

TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON FEBRUARY 25, 2026 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN ERIC SKRMETTA, VICE CHAIRMAN JEAN-PAUL COUSSAN, COMMISSIONER DAVANTE LEWIS, COMMISSIONER MIKE FRANCIS, AND COMMISSIONER FOSTER CAMPBELL.

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1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**
2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON FEBRUARY 25,**
3 **2026 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN**
4 **ERIC SKRMETTA, VICE CHAIRMAN JEAN-PAUL COUSSAN,**
5 **COMMISSIONER DAVANTE LEWIS, COMMISSIONER MIKE**
6 **FRANCIS, AND COMMISSIONER FOSTER CAMPBELL.**

7 **CHAIRMAN ERIC SKRMETTA:** Call the meeting to order. Please join, we're
8 going to stand. We're going to begin with Commissioner Francis is going to lead
9 us in the prayer. And as a courtesy, I've asked my former Chief of Staff, Adrie De
10 Waal, to come today and lead us in the Pledge of Allegiance. After a 15-year cycle
11 through the federal bureaucracy, Adrie De Waal, about two weeks ago, became a
12 United States citizen, so I'd asked her to come do that.

13 **COMMISSIONER MIKE FRANCIS:** Okay. Let's pray, folks.

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

15 **CHAIRMAN SKRMETTA:** Ms. De Waal, you can come up, and come up front,
16 and lead us in the pledge, please.

17 **[MS. ADRIE DE WALL LEADS IN THE PLEDGE]**

18 **CHAIRMAN SKRMETTA:** Thank you very much, and welcome to registered
19 voter status. You know, she went outside to cry, just so you know. First thing she
20 did was go register to vote, and the second thing she went to do was avail herself
21 of her Second Amendment privileges, just so you know, so. We're going to go
22 ahead with any announcements from any of the other Commissioners.
23 Commissioner Lewis?

1 **COMMISSIONER DAVANTE LEWIS:** Thank you, Mr. Chairman. First, I
2 want to take a moment to sincerely thank the Americans for Clean Energy Grid for
3 naming me a Transmission Champion of 2026 at this year's NARUC. To be
4 recognized alongside of some of our FERC commissioners, members of Congress,
5 and two fellow state commissioners was a truly humbling honor. As many of you
6 know, I've said transmission is the backbone of a modern grid, and if we're serious
7 about lowering cost for consumers and strengthening grid reliance, integrating
8 diversity in our energy resources, we must be serious about building and upgrading
9 transmission. So this recognition is not the finish line for me, it is just the fuel. So
10 I'm grateful for the partnership of all of those who work with the American for
11 Clean Energy Grid and then the many leaders across the country who are working
12 to push this forward. Secondly, I want to recognize that today is LIHEAP Action
13 Day at the Capitol. I want to thank, actually, Entergy Louisiana, who I know we
14 have a lot of partners who are visiting members of Congress today in support of the
15 Low-Income Home Energy Assistance Program. This program is vitally important
16 and Congress's funding is important to ensure that Louisianans who face significant
17 challenges with heating and cooling assistance along with weatherization have
18 those dollars. This month at NARUC, the board along with the two committees
19 that I served on passed a resolution advocating for more federal funding for
20 LIHEAP. So I encourage all of our utilities to continue to work with our
21 community action agencies, the Louisiana Housing Corporation, the state
22 government, and our federal delegation to ensure that families that are in crisis, that
23 the system works for them and not against them, and that we have all the funding

1 that is needed. Secondly, I want to raise a resolution that was also passed by the
2 board at NARUC this past winter meeting about unlocking energy efficiency to
3 support adequate energy supply and curb electric bill increases. Energy efficiency
4 to me is not a side program. It is a public relations initiative, and it's one of the
5 most cost-effective energy resources available to us today. If we are serious about
6 addressing rising bills and growing demand, then we must treat efficiency as a
7 supply. So this work requires partnership with federal agencies, the state, all of our
8 utilities, commercial and industrial customers, and community stakeholders. And
9 I remain committed to energy efficiency, and I ask everyone in all of our utilities
10 to view that resolution that was passed by the