day, though, it sounds like the utility companies -- and again, others can examine
20 it -- may have -- may be able to participate but also may be able to recover that
21 back from ratepayers in another way if that's -- that's framing it up to some
22 degree. Those are the [INAUDIBLE] and I think those ideas and thoughts would
23 have to be hashed out. I think Commissioner Skrmetta to some degree talked

1 about maybe hashed out in the courts, maybe hashed out in policy, but whatever
2 way, it would have to be hashed out over more time which this Commission does
3 not have. So I can't really participate in any future or possible discussions on
4 these things. Now, we -- and I just want to make it clear that that is something I
5 think needs to be discussed, but at the same token to go back to securitization as
6 we've done for many -- all the other -- or previous storms, previous amounts it is,
7 you know, business practice in the traditional one and I think we have to examine
8 the success of that program and the savings to ratepayers that is clearly present
9 under the securitization plan and maybe somebody can chime in. I think our first
10 securitization of a storm -- of storm damage was Katrina. Now, with traditional
11 ratemaking, and I don't have the answer necessarily, what did -- we were able to
12 save funds over the course of our time using securitization. Does anyone have a
13 tally or full benefit?

14 **MR. LARRY HAND:** The person that knows that best -- Larry Hand on behalf
15 of Entergy Louisiana is Mr. Zimmering. He has this great chart, no offense, with
16 all the savings. And the savings starting with Katrina/Rita were from using AAA
17 asset backed bonds instead of utility financing, which is a combination of debt
18 and equity.

19 **CHAIRMAN BOISSIERE:** Uh-huh.

20 **MR. HAND:** So if you think about Katrina/Rita, probably 5 percent bonds were
21 issued instead of, at that time, a 9 percent weighted average cost of capital. That
22 AAA bond rate debt only servicing, that is the savings on the front end, but we,
23 you know, Entergy worked with the legislature and this Commission to create

1 alternative financing as well. And so we have through those efforts and your
2 approvals added additional customer savings over and above the AAA bond rates
3 to the tune of, on the low end, 460,000,000 of additional savings to -- if this
4 financing were approved and successful, could be up to 1.6 billion of additional
5 customer savings. That is something no other utility in the state of Louisiana has
6 ever done for customers. We have done it. We've done -- we're prepared to do it
7 again, but the problem is we can only do it through securitization.

8 **CHAIRMAN BOISSIERE:** Right.

9 **MR. HAND:** And that has to be because when you approve a financing order,
10 you are taking storm recovery property and it is being conveyed to LURC and
11 LURC pledges it for security for the bonds. And Entergy's role in it, we get no
12 profit whatsoever. We merely service the bonds. It's a pass-through, zero profit
13 for Entergy.

14 **CHAIRMAN BOISSIERE:** Right.

15 **MR. HAND:** But it is a pass-through. That is the only way securitization works.
16 It's in the statute.

17 **CHAIRMAN BOISSIERE:** Sure.

18 **MR. HAND:** You can call up Ms. Watts on behalf of LURC. She can explain it,
19 but that's how it works. What Mr. Patrick I believe is confusing is prior to 2005
20 when we had the tool of securitization, the remedy to get storm costs recovered
21 would be a rate case. We would file a rate case with all storm costs, all the other
22 regular costs and that giant gumbo pot gets picked apart, and at the end of the day
23 the Commission says with all your costs, all these things, your return of equity,

1 we're going to award you a revenue requirement of X. And that is the zone of
2 reasonableness where the courts have said there's no perfect number to pick in a
3 rate case. You have to give them their actual cost of equity as determined and
4 their actual cost of debt and a reasonable opportunity to recover their prudently
5 incurred costs. And so he's right, there is no single number in a rate case. We've
6 all seen that. But in these securitization cases, it's a pass-through and it can only
7 be done with the full support of the Commission and securitization. Otherwise,
8 you're in a rate case world. The Supreme Court has been very clear, and there is
9 a razor's edge here from the Louisiana Supreme Court in the South Central Bell
10 case issued in 1992. It points out that Louisiana, and this Commission's orders
11 have confirmed it as well, that the prudent investment rule is emerging as one of
12 the constitutional touch stones for determining whether the payments the utility is
13 allowed to collect constitute a fair return on investment. And here's the important
14 part: Consequently, a regulatory commission that does not take into account all
15 prudently incurred investment has acted arbitrarily. And that is the basic standard
16 to recover it. We are trying to move away from this world of the rate case where
17 we're fighting about return on equity. How much should the utility earn, how
18 much should customers pay, and we're trying to take all the profit out through
19 securitization, go to the bond market and issue these low cost, debt only
20 financings that have benefited customers, you know, to the tune of billions of
21 dollars. And if this is approved, there's additional value to be had for customers.
22 **CHAIRMAN BOISSIERE:** Okay. I want to -- I want to -- thank you. But I
23 want to also add -- so the tune has been billions of dollars. And I want to be clear

1 although I personally was not part of the formal request to Mr. Patrick's memo. I
2 don't think he was asked which was the better deal.

3 **MR. PATRICK:** No.

4 **CHAIRMAN BOISSIERE:** I think the question was: Is it legal or what's your
5 legal opinion, not which is smarter better, wiser, what are the ramifications, just is
6 it legal. And so we have that answer from Mr. Patrick.

7 **MR. PATRICK:** Yes.

8 **CHAIRMAN BOISSIERE:** And those other things that you mentioned, though,
9 I think are very important. That's why I raised the amount of savings Louisiana
10 ratepayers have enjoyed and benefited from from securitization. It seems like
11 there's a somewhat -- it seems like there's a conflict. Because on one end, we're
12 saying, look, this saves money, but I don't think that was Mr. Patrick's
13 determination or his -- or what he was requested to determine. He was requested,
14 I think, to just determine whether it's legal or -- versus illegal or is there any legal
15 parameters that either allow or prevent him from being able to -- for this
16 Commission to be able to ask Entergy to participate. Now, that's a bigger
17 discussion, and I think because of the memo, creates those questions that have to
18 be ultimately answered by the Commission as it goes what is best for ratepayers
19 the next line of questions. And then we can have a formal discussion on
20 securitization versus whatever else is out there. I don't -- and so I raise that to say
21 I know securitization works, but it's definitely intriguing to hear Mr. Patrick's
22 findings. And at the end of the day, it would have to be a part of a larger

1 discussion to hear exactly what that means to ratepayers. Now, that's the end of
2 my comment.

3 **MR. KLEEHAMMER:** Commissioner, if I may, Mark Kleehammer. Just to put
4 a point on what Commissioner Skrmetta said about interest rates. Interest rates
5 did go up 50 basis points yesterday. A 50 basis point move on this is about \$42
6 million. So \$42 million, you know, we don't know when these will ultimately be
7 issued, but the volatility in the market is significant. A hundred basis point --
8 yeah, I'm sorry, 25 basis point is 42; it's \$88 million. It is a 50 basis point move.
9 That's what happened yesterday. So on this speculation we have an opportunity,
10 a potential of delaying issuance and being subject to this market volatility. Just in
11 the month of March this spring on the first securitization that we did for Laura,
12 Delta, and Zeta, the interest rates moved away -- moved from 311 to 403 in the
13 month of March, that was \$257 million. At the final issuance, which was 4.28
14 percent as opposed to the 276 we were looking at in February, that was \$426
15 million because of the change of the interest rate through securitization over these
16 15 years. So time is absolutely critical in here. And Commissioner Campbell, I
17 know we had this conversation back in January, should we move forward, should
18 we move forward, and we had a debate. We were going to debate it and let's
19 fight about it, but we recognized that timing matters.

20 **CHAIRMAN BOISSIERE:** Okay. Commissioner Campbell.

21 **COMMISSIONER CAMPBELL:** Let me ask you a question.

22 **MS. BOWMAN:** His mic, please.

1 **COMMISSIONER CAMPBELL:** Mr. Francis brought up a interesting
2 question. He said all these people, Walmart, who else did you say, all the big
3 companies, they all signed off on this deal; is that what he said?
4 **MR. KLEEHAMMER:** That's correct.
5 **COMMISSIONER CAMPBELL:** Well, sure they signed off on it.
6 **COMMISSIONER FRANCIS:** The Staff signed off on it.
7 **MR. KLEEHAMMER:** [INAUDIBLE]
8 **COMMISSIONER CAMPBELL:** But they -- they didn't know about this
9 though.
10 **MR. KLEEHAMMER:** Didn't know about --
11 **COMMISSIONER CAMPBELL:** No, no, no, hold up, Mark.
12 **COMMISSIONER FRANCIS:** Didn't know about what?
13 **COMMISSIONER CAMPBELL:** They didn't know about what we were
14 talking about.
15 **COMMISSIONER SKRMETTA:** Yeah, they did.
16 **MR. KLEEHAMMER:** Didn't know that the answer could be arbitrary and
17 capricious?
18 **COMMISSIONER CAMPBELL:** No, no, no, no. Hold up, Mark. Hold up,
19 Mark. You going to tell me -- you're going to sit there and told me that you told
20 Walmart there's a possibility that some of this money will be coming back to you,
21 you didn't tell them that. You told them this was the deal and they agreed to the
22 deal. They didn't know about the possibility that we're talking about here --
23 **COMMISSIONER SKRMETTA:** I don't think --

1 **COMMISSIONER CAMPBELL:** -- that some of the money is -- could go
2 back. Y'all didn't tell them tell them that. Now, don't sit there and tell me --
3 **MR. KLEEHAMMER:** Well, I think it's the understanding of most parties that
4 prudently incurred costs are recoverable.
5 **COMMISSIONER CAMPBELL:** I know but you -- this was a new
6 phenomenon that we just came up with last time.
7 **MR. KLEEHAMMER:** That came from Mr. Patrick and I don't think has any
8 merit.
9 **COMMISSIONER CAMPBELL:** You did not -- you guys -- you people
10 working for Entergy, all you guys don't tell me that you told all these big
11 companies, hey, LEUG, do you realize there's something on the table that you
12 might get some money back? Y'all didn't tell them that. So they signed on, but
13 they didn't there's a possibility that you get something back.
14 **MR. HAND:** That's correct. No, sir. We did not. We did not tell them that.
15 **COMMISSIONER CAMPBELL:** I know you didn't tell them that. So they
16 signed and said we're okay, but if you'd have told them or they thought there
17 might be a possibility that this thing might go the other way and some of that
18 money be refunded to them, they might would have wanted heard the deal. The
19 next thing, Mark, I want to ask you something. You talking about the rates going
20 up. I know a little bit about rates, just a little bit. They are going up. But I can
21 tell you what's not going up, your bill. You're not thinking about your bill;
22 you're talking about the rates are going up. If these -- if we can save the people
23 some money, their bills would go down. So I mean, you just want to talk --

1 **MR. KLEEHAMMER:** Commissioner, in the short term. In the short term and
2 our access to capital --

3 **COMMISSIONER CAMPBELL:** You're just talking about rates. First of all,
4 you don't know how long the rates are going to go up, nobody does. It's up a half
5 a point yesterday or whatever, but y'all are looking at from the company's
6 perspective. And I understand that. But we're on the other side. We're on the
7 people side, and you're on the company's side. It's clear as day. And you give
8 me all the reasons that we should bail y'all out. But we really not bailing y'all
9 out; we're raising the rates on the people. So if there's any way that we don't
10 have to pay the people as much as you guys want us to, that would help them. So
11 to tell me that interest rates went up, well, yeah, they went up.

12 **MR. KLEEHAMMER:** Uh-huh.

13 **COMMISSIONER CAMPBELL:** But I can tell you what else you want to do,
14 you want to raise the rates on the people. That's what you want to go up. That's -
15 -

16 **MR. KLEEHAMMER:** We want to collect our prudently incurred costs --

17 **COMMISSIONER CAMPBELL:** I understand that --

18 **MR. KLEEHAMMER:** -- and the cheapest vehicle for customers is through
19 securitization.

20 **COMMISSIONER CAMPBELL:** -- but by doing what you want to do -- by
21 doing what you want this Commission to do. You want us to vote to pass this 1.5
22 billion, one point -- on to the people. I guarantee you their rates are going to go
23 up then.

1 **MR. KLEEHAMMER:** Yeah.

2 **COMMISSIONER CAMPBELL:** The people have already got a \$15 to \$20
3 rate increase for 1,000 kilowatts, so you want to raise them some more. So I think
4 it's imperative for the Public Service Commission -- if there is just a crazy chance
5 if somebody came out with a -- as y'all say a crazy idea that can't ever work, I
6 think it's the Public Service Commission's job to explore that and see if it's not so
7 crazy. Y'all say it's crazy. All the big lawyers back there that we pay millions of
8 dollars to, they told me it was crazy. Now, here's a lawyer that works here. He
9 doesn't think it's crazy. He looks like he's on the people's side here. He's saying
10 maybe we ought to try it. So how am I as a Public Service Commissioner
11 representing a million people want to listen to the lawyers from your gang that's
12 want to charge you money. It looks like to me the Public Service Commission
13 should say hell, we ain't got a chance. We got no choice. We got to search this
14 thing out and see if there's any way we can save the people's money. This is not
15 some kind of prank. It's really our job. I don't -- you know, I know y'all are
16 smart people and you're nice people. I like you. But you get your paycheck from
17 Entergy. I get my paycheck from the people. It's a big difference there. A huge
18 difference. And when we start listening to you, we're not doing our job. If
19 there's just a fraction that what we're talking about is true, we're obligated to do
20 it. It's like trying to cure a disease. This man's a doctor. If there's just an ounce
21 of a new cure, he's going to look into it to help his patient. Our patients are the
22 people, and they're hurting. So I think it's imperative that we should say hey, if
23 there's any chance in hell this is right, we got to look at it, and that's what this

1 guy is saying right here. That's all he said. He don't see any ironclad reason that
2 we can't try. If you have to court, that's why that's they make court houses.

3 **MR. KLEEHAMMER:** Commissioner --

4 **COMMISSIONER CAMPBELL:** Well, anyway, I've said all I want to hear.

5 **COMMISSIONER FRANCIS:** Mr. Patrick -- Mr. Patrick, you think the
6 recommendation should show that there is an unresolved issue here? Should that
7 be the Staff's recommendation now since we've discussed this? I want to just
8 clearly understand, you know, is there an unresolved issue now on all this that
9 we're talking about? We need to write that down in black and white so all the
10 lawyers see it. What is the unresolved issue here?

11 **MR. PATRICK:** Commissioner, I don't think there is an unresolved issue. I
12 think that the -- the Staff consultants were asked to look at it from a certain
13 perspective, to review it. And they looked at it. And they said this is a good
14 securitization, these are good numbers, this is an appropriate way to put it
15 together, and I don't second guess that. I don't second guess that at all. I was
16 simply asked separately and apart from working with them on developing, you
17 know, the discovery and everything, to look into the constitutionality, the
18 statutory basis, the legality of the idea that the Commission has to in this docket
19 allow 100 percent pass-through.

20 **COMMISSIONER FRANCIS:** Isn't that already written in a court case in the
21 Supreme Court?

22 **MR. PATRICK:** No, sir, it's not.

23 **COMMISSIONER FRANCIS:** This is not?

1 **MR. PATRICK:** There's nothing in a court case that says you have to give a
2 hundred percent pass-through here. It's -- is it a good idea? Is it a bad idea? Are
3 there policy reasons for it? Are there policy reasons against it? Yes, on all the
4 above. All I looked at was is it -- is there an ironclad limitation that says that it --
5 in the way that it works with the Constitution, with the court decisions, with the
6 decisions that have been made in this Commission, with the formula rate plan,
7 with the tariff as it is, does the Commission have to do this? And the Commission
8 does not have to allow 100 percent pass-through here, they don't. That's -- that's
9 the extent of it. I mean, it's -- and it's not as easy as just sitting here and saying it.
10 I mean, I've spent a lot of time looking at it, and I'm not going to tell you that
11 somebody else might not come to a different conclusion or make a different
12 argument. That's what I think.

13 **COMMISSIONER FRANCIS:** Well, all the good corporations that involved in
14 this statement, they have a lot of smart lawyers. I know Randy Young's sitting
15 there is one of them, you know. And he's going along with it, you know. So how
16 much money would it cost us to find out that we're going to win or lose in a court
17 case because that's what's going to happen, it's going to wind of being -- going to
18 court and somebody is going to win, somebody is going to lose. If lose, how
19 much money would lose objecting to this? Just ballpark figure. Fifty million, a
20 hundred million.

21 **MR. PATRICK:** I have no idea.

22 **COMMISSIONER FRANCIS:** You got interest costs. The time we get through
23 with this, the way interest rates are going up, it'll be double, you know.

1 **MR. PATRICK:** Well, if you're having to pay me to lose, I'm not that
2 expensive but -- so it wouldn't be 50 million but I don't know.

3 **MR. KLEEHAMMER:** Commissioner, may I make a point?

4 **COMMISSIONER FRANCIS:** Yeah.

5 **MR. PHILLIP MAY:** This is not a hypothetical discussion. The securitization
6 delay that we had earlier this year cost customers more than \$400 million. So it's
7 not a hypothetical, oh, what happens if. We know that interest rate rise cost those
8 customers \$400 million. And Commissioner indicated that the people pay his
9 salary. Well, the ratepayers, our customers, pay our salary as well. They also pay
10 people who show up to fix the system after it's damaged. It's not just our
11 employees that do that. These people come from all over the U.S., and they come
12 because there's an expectation that they will get paid. If this Commission sets an
13 expectation that they will not get paid, they won't come, or they will demand that
14 they get paid upfront. And that is not a hypothetical either because during
15 Hurricanes Katrina and Rita, one of our utility companies out of Texas demanded
16 they be paid cash up front before they send utility restoration workers to help us
17 because the financial condition of the company and the uncertainty associated
18 whether or not the LPSC would allow recovery of those costs meant that they
19 were not comfortable sending those folks down here because there was not an
20 assurance of getting costs. And you know, if Commissioner Campbell
21 [INAUDIBLE] coming back, if he goes and sells a bull to someone in Kansas,
22 and they say you know what, I'm only going to pay for your half of that, I don't
23 think he's going to send a bull to that fellow in Kansas again.

1 **COMMISSIONER FRANCIS:** Yeah.

2 **CHAIRMAN BOISSIERE:** Commissioner Skrmetta and then Commissioner
3 Greene.

4 **COMMISSIONER SKRMETTA:** Sure -- [INAUDIBLE] mic or it may not be
5 on.

6 **CHAIRMAN BOISSIERE:** Oh, I'm sorry.

7 **COMMISSIONER SKRMETTA:** Yeah, Commissioner Campbell made a point
8 earlier that Walmart and LEUG and all these people, if they cut this bill will get
9 money back. I don't know if I'm missing something, but that would seem to be
10 an incorrect statement because this is your money, isn't it? This isn't a credit
11 back to ratepayers if you get less money. Would that be a correct statement,
12 Larry?

13 **MR. HAND:** That's correct, Commissioner. We --

14 **COMMISSIONER SKRMETTA:** And I want to make sure Commissioner
15 Campbell -- Commissioner Campbell? I want to make sure you hear this. You
16 made a statement earlier that if we cut this that meant money in the pocket of
17 LEUG and Walmart and all those people. That's not true. This money is their
18 money, so if we reduce it, that's just less money they get. Nobody gets anything.
19 When they signed off on this plan, the -- all the intervenors, they recognize that
20 the intervenors would be paying into this plan. They're not going to get money
21 out of it. They're going to be putting money into it. They recognize that it was a
22 reasonable expectation of what to pay, but there's no consideration at any time
23 that if we cut the amount of money that we pay into this, that anybody's going to

1 get any credit back. So that's -- nobody's getting anything. Nobody's getting a
2 credit back to anybody. This is chopping money to them. So that's number one.
3 But the bigger problem is that every time we hesitate and every time we put a
4 click of a half point at the Fed, as Mr. Kleehammer said, it's going to be another
5 \$42 million on the butcher's bill. So if we look at bringing this to court, we were
6 just arguing over paying one of the lawyers \$700,000, and now we're going to be
7 arguing over \$42 million, maybe every month or every two weeks because it
8 seems to be cycling every two to three weeks at like a half basis point and it's not
9 going to stop. So we're looking at -- let's just say that the Fed does it three times
10 over the next month and a half and we're going to look at another \$150 million by
11 hesitating, not pulling the trigger on an agreement all the intervenors, everybody
12 who actually sat in on this plan, including ourselves, agreed was just and
13 reasonable, the federal standard -- the Federal Supreme Court standard, the State
14 Supreme Court standard and said is the right way, so I just don't want to have a
15 higher bill laid upon the ratepayers by chasing this rabbit down a hole. And --
16 like I said, I love a great analysis and a great reasoning, but the problem is what
17 Patrick -- Mr. Patrick -- because it's the same name, right -- what Mr. Patrick says
18 flies in the face of a hundred years of jurisprudence. It's not just one year. It's a
19 hundred years of jurisprudence on how these companies recover and how we
20 balance the interest in -- between the ratepayers and the utilities. But that's, you
21 know, that's another argument. So if you want to go and take a case to the
22 Supreme Court, look, I'm always in on a great case. We just had that argument
23 about going after you guys and running you to the ground, but at the same time

1 we're talking about real numbers. We're -- when you talked about the original
2 securitization by going through that on Katrina/Rita and Gustav/Ike, I remember
3 the number we saved by doing it. I think it was between \$300 million and \$400
4 million that we saved. Okay. Now, what we're talking about by delaying it is
5 wasting \$150 million and that's only saying if we only get 1.5 basis points
6 because, like I said, everything around here moves at the speed of sludge. Okay.
7 So that's my concerns about this. Now, look, the problem with up here and just
8 so you guys understand is I can count, right. So it doesn't matter with
9 Commissioner Francis, if I agree to bring this up under Rule 57 because I can
10 count. And the problem is I know where Commissioner Francis is, I know where
11 I am but I can count. And that's the issue. Because while everybody up here is
12 saying they're in favor of the ratepayers, they're in favor of the ratepayers from a
13 different perspective. Some are on perspective of the ratepayers on what I would
14 perceive at a dice table on come bet. I am in perspective on the ratepayers of a
15 passbook saving account and a guaranteed issue. I know what I can save the
16 ratepayers now. They're thinking what they can save the ratepayers on basically
17 what used to be referred to as a wag, right. I don't agree with that. What I agree
18 with is what I know that I can see in a calculation and know we can do right now
19 for the public. And that's my problem. And I would ask one of the three
20 Commissioners to think about this right now so that we can redirect our efforts
21 and move forward. Do I think that's going to happen? No. But I think it's
22 logical that we don't act in an arbitrary way; we realize what our consultants
23 found as just and reasonable; we don't try to look beyond holding capital hostage

1 on this, to quote the old, you know, treatise book; and move forward to solve this
2 issue and save that \$42 million that we might be paying extra next month or the
3 \$90 million the month after that or the \$150 million the month after that, which is
4 wasted money. It's like having a bonfire at that point. So that's my problem on
5 this. And I want to make sure that Commissioner Campbell understands that any
6 money that we cut from this, eventually I think you recover anyway, through
7 litigation and maybe more. All right. But any money than is saved from this, the
8 intervenors don't get a penny because it's not their money. It's not a ratepayer's
9 money. It's money you spent to put the lights back on in this state. It's money
10 you spent to fix transmission. It's money you spent to fix distribution lines, to fix
11 power plants, to make sure that the economy of the state of Louisiana had power
12 and security for this state. And I get it, and it's because -- I don't want to be the
13 only one to say this, but I asked you to put the power back on. I didn't ask you
14 not to put the power back on. I didn't ask you to do it with fewer people. I told
15 you to get it back on because the public wanted it back on. And we knew it
16 would cost money, and the public knew it would cost money. This isn't about
17 raising your rates and, you know, talking about rates going up. This is about
18 paying a bill to fix the problem that the public wanted fixed. This isn't about
19 raising rates on your infrastructure because that's not going up. We're still two
20 cents lower than any other state. This is a bill that we asked you -- for what we
21 asked you to fix to make sure the public was secure with electricity to run this
22 economy and give comfort and solace to the people of this state. I don't like
23 being two-faced because I know what I asked you, and I know the responsibility I

1 have to the public for what I asked you, and that's why I support this. But I also
2 support it because I know what it's like to try to save money. But on no
3 circumstances does anybody in this room, in this state get a penny if your request
4 is reduced. In fact, it's going to be more before it's all over. So that's where I am
5 on this. All right. All right. Thank you. Well, Mike, get me one more.

6 **COMMISSIONER FRANCIS:** What?

7 **COMMISSIONER SKRMETTA:** Get another vote and it's done.

8 **MR. HAND:** And Commissioner, if I can clarify one, Mr. Kleehammer -- just
9 the math, it's every 25 basis points of interest rate up or down is worth 42 million.
10 So 50 basis points is 88; 100 basis point, 166, but there's a bigger interest rate
11 issue that time will cost us here, you know. Inaction is the biggest concern here.
12 If you will recall that when after the 2020 storms, we went out and borrowed with
13 your concurrence on a ratemaking treatment, we borrowed short-term debt of \$1.1
14 billion to provide low-cost financing. That debt was priced at 0.62 percent. So
15 instead of carrying the storm costs at our weighted average cost of capital, we did
16 it at 0.62 percent. After Ida struck, we did it again. We went out and borrowed
17 another \$1 billion of short-term debt at 0.95 percent, again, as an alternative to the
18 weighted average cost of capital. Those two measures, which we gladly did and
19 you gladly supported, saved customers hundreds of millions of dollars. The
20 problem is those were very short-term borrowings. They were three year bonds
21 callable after one. So come this November, November '23, the first tranch of a
22 billion dollars, that's about 540 million left on it, has to be paid. We'll pay it, and
23 we'll refinance it with weighted average cost of capital. So every month

1 thereafter the carrying costs goes from 200,000 to 400,000 up to \$10 million a
2 month. So there's a big -- two interest rate issues. One is what will the rate
3 ultimately be and we can securitize that. Two is we lose a low-cost financing
4 that's in place today that if we securitize now we can carry it forward. And
5 number three, if we're forced into a rate case world and appeals, we're years
6 away, and the carrying costs at the weighted average of capital will be hundreds
7 and hundreds of millions dollars greater than what we're talking about here today.
8 And the last point I will make is the settlement that has been reached and
9 everybody has signed off on has a very favorable allocation of costs for
10 residential customers. So in this settlement, as with prior storm settlements, the
11 industrial, the transmission level customers, the industrials have agreed that 33
12 percent of the distribution level cost that residential customers primarily pay for,
13 that will be reallocated so that everybody pays some of that, including industrials.
14 So through the settlement, the industrials, the LEUGs, the Marathons, they're
15 agreeing to pay more than their fair share than they would likely be required to
16 pay in a rate case. So this is really -- we're making the best of a bad situation, and
17 the paths that Mr. Patrick is urging you to go down, I do not believe are legally
18 supported, and in the end, it's going to cost customers a whole lot of additional
19 carrying costs with great uncertainty created for us being able to respond to future
20 storms and carryout our normal business.

21 **CHAIRMAN BOISSIERE:** Thank you. Great comments. Let me keep the
22 meeting moving. Commissioner Greene.

1 **COMMISSIONER GREENE:** I have some thoughts to share I proposed in a
2 PowerPoint so if y'all could stay. At the end, I have some questions to you,
3 Phillip, about resilience in general. And I appreciate this robust conversation. I
4 like conversations that make us feel uneasy, but that means we're getting to a
5 sharper --

6 **CHAIRMAN BOISSIERE:** Is that Number 17? Is there any --

7 **COMMISSIONER GREENE:** No. This is on this.

8 **CHAIRMAN BOISSIERE:** Okay.

9 **COMMISSIONER GREENE:** So --

10 **CHAIRMAN BOISSIERE:** No, wait, wait. Let's see.

11 **COMMISSIONER GREENE:** Can y'all do the lights?

12 **CHAIRMAN BOISSIERE:** Are we on a different docket number?

13 **COMMISSIONER GREENE:** No. This is on securitization.

14 **CHAIRMAN BOISSIERE:** Okay. I'm just -- I'm making sure Staff
15 understands that we're on the same page here. All right.

16 **COMMISSIONER GREENE:** So I have a slightly different vibe on this.
17 There's no question securitization is the best way to move forward, but there's a
18 possible nonarbitrary pathway here, and maybe/maybe not but I think it's worth
19 us talking about. And it's around do we have a prudently maintained electric grid.
20 Next. You know, in Louisiana, storms are not a when but it's an if. And the
21 question is what happens to our grid when we get hit by a hurricane. And so this
22 is from Energy Information Administration, and this is the total annual -- if you
23 look at both duration and frequency by the state and look at the U.S. average you

1 see right there in the red and look at Louisiana all -- top right is bad. Go to the
2 next one. Look at '21, you see Louisiana, top right, again, we're an outlier in not
3 a good way. Next. So what about normal every day. When someone considers
4 the strengths of the storms in 2020 and 2021, an argument can be made that this is
5 understandable to be such an outlier. What happens when you take hurricanes
6 and extreme weather events out of that data? And when you take it out and you
7 compare Entergy to all the other utilities in the country that have over 730,000
8 customers, there's a trend that alarms me. This is Entergy 2014 if we take out
9 major weather events. And you're not the worst, but it's still top right. 2015 is
10 getting further to the top right, '16 same, '17 same, '18 almost as far up and right
11 as you can get, '19 far right, '20 far right, '21 if you combine Louisiana and
12 Arkansas this is an alarming trend. Next paragraph -- I mean, next. And so this
13 data supported by evidence everywhere around us that our grid was not very
14 strong going into these storms, but we keep asking customers to pay for a grid
15 that's not standing up over time. Next, next. So if you look at the timeline, in
16 September of 2019, we opened a docket to investigate all matters as it pertains to
17 pole viability, pole attachments, and all areas that may affect reliability and
18 sustainability of our grid. In two years of working with utilities, inspecting areas
19 of the grid, and working through issues provided enough evidence that there's a
20 lot that needed to be changed in how our grid is prioritized and maintained.
21 Concerns: Visible, defective nature of the grid as well as data providing lack of
22 reliability warranted opening two more dockets. And after opening those dockets,
23 it was a little troubling to me that, Phillip, that y'all fought us bringing in

1 engineers to further assess this. Now, I'm glad to where we are. And then in
2 November '21 to open those dockets, one to better understand how storm costs
3 could be avoided with a more proactive grid maintenance practice and the other is
4 to ensure that Louisiana and its utilities have a comprehensive resiliency plan.
5 And these directives made it clear that the Commission needed to hire engineers
6 to ensure a prudent grid maintenance and planning is taking place and established
7 for the future. And in February of this year, y'all came and asked for 3.2 billion.
8 I voted for that. But Commission Campbell gave in clear terms a unopposed
9 directive to analyze alternative ways for paying for storm costs. This directive
10 sought an analysis to separating northern Entergy customers from the rest of the
11 storm costs. And now we're asking -- y'all are asking for the 1.6. Next. So
12 there's no doubt securitization saves customers hundreds of millions of dollars,
13 and securitization does not allow for shareholder profits. I value that.
14 Securitization is the least cost way to recover prudent costs, but prudence cannot
15 be justified by sampling receipts to confirm that indeed Entergy did pay for the
16 work that needs to be done. I think that -- you know, I took a lot of tests
17 throughout my academic career, and so one thought I have and maybe it's good,
18 maybe it's a bad thought but it's a thought. And I think it's nonarbitrary. If we
19 had an independent engineering firm look back at our grid prior to these storms
20 and it gave you a numerical grade. You know what, if you get a 98, you should
21 get 98 percent of what you're asking for. If you get a 57, you maybe get 57
22 percent of what you're asking for. But I think -- I think y'all can do better on not
23 having these costs of storm recovery to be so expensive. And I think this is about

1 accountability. And our Commission based its approval of recovery on the
2 assumption that Entergy was prudent before the storm and it's an assumption
3 there's no reason to assign any responsibility to Entergy for the extent of the
4 damages. However, the data and the evidence that I just presented suggests that
5 Entergy does not deserve that benefit of the doubt. I think y'all can do better to
6 not have such a fragile grid. And the data proves that prudence review is
7 warranted. And so I can't ask Louisiana Entergy customers to pay for more storm
8 damages without assurance that we're asking customers to pay for grid damage
9 that was not a result of imprudent maintenance practices. So I would like to see a
10 deeper analysis, perhaps by an engineering firm, of what is the grade of the grid
11 leading into the storms. And I think that would give us -- look, if they y'all did a
12 great job, it's all yours. I'm not trying to keep it from you, but I don't think that
13 you should continue to get more and more money if the grid is bad as the data
14 suggests.

15 **COMMISSIONER CAMPBELL:** I agree with that. That's like asking --

16 **MR. KLEEHAMMER:** If I may respond to that. Look, I think that there's --
17 everything has been -- many things have been said today about the risks
18 associated with rates -- interest rates. I think that your position and pointing to
19 Louisiana and Entergy Louisiana and prior storm maintenance is inconsistent with
20 the position that you and this Commission has taken with other parties. And I will
21 go back to February. February when you guys certified the first crunch of this,
22 you also implemented a \$6 rate increase.

23 **COMMISSIONER CAMPBELL:** I didn't do that.

1 **MR. KLEEHAMMER:** You -- I think you had left the room to go back to north
2 Louisiana because it was storming and you said everything earlier didn't count
3 because you needed us to get the lights on. But there was a \$6 charge put on
4 DEMCO's bills for emergency rate relief pursuant to extraordinary cost
5 provisions that was based on a filing that was done 32 days earlier. At this point,
6 after eight months of review, we're now hearing we need to take a deeper look at
7 how we've done things. The other distinguishing factor -- the other
8 distinguishing factor I would have here is for the last 12 years, Entergy has met its
9 SAIDI or SAIFI targets. Entergy Louisiana has met its SAIDI/SAIFI targets for
10 21 of the 24 opportunities. DEMCO has met them once.

11 **MR. MAY:** May I add to that as well. You know, Entergy began investing in its
12 grid begins much like what we do with our storm recovery. We start at the power
13 plants and we have invested in power plants, we've worked with the Commission,
14 we have purchased power agreements in some cases, have acquired plants through
15 -- that were available in the marketplace and we've built some plants and the
16 Commission has been helpful in terms of improving the efficiency, the reliability
17 of those power plants. We also have invested in the transmission grid and have
18 for about a decade now. And we have shifted recently to that last model, the
19 distribution system. We came to this Commission in early 2020 and said we need
20 to invest more in our distribution system. And at that that time, and this is part of
21 our formula rate plan, we asked for a specific distribution rider and a larger
22 amount of funds to be spent to focus on distribution reliability. We were told at
23 that time the Commission did not support that additional funds. And so if you

1 look at the data, our reliability says there's only one company in Louisiana that
2 had a better reliability score over those 12 years than we did. When we came to
3 the Commission and said we believe we need to spend more money on
4 distribution, this Commission said we can't support that. And so to me, do we
5 need to build a more resilient grid, yes, and we will have a proposal for that. I
6 know you'll have some questions on that as well. But the data suggests that our
7 reliability scores are consistent with what this Commission has requested and, in
8 fact, has led all but one company that serves in the state of Louisiana. And in
9 addition, when we came and said we think we should spend more money on the
10 grid, this Commission pushed back on that request.

11 **COMMISSIONER GREENE:** So my question on that would be -- and this is
12 just in the vibe of accountability. We're not in an enforcement agency, so when
13 we give you that money, how do we know you're taking a 70-year-old structure
14 and putting in a new one because I don't -- if you -- because you seem to be
15 saying we're not as bad as the data that you just showed says that we are. Is that
16 what I'm hearing you say?

17 **MR. MAY:** What I'm saying is that the data that suggested by your own
18 Commission is that there's only one company that has a better ongoing reliability
19 score than we do.

20 **COMMISSIONER GREENE:** So I feel like I just showed a lot of data that says
21 y'all could do a lot better, and what I'm hearing y'all say is nope, we're doing just
22 fine. Is that accurate?

1 **MR. MAY:** No, I don't think that's accurate. What I'm saying is there was a
2 standard the Commission has, we have met that standard all but a few years of the
3 12. We've suggested we needed to spend more money on distribution. This
4 Commission said no, we don't support that. And we're now going to be coming
5 to you and saying here are the steps we need to have to have a more resilient grid,
6 and we'll have a conversation about that as well.

7 **COMMISSIONER GREENE:** So on that note, I don't think this is your fault. I
8 think this is our fault. If you are saying you met the standards that we required
9 and as such, you come out last on every list in the past six years, we need to re-
10 evaluate our standard, which is exactly what I'm saying we should have to do.
11 Let's have an independent engineering firms come in and say what our standards.
12 Without them, it's easy to continue to miss the target. Even though you're hitting
13 the target that we set, you're missing the overall target, and that's our fault. So
14 we should -- we probably need to adjust what the standards are if y'all hit them
15 according to what we ask you to do but nationally, they're terrible.

16 **MR. MAY:** I'm not sure there's a question there.

17 **COMMISSIONER GREENE:** No. It was a statement. But it confirms that,
18 you know, I'm glad I'm bringing up, let's see what the score was leading into this
19 and how can we do better. Now, maybe if they determine that's not y'all's fault
20 because y'all were -- y'all were maintaining according to ours, well, that's a great
21 transition into the questions that I have for you about resilience.

22 **MR. KLEEHAMMER:** I'd like to comment. I think that we are aligned going
23 forward on how we make Louisiana look like other jurisdictions. You know, you

1 can have the chart and you've got to recognize that the Gulf Coast is different
2 than others. And your other chart that you had months ago rightfully points out to
3 one state standing out in the Gulf Coast and that's Florida, and that's been a 20
4 year effort in the state of Florida to move forward. I think we're a hundred
5 percent aligned on that. I think where we are not aligned clearly is that we have
6 met the standards that this utility -- that we have been asked to do by this
7 Commission. We have had a review for prudently incurred costs, others who
8 have had reviews for prudently incurred costs have been approved, one, frankly,
9 in 28 days before a report came out. We're eight months in, we have a fuse
10 burning on costs associated with our customers and the cheapest possible way to
11 fix that is to move forward today on securitization.

12 **COMMISSIONER GREENE:** And all I'm saying is before I approve \$1.5
13 billion, I need more information. And if it's on us, then y'all should get it and we
14 should change our standards to make y'all do better. If it's on y'all then I think
15 maybe you should have some skin in the game on this. I mean, you could have
16 done better. But if we were just not requiring y'all to do better then I think you
17 should get it all.

18 **CHAIRMAN BOISSIERE:** Commissioner Skrmetta.

19 **COMMISSIONER SKRMETTA:** Thank you. You know, Commissioner
20 Greene's been wanting to hire this engineering firm for a while, and we get that.
21 And probably next January he's going to get them hired, build a bigger
22 government, whatever; he's going to set more standards, whatever. You know,
23 those are standards you could set for yourself. And like you said, those are

1 standards you wanted to set but the Commission said no because it was going to
2 cost more money, it's going to increase cost for ratepayers, which we're going to
3 do anyway by delaying implementation of solving this issue. So you want to
4 build a better system and at the same time, we're already arguing about not
5 paying you for building a better system back anyway. So there's nothing like a
6 cross purpose in a world of, you know, complexities, right? I wanted to ask you a
7 specific question because up until now, Louisiana's had a good -- a reasonably
8 good position with the bond market. By us fooling around like this and not taking
9 the necessary steps to act after we've engaged with the bond people and the bond
10 lawyers and all this, do we get a bond rating shift that reduces our effectiveness at
11 any point? I know -- I can tell -- I can kind of think and, look, I'm entering into
12 the red book myself, but do we get a reduced bond rating by this arbitrary cut on
13 paying -- or when it comes, do we get an arbitrary cut in our bond rating by
14 reducing the amount of money that the Commission would authorize to pay you?

15 **MR. MAY:** You know, the way the securitization was structured by this
16 Commission was to provide a high level of certainty around those bonds so you
17 could get a AAA rating. Creating uncertainty puts that AAA rating at risk. Yes,
18 you could have an issue with that.

19 **COMMISSIONER SKRMETTA:** So question number two, if we lose our
20 rating and drop, for every rating shift we get from AAA, AA, then to B, what is
21 the cost differential to the ratepayers? Do you have any idea on the differential
22 cost? Who you got back that you can ask? Because I see you looking over your
23 shoulder. Who you got you can tell me?

1 **MR. MAY:** So we know earlier this year when it moved from 276 to 428, that's
2 \$426 million in securitization we did earlier this year. You know, the real
3 question is whether or not you could do securitization if it did not achieve a high
4 rating.

5 **COMMISSIONER SKRMETTA:** So if you don't receive the highest bond
6 rating, it's going to be tougher to sell the bonds?

7 **MR. MAY:** Correct.

8 **COMMISSIONER SKRMETTA:** Okay. So for us to sell the bonds, we need
9 the highest bond rating that we can get.

10 **MR. MAY:** Correct.

11 **COMMISSIONER SKRMETTA:** Otherwise, you have to discount the bonds,
12 correct?

13 **MR. MAY:** Or seek other ways to finance.

14 **COMMISSIONER SKRMETTA:** Right. But if you've got a low rated bond,
15 the only way to do it is to discount it to sell it, eat the differential, then you come
16 back --

17 **MR. MAY:** Higher interest --

18 **COMMISSIONER SKRMETTA:** -- and recover it in a different way, correct?

19 **MR. MAY:** Correct.

20 **COMMISSIONER SKRMETTA:** So this the problem with this. Now, let me
21 ask you a question, and I don't know if you -- is Larry the lawyer or this?

22 **MR. KLEEHAMMER:** Commissioner, I was looking. I think Mark Gooding is
23 your financial advisor [INAUDIBLE] --

1 **COMMISSIONER SKRMETTA:** Well, that's fine. He can ask -- he can think
2 about that question and come up with an answer. Who's the actual lawyer for
3 Entergy on some of this stuff? Is it Larry?

4 **MR. KLEEHAMMER:** Larry and Skylar.

5 **COMMISSIONER SKRMETTA:** Okay. Well, Larry could probably answer
6 this. Okay. Larry, I got a very pointed question for you. Okay. Commission
7 tells you at whatever point that we're going to cut the amount that you're going to
8 receive, X amount, doesn't matter what it is. I would interpret that to mean you
9 would go to the courthouse and say to the court system that the Commission took
10 an arbitrary act in the determination of X, but the action of taking and not
11 repaying X is the capricious act. So it is an arbitrary and capricious moment.
12 Wouldn't that be a reasonable analysis of understanding that moment?

13 **MR. HAND:** Hypothetically speaking, I'm not going to advise my client --

14 **COMMISSIONER SKRMETTA:** No. Hypothetical. Don't advise your client.
15 I'm asking you a question directly from me.

16 **MR. HAND:** Yes.

17 **COMMISSIONER SKRMETTA:** Okay. So it's really that -- it's that two-step
18 process. The arbitrary action of the Commission to reduce it and for you not to
19 receive recompensation for the money you spent on behalf of the Commission's
20 effective orders to maintain your system to do what you got to do to keep it
21 running, because you have an obligation to maintain your system and get it done.
22 Much like Commissioner Greene is talking about, keeping standards, keeping
23 things up. You have an obligation to spend that money, correct?

1 **MR. HAND:** Yes. That's part of the regulatory compact.

2 **COMMISSIONER SKRMETTA:** Right. So it's part of the regulatory
3 compact. So when you have damage to your system or you have maintenance to
4 your system, you build it back to the standards established by the Commission,
5 what the Commission said you needed to do. That's not the standard that
6 Commissioner Greene wants, you know, and I get it, which will cost more for the
7 ratepayers down the road and I get that, too. But the fact is you built it back to the
8 standards the Commission ordered. Is that an accurate statement?

9 **MR. HAND:** I mean, the accurate statement is we built it back to meet or exceed
10 NESC --

11 **COMMISSIONER SKRMETTA:** Meet or exceed.

12 **MR. HAND:** -- NESC, the National Electric --

13 **COMMISSIONER SKRMETTA:** Right.

14 **MR. HAND:** -- Safety Code standards. The standard -- the Commission
15 standard we've been talking about is the SAIDI/SAIFI metrics.

16 **COMMISSIONER SKRMETTA:** But my point what I'm trying to make is,
17 you didn't build it back because you built it back because you wanted to build it
18 back. You built it back because the Commission requires you to build it back.

19 **MR. HAND:** And we have an obligation to serve those customers. Again, that's
20 part of the regulatory compact.

21 **COMMISSIONER SKRMETTA:** Right. So what I'm -- my point is all the
22 money you spent, it wasn't because y'all decided we're just going to spend a
23 billion six, you spent it because you knew you had an obligation to the Public

1 Service Commission under your -- you know, your territory to reestablish your
2 system, to bring it up to where it needed to be, and you had that obligation to
3 spend that money. But you knew that under the regulatory compact, you had the
4 right to recover it. And so the question I have is, you know, to receive it, again,
5 when you bring it to the regulator and they take a step to say okay, we're not
6 going to let you recover the money that we expected you to spend. I'm trying to
7 understand how that moment, that moment is not the capricious moment.
8 Because it's arbitrary just on the selective element of the money. Okay.
9 Whatever number X is, that's the arbitrary money. But the capricious moment is
10 the expectation at the Commission of you to perform to a standard that the
11 Commission has established and you perform to that standard, and then when you
12 perform to that standard for us to say thank you very much, now you're not
13 getting the money back for doing what we told you to do in the first place. That
14 seems to be a secondary capricious moment because this is a balanced-interest
15 relationship because that's the first thing they told me when I was a
16 Commissioner is it's about balancing interest, it's not about taking advantage of
17 position one over the other, right?

18 **MR. HAND:** Correct.

19 **COMMISSIONER SKRMETTA:** So I'm seeing two capricious moments.
20 Now, those things tell me that it's one of those walk over to the 19th, file, do a
21 motion for summary judgment, bang, come back, and the judge says you can't do
22 that to the Public Service Commission. Because it seems pretty straightforward.
23 Am I missing something on that?

1 **MR. HAND:** I think that's correct. It is the, you know, the denial of the
2 opportunity, a reasonable opportunity to recover prudently incurred costs pursuant
3 to the regulatory compact. That is an unconstitutional, unjust taking of property,
4 money we have devoted to public service and it's pursuant to that compact that
5 we have the obligation to restore service following storms, and we're not trying to
6 decide are there enough customers on that line to restore it, no.

7 **COMMISSIONER SKRMETTA:** Now, in the history of Louisiana's
8 relationship with any utility, not just you because you've read the law more than
9 most people, has the Public Service Commission ever acted in such a way against
10 a utility like we're talking about now?

11 **MR. HAND:** In the context of storms?

12 **COMMISSIONER SKRMETTA:** Yeah, in the context of recovery of
13 prudently spent money that was found just and reasonable.

14 **MR. HAND:** In terms of storms, I'm unaware of any Commission decision to
15 disallow prudently incurred storm costs. There are several Supreme Court cases
16 in which the Commission was found that acted arbitrarily and capriciously
17 because it refused to allow recovery. One was South Central Bell, one was
18 SWEPCO, refused to allow recovery of prudently incurred costs. The
19 Commission has been overturned on those occasions, but I am not aware of any
20 Commission action in the context of storm cost recovery where it did so.

21 **COMMISSIONER SKRMETTA:** Right. But prudently incurred costs are what
22 we're talking about here.

23 **MR. HAND:** Yes.

1 **COMMISSIONER SKRMETTA:** And that element in the jurisprudence is
2 pretty clear?

3 **MR. HAND:** I believe it is.

4 **COMMISSIONER SKRMETTA:** Okay. So you know, my concerns about this
5 are you have an obligation under the regulatory compact; you had damage to your
6 system which did not provide electricity to the public as you are obligated under
7 the regulatory compact; you begged, borrowed, whatever, did everything you had
8 to do to get the money to re-establish the system; and you are now presenting the
9 amount for recovery, correct?

10 **MR. HAND:** Yes.

11 **COMMISSIONER SKRMETTA:** And like Commissioner Greene said, he
12 wants you to have the standards better than what the Commission has established
13 now, some of your standards from my understanding are better than we had --
14 have established. And the goal down the road is to establish more improved
15 standards, right? So this --

16 **COMMISSIONER GREENE:** And a prudence review.

17 **COMMISSIONER SKRMETTA:** Well, a prudence review is fine. But
18 impeding recovery to gain a prudence review at the cost of more than a \$100
19 million to the ratepayers just so we can hire an engineer and build a system of
20 bigger government is not a prudent decision on the benefit of lower cost recovery
21 for the ratepayers. And that's a real problem as we look forward to resolving this
22 issue. We're going to get an engineer. We're going to develop the system.
23 We're going to improve ourselves. There's a certainty in the count. Okay. We

1 get it. But the problem is, the problem we face now, which is resolving the issue
2 that's in front of us without taking a step that holds the Commission and the
3 companies hostage to where we are going to be in a position to where we're going
4 to cost the ratepayers -- as I see it, we already know it's going to cost them
5 another \$50 million by this delay, that we should take action now. We should
6 make this happen, we should save the ratepayers money, and then we're going to
7 move forward and we're going to do exactly what you're talking about. We're
8 going to make it to where there's going to be higher standards, which are going to
9 create higher costs down the road. And those will be in rates. Those will be
10 permanent. This is something that's going to be paid off over 10 or 15 years,
11 whatever the cycle is, but what you're talking is permanent in the infrastructure.
12 This is something that's going to be paid off. But we need to act or it's going to
13 be tough to borrow money in the future, it's going to be more expensive for us to
14 borrow it, we're going affect our bond rating, we're not going to get linemen to
15 come here when we do have a disaster, and we're going to be impeded and cost
16 greater expense. There really could not be any more clear decision than for us to
17 act now and act in the future to accomplish the goals that you have but to act now
18 to protect the ratepayers. So that's just what I wanted to run -- bring to the
19 [INAUDIBLE] but I appreciate your comments. Thank you.

20 **MR. MAY:** And I appreciate that very much and back to Commissioner Francis'
21 comments, I would ask for a second to take this up. We know what the risks are.

22 **COMMISSIONER SKRMETTA:** You know what the risks are? Can I ask for
23 a revote on the Rule 57?

1 **MS. BOWMAN:** Yeah. So there's a pending motion by Vice Chairman Francis
2 --
3 **COMMISSIONER FRANCIS:** Yes. That's what I thought.
4 **MS. BOWMAN:** -- to take a --
5 **COMMISSIONER SKRMETTA:** I thought it went but --
6 **COMMISSIONER FRANCIS:** No. It's --
7 **MS. BOWMAN:** Well, I -- you actually -- you're right it did fail for lack of a
8 second. So could you -- if you would like to --
9 **COMMISSIONER FRANCIS:** Okay. Yeah. I would like to start the time
10 clock back [INAUDIBLE] --
11 **CHAIRMAN BOISSIERE:** Well, first of all, I think that's the Chair's job to
12 call it back up.
13 **COMMISSIONER SKRMETTA:** The Chair's job --
14 **CHAIRMAN BOISSIERE:** But thank y'all for very much for trying
15 [INAUDIBLE].
16 **COMMISSIONER FRANCIS:** Yeah. I'm sorry. That's what I meant, Mr.
17 Chairman.
18 **CHAIRMAN BOISSIERE:** There's a couple things that have happened now.
19 We are a Commissioner down, who has left us. This matter was settled. I don't
20 know that we can just drag it back in right now.
21 **COMMISSIONER SKRMETTA:** If you had a unanimous position, you can
22 bring it back up on a revote on Rule 57.
23 **CHAIRMAN BOISSIERE:** Okay. So I do think we've been here and passed

1 this one already. In addition to that Commissioner Greene did have a further
2 comment before the discussion for [INAUDIBLE] --

3 **COMMISSIONER GREENE:** I can do my next line of questioning after a vote
4 [INAUDIBLE].

5 **COMMISSIONER FRANCIS:** I would ask that the Chairman reconsider my 57
6 request. Try to get a second on the other end.

7 **COMMISSIONER SKRMETTA:** I'm in, if they'll let me do it.

8 **COMMISSIONER FRANCIS:** Okay. The Chairman's the boss here.

9 **COMMISSIONER SKRMETTA:** It's the Chairman's call for allowing the
10 vote?

11 **COMMISSIONER FRANCIS:** Yes.

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

13 **CHAIRMAN BOISSIERE:** What's our quorum here, three, four?

14 **COMMISSIONER FRANCIS:** Yeah, we got a quorum.

15 **COMMISSIONER SKRMETTA:** We got a quorum.

16 **CHAIRMAN BOISSIERE:** We might.

17 **COMMISSIONER SKRMETTA:** Well, it's three. Three's a quorum.

18 **CHAIRMAN BOISSIERE:** Okay. Well, I'm -- I don't like that we going back
19 and forth like this --

20 **SECRETARY FREY:** You need -- to reconsider a vote, you need unanimous to
21 reconsider a vote.

22 **COMMISSIONER SKRMETTA:** Right. Right.

23 **SECRETARY FREY:** But a unanimous of who's present.

1 **COMMISSIONER FRANCIS:** Yeah.

2 **SECRETARY FREY:** You got to have at least three to have a quorum.
3 However many are present, you need unanimous number of them to reconsider a
4 prior vote.

5 **COMMISSIONER SKRMETTA:** It's unanimous to have the vote, correct.

6 **CHAIRMAN BOISSIERE:** Well, let me go -- let me touch on something right
7 here. All right. Let me be clear. Okay. Everybody out there listening to me,
8 everybody at the table, Staff, my fellow Commissioners, and anybody watching at
9 home, this is my last meeting and probably the last agenda item. I asked
10 everybody not to give me a show today. And here we are. There will be some
11 things I won't miss about this place. See it. You guys watching it. I can do
12 without this because this was a settled issue and here we are again. Because that's
13 what makes us who we are. And I think that -- I'm going to be perfectly clear.
14 I've been a huge fan of securitization, but there's a lot of new information that has
15 risen up in the last few hours that changes things. And also, based upon the fact
16 that we had settled something, I believe in fair dealing. I think there's a place in
17 Louisiana called Fair Dealing, Louisiana that keeps getting brought up.

18 **COMMISSIONER SKRMETTA:** It's [INAUDIBLE] Plain Dealing
19 [INAUDIBLE] --

20 **CHAIRMAN BOISSIERE:** Out of -- Plain Dealing. Is it Plain Dealing? I don't
21 know. It's not my thing. It's Plain Dealing? Okay. A Commissioner left based
22 upon a vote that was settled. And I don't know that it's fair or plain dealing. And
23 this, you know, these are the kind of things that make it very difficult to sit in this

1 position. I believe in securitization, but I'm also worried about some prudence
2 issue, and I'm also worried about the Pat Patrick memo that has given things a
3 different twist. And I promise you, more than anybody in this room, I would love
4 to come back in January and have -- and tussle with you again on this one. But
5 that is not where I'm going to be in January. This is somebody else's fight, so I'm
6 not taking this back up. And out of respect, Commissioner Skrmetta, out of
7 respect to my fellow Commissioners, I think it's a little disingenuous to -- all of us
8 voted in a fair, square deal to now get all worked up and try to undo something we
9 already did. Now, I don't mean -- we've gone back in the past. I know there's
10 precedent for us to revisit items within the same meeting, but I think in this
11 particular case, I -- I'm ready to hit that gavel one more time and ride off in the
12 sunset, personally. And I think the discussion is one that the people need to have,
13 and that the people here. We have experts and attorneys here with -- and
14 Commissioners who are all over the place [INAUDIBLE]. I want to be clear
15 Commissioner Greene and Commissioner Campbell are on different viewpoints.
16 They both made two -- totally different issues, and they need to be vetted out. If I
17 were here in January, I would probably hope that we clear this up then, not now.
18 Okay. Securitization is a great way to save people money. I'm strong about that,
19 but I think we need to hear some issues that may be consumer issues. That in the
20 end may or may not be the right answer and I made a point about Mr. Patrick's
21 memo to say what were you asked to do. Were you asked to give us the best
22 answer on what we should do as policy or were you asked whether or not this was
23 legal.

1 **MR. PATRICK:** Legal.

2 **CHAIRMAN BOISSIERE:** I know. I know the answer. I asked you already
3 when you sitting right here. We heard you. You know, it was just legal. It
4 wasn't the best answer. And I heard Commissioner Greene's presentation. I
5 actually asked for a copy so I could spend a little more time and chew on it
6 because even right now I saw it but let dive into the numbers a bit, let me call our
7 attorneys, let me sit with Staff, let me sit with the people at Entergy, let me sit
8 with our other experts on this to see if this has any legs. You know, it's only
9 fitting that we have a difficult closing that I did everything I could to not have
10 today. But I'll tell you a story about me. We've -- this Commission is known to
11 have difficult days and difficult arguments and difficult Commissioners and
12 different viewpoints but we're so well known for that, that as I became chairman
13 this year, and we've had some real difficult topics come before us. I mean, \$100
14 million deals left and right and MISO deals and you know name it. Just all sorts
15 of huge deals that have come before this Commission, and we had to figure out.
16 And we had a huge impact on ratepayers' money, huge impact on reliability, huge
17 impact on utilities. And I would think as I would leave the meeting, I would get
18 feedback from people to say things like great deal, you save ratepayers a \$100
19 million today. They wouldn't. They would say, Commissioner, you did a great
20 job managing your other Commissioners up there today because they realized that
21 the job was so much harder just to keep the Commissioners along the lines rather
22 than sometime the results that we get. Ultimately, this one, I hope the
23 Commission -- this Commission really, really focuses on the ratepayer going

1 forward. I really do. I've spent 18 years at the end of this month doing that, and
2 I'm getting sent home anyway. So just remember that this is your fight, guys, and
3 I think there's some arguments to be made but do what's right for the public,
4 okay, guys. I want you guys to handle this one going forward. There's enough,
5 you know, I don't -- I can -- I can count, too. I don't know that we're going to get
6 this one solved today, but I tell you what, it could have been. So I just think the
7 questions are still looming before there's a final conclusion. And I think this
8 Commission needs to handle it in the future. I want to thank you for a really good
9 effort on this one, but I'm not going to revisit this item. And let's keep the show
10 moving. Are we done with this one or we're going to move --

11 **MS. BOWMAN:** I was ready to move to Exhibit 17.

12 **CHAIRMAN BOISSIERE:** Before -- before I close the door on this one, let me
13 talk to my Commissioners one second. There are people on all sides of this one.
14 And for those who wanted this one done, I'm sorry. For those who wanted a
15 different conclusion, I'm sorry for them, too. But I give a lot to this Commission
16 and to the people and I'm ready to move on to a different item. And I hope that
17 the wisdom of the five Commissioners here is -- benefits the people of Louisiana
18 going forward. Next item.

19 **MS. BOWMAN:** Exhibit 17 is undocketed. It's a discussion with Entergy
20 Louisiana regarding the company's resiliency plan and this is at the request of
21 Commissioner Greene.

22 **COMMISSIONER SKRMETTA:** Do we want them to stay?

23 **COMMISSIONER GREENE:** Yeah.

1 **COMMISSIONER SKRMETTA:** Okay.

2 **MS. BOWMAN:** And Chairman, make sure his mic is on, please.

3 **CHAIRMAN BOISSIERE:** It's on. It's on.

4 **MS. BOWMAN:** Okay. Thank you.

5 **COMMISSIONER GREENE:** So just a few -- this shouldn't take long, just a
6 few questions and I think everyone's excited that we're going to become more
7 collaborative and get on the same page and hopefully avoid and not repeat the
8 problems that we've had in the past in the future. So this is just meant to do that.
9 Phillip, is Entergy aware that our Commission has several infrastructure dockets
10 open, one of which is meant to be a collaborative, comprehensive, statewide
11 resiliency planning docket such that all Louisiana utilities and, therefore, the state,
12 in general, is better prepared for hurricanes?

13 **MR. MAY:** Yes.

14 **COMMISSIONER GREENE:** So why has Entergy not answered the LPSC's
15 Staff questions related to the resiliency docket?

16 **MR. HAND:** Commissioner, I'll answer. This is Larry Hand on behalf of
17 Entergy Louisiana. In Docket R-36227, which I believe is the statewide
18 infrastructure or resiliency docket you're referring to, the questions that were
19 from Staff were very -- very high level, basically listing a bunch of risk factors
20 and asking utilities to say are they high or low. And that is how utilities have
21 thought about risk in the past is, are you exposed to storm risk, are you exposed to
22 wildfires, things like that. We are in the midst as we have talked to you privately
23 and in our discovery response as we -- I'm sorry -- amended it, we're in the midst

1 of developing a robust resilience plan that doesn't look at, you know, high level,
2 what are the risk you face across from the beaches of Grand Isle to the Arkansas
3 state line. There's so many risks in between as we all know. So what we have
4 embarked upon is a study that looks on an asset by asset, region by region basis
5 and try to look at those things, what are the risks we face and how do we mitigate
6 them to become more resilient. And that is -- that's a detailed study that has taken
7 time. We're anxious to get that filed and shared both in a utility docket as well as
8 in the rulemaking, so that we can have that for the dialogue, come up with it, but
9 anything we could have said in the discovery responses would have been
10 premature because we hadn't finished the plan. As an attorney, I've advised
11 Entergy Louisiana -- and I'll take responsibility for any frustration you or your
12 Staff has experience from those responses. It was my judgment call that let's not
13 try to get ahead of the regimented study, let's get the facts, get the experts to tell
14 us, how we should think about that and present that to the Commission, versus
15 kind of taking the old way of thinking, yeah, we have storm risks, we have ice, we
16 have wind and those sorts of things. So that was -- that was my judgment. If it
17 frustrated you or your office, I do sincerely apologize.

18 **COMMISSIONER GREENE:** Well, what I'm just looking for is -- and I think
19 y'all have a lot to offer, we talked about this privately, but I think the public
20 should know about making all of Louisiana more resilient. And so this is us kind
21 of saying we need your help, and we know you have expertise. And y'all have
22 the opportunity to just focus on Entergy or also let some of that spill over into
23 helping all of Louisiana. And so I suppose this is us saying will you enter into

1 these conversations with us so that it can help everyone else as well, and what I'm
2 hearing is yes.

3 **MR. HAND:** One hundred percent and we have made offers to meet with the
4 Commission Staff and their consultants in the summer, as early as the summer,
5 for -- we're all busy in a lot of things. For whatever reason that wasn't followed
6 upon and it didn't happen, but we certainly stand ready to have that engagement,
7 make our expert consultants available to the Commission, to the Staff, the report
8 as well, and have that back and forth to hopefully come up with a statewide plan.

9 **COMMISSIONER GREENE:** I mean, the future goal is that -- if we show
10 these graphs again, y'all are in the bottom left quadrant and there wasn't as big a
11 bill after a hurricane. We can't control the hurricanes, but -- so this is us saying,
12 hey, we want everyone to get there as cheaply as possible, but I think there's an
13 admission on all sides that we can do better. On that note, will you confirm that
14 Entergy will allow our hired engineers in R-36226 and R-36227 to review all
15 aspects of your resiliency plan? This means they'll be given any information they
16 ask for to check your work and your proposals. Can you confirm that you're
17 committed to that?

18 **MR. HAND:** I will caveat by saying to the extent there's any confidential
19 information, it would need to be subject to those protections. We do expect that
20 the resilience report, which we will make it available to the Commission's
21 consultants, that will be a public -- there are -- the report will be public. There are
22 attachments that go line by line. This is what we think it will cost to harden this
23 line. That will be confidential for market reasons. We don't want EPC

1 contractors who bid on the work to know we thought it costs.

2 **COMMISSIONER GREENE:** So that's an expected lawyer answer. But can
3 you confirm that y'all will let your engineers meet with our engineers?

4 **MR. HAND:** Yes.

5 **COMMISSIONER GREENE:** Okay. Thank you. How much -- do you now
6 around about how much money Entergy's going to seek to recover from your
7 customers to pay for a separate resiliency plan or that will be in the plan once you
8 present it?

9 **MR. HAND:** It'll be in the plan. I think you've seen the public filings, Entergy
10 Corporation system-wide what that number is. You can kind of figure out that
11 Entergy Louisiana is roughly half of that, so you can kind of back into what that
12 could be, but the -- the 5 year and the 10 year plan, and the expected spend will be
13 set forth in the filing and the report that will be made available.

14 **COMMISSIONER GREENE:** And is the plan to rate base these investments or
15 at a full ROE or seek a more affordable way of paying for it?

16 **MR. MAY:** So we're open and including federal funding, and we continue to
17 look for federal funding for that. But yeah, we're open to other suggestions, how
18 we fund that but likely the bulk of these investments will be rate based.

19 **COMMISSIONER GREENE:** And then barring any confidentiality issues, can
20 y'all help make this more of a team effort to share with any Department of Energy
21 or federal government funding that you may get that maybe perhaps all of
22 Louisiana can join in on? I know that the -- it's a robust analysis to really
23 investigate the infrastructure act, but we need help on that and I would love for it

1 to be collaborative. Look, I'm not anti-Entergy, but I just need -- if it's our fault
2 that y'all didn't -- that y'all met the standard and the standard wasn't low enough,
3 that's on us. I would like for all of us to agree that it would be best for us not to
4 be back in the situation with such big numbers after bad hurricanes, so I'd just
5 like for us to try to do better. And I'd like to hear from y'all that y'all would like
6 that, too.

7 **MR. MAY:** That -- we're aligned.

8 **COMMISSIONER GREENE:** All right. Thank you. I have no more questions.
9 Oh, I have some questions for Staff. Thank y'all. Can we compel the utilities to
10 take part in our resiliency docket and to answer our Staff's questions?

11 **SECRETARY FREY:** We have subpoena power generally speaking in the
12 Commission's rules of practice and procedure so that applies to just about
13 everything.

14 **COMMISSIONER GREENE:** So what I'm hearing, we hopefully won't get to
15 that point but we need your help. Will there be a problem in getting Entergy's
16 resilience plan over to our engineers if Entergy files a separate docket?
17 Specifically for R-363226 and R-36227.

18 **MR. KLEEHAMMER:** I don't believe there's anything that's not public.

19 **SECRETARY FREY:** I missed that, Mark. What did you say?

20 **MR. HAND:** So two things, Commissioner. It will not be -- the resilience report
21 will be public so it will be available for you to post anywhere to provide to them,
22 but I also committed to you that I will file, Entergy will file an addendum to the
23 discovery responses in question in those dockets and attach that report so there's

1 no question that the report is available for whatever stakeholders in that docket,
2 whatever consulting engineers in it, it will be there for them.

3 **COMMISSIONER GREENE:** I just want to make sure we're not setting a
4 negative precedent for other utilities who are watching and seeing that they can
5 ignore things that we ask for in a rulemaking. And what I'm hearing is y'all
6 aren't ignoring it, you're just not ready to give it to us yet.

7 **MR. HAND:** I think that's a fair assessment.

8 **COMMISSIONER GREENE:** Okay. Can we get a procedural schedule set in
9 our resiliency rulemaking, R-36227?

10 **SECRETARY FREY:** Certainly. I mean, that's something -- Staff is here, and
11 [INAUDIBLE] --

12 **COMMISSIONER GREENE:** Let's have that for next month. Let's just get a
13 schedule. Can we ensure that our resiliency rulemaking is finished expeditiously
14 and before any utility resiliency filings are brought to the Commission for
15 approval?

16 **SECRETARY FREY:** I think that can be put in the schedule as well.

17 **COMMISSIONER GREENE:** And could we be updated every other month on
18 the progress of our resiliency docket?

19 **MS. BOWMAN:** Yes.

20 **COMMISSIONER GREENE:** All right. Thank you. I have no more questions.
21 Thank y'all.

22 **CHAIRMAN BOISSIERE:** I did want to make a comment. That -- I guess that
23 closes Number 17, right?

1 **MS. BOWMAN:** Yes.

2 **CHAIRMAN BOISSIERE:** All right. I want -- something that wasn't said
3 because I guess the meeting started by catching me a little off guard, I wanted to
4 make an announcement so I waited to the end, is that -- and I hope -- and I don't
5 know if Mike mentioned it in the beginning or not but I wanted to let everyone
6 know about the huge weather event we had in southern Louisiana, mostly in my
7 district and Commissioner Skrmetta's district. I don't think we raised it. In parts
8 of St. John, St. Charles Parish, Jefferson, Orleans, and St. Bernard were hit by
9 tornadoes last night. Lots of utility damage, but lots of house damages, and there
10 was even loss of life. And even though -- that's why I was asking you to stay for
11 a second, yeah.

12 **SECRETARY FREY:** Yeah. While Mark's getting numbers, the last I heard
13 from the Governor's declaration was 21 confirmed tornadoes in Louisiana, and
14 that actually stretches from Foster's district down to New Iberia --

15 **CHAIRMAN BOISSIERE:** Absolutely true.

16 **SECRETARY FREY:** -- all the way across.

17 **CHAIRMAN BOISSIERE:** Absolutely true.

18 **SECRETARY FREY:** And do you know, one point, too, when people kind of
19 ignore forecasts, and I'm not talking about the Weather Channel, I'm talking it's a
20 joke amongst my staff, the National Weather Service had put this bull's eye on
21 where they said there were going to be tornadoes. And if you look at the overlays
22 of those tornados, they did a pretty incredible job of telling us where it was going
23 to be, so.

1 **CHAIRMAN BOISSIERE:** Yeah.

2 **SECRETARY FREY:** Just for future, pay attention to those forecasts.

3 **CHAIRMAN BOISSIERE:** And so I do want to hear that and another thing is

4 that it was based on those forecasts that we delayed the meeting on Wednesday,

5 you know, I think, you know, not to make light of it, but just -- God just didn't

6 want me to leave -- He stretched me out another whole day. And I was up all

7 night going into Algiers and Gretna and Marrero and other places like that around

8 the district looking at storm damage, New Orleans east, Lower Ninth Ward,

9 Algiers, and a lot of people are hurting there. And so as we discussed this Ida

10 storm damage, I don't know the impact of this storm on the utility system, I don't

11 think we have a whole lot of reserve money, if any, so as you guys move forward

12 be real smart about your decision-making on storm damage. Mr. Kleehammer,

13 can you give me an updated report?

14 **MR. KLEEHAMMER:** Yes, Commissioner. And I apologize that I didn't have

15 this written out. I want to say that we peaked around 35,000, a little north of

16 35,000 yesterday. At this point, it looks like we have about 5,000 customers out

17 in Jefferson; 1,200 in Orleans; and about 2,500 in St. Bernard. And I believe the

18 expectation is the vast majority of those will all be restored by end of evening

19 tonight. There will be certainly carryover with folks who have initial damage.

20 **COMMISSIONER SKRMETTA:** Do you have an estimate of how many

21 people will not be able to take power? How many structures are impacted at that

22 level?

23 **CHAIRMAN BOISSIERE:** The microphone is on, use your microphone.

1 **MR. KLEEHAMMER:** I don't.

2 **COMMISSIONER SKRMETTA:** Sorry. Do you have an estimate of how
3 many structures are incapable of taking power?

4 **MR. KLEEHAMMER:** I do not. I don't know if Philip has more info, but
5 certainly we'll get it to you within half an hour.

6 **COMMISSIONER SKRMETTA:** That's fine. That's fine. Thank you.

7 **CHAIRMAN BOISSIERE:** So you feel confident that by the -- because I've
8 talked to all the parish presidents or at least texted or called, talk to every one of
9 them, I just want to make sure we're okay going forward. So maybe by end of
10 day today --

11 **MR. KLEEHAMMER:** Yeah. I think the vast of majority of customers that
12 could take power, because, again, there's going to be a whole lot of homes and,
13 you know, very localized areas that are challenged and carry over but --

14 **CHAIRMAN BOISSIERE:** Sure.

15 **MR. KLEEHAMMER:** -- we've made a lot of progress so far and will continue
16 through the evening.

17 **CHAIRMAN BOISSIERE:** Absolutely. I was up pretty late driving around
18 those areas, and my prayers go out to all the residents and citizens who were
19 greatly affected. I'm fortunate and pray that and give thanks that my family
20 wasn't this time, but thoughts and prayers to everyone out there. And again,
21 much respect to the first responders that showed up and did a great job, including
22 the utility workers that went immediately out to start restoration in these areas and
23 I know we still have a long way to go but a lot was done and a lot more needs to

1 be done. I want to thank you -- because most of it was Entergy area in my area. I
2 don't -- I'm not sure what north Louisiana, what areas were affected, but in my
3 area meaning a lot of that was in my district, just a, I guess, a small part in Eric's
4 but part of maybe Jefferson and St. Bernard maybe, but the rest of it was
5 throughout my district so it meant a big deal to me. I usually, as you know, Mark,
6 when there's a storm, I go on the bucket trucks and as Mike Francis mentioned
7 even when the storms are not in my district. I went to Lake Charles several times
8 and we went together to survey and to see how we could help and that was just
9 one of the worst storms I've ever witnessed, the Laura storm. And Mike and I did
10 that together. It wasn't in my district, I wasn't chairman, but I understand. When
11 you live through one of those, your heart goes out to people, and so I wanted to be
12 there any way I could. Gentlemen, Commissioners, Staff, do we have anything
13 else on our docket for today?

14 **MS. BOWMAN:** We don't have anything else on the docket.

15 **CHAIRMAN BOISSIERE:** And let me say it, then, I will jump ahead since it
16 wasn't mentioned and say we're not going into executive session today.

17 **MS. BOWMAN:** Correct.

18 **CHAIRMAN BOISSIERE:** Good. Let's -- sorry, Dana. And so all the rest of
19 you who have stuck it out to the end today, I want to say thank you. I hope you
20 had a good, vibrant meeting, enjoyable meeting today, and I wish everyone God's
21 speed and good luck in the future. Thank y'all very much.

22 **MS. BOWMAN:** We need a motion and a second.

23 **COMMISSIONER SKRMETTA:** Motion to adjourn.

1 **CHAIRMAN BOISSIERE:** Okay.

2 **COMMISSIONER SKRMETTA:** You have a Merry Christmas present

3 [INAUDIBLE].

4 **CHAIRMAN BOISSIERE:** I know. Well, of course, Merry Christmas and

5 happy -- can I get a motion from someone?

6 **COMMISSIONER SKRMETTA:** Motion to adjourn.

7 **COMMISSIONER GREENE:** Second.

8 **CHAIRMAN BOISSIERE:** Moved by Commissioner Skrmetta, second by

9 Commissioner Greene. I'm going to give a third to Commissioner Francis, and

10 Campbell already left so he doesn't care what -- and I'll give it the fourth.

11 Motion accepted. Thank y'all very much.

12

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

14

1 I certify that the forgoing pages 1 through 153 are true and correct to the
2 best of my knowledge of the Open Session of the Business and Executive
3 Meeting held on December 15, 2022 in Baton Rouge, Louisiana.

4 *****


5 **Rough Draft prepared by:**

6 

7 **Kathy Dykes,**
8 **Court Reporter**

January 10, 2023

Date

9 

10 **Kayla Fiorenza,**
11 **Court Reporter**

January 10, 2023

Date

12 *****

13 **Proofed by:**

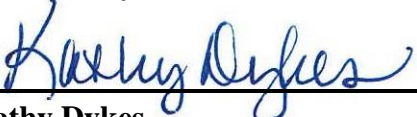
14 

15 **Lisa Stevenson,**
16 **Administrative Program Manager**

January 12, 2023

Date

17 **Finalized by:**

18 

19 **Kathy Dykes,**
20 **Court Reporter**

January 12, 2023

Date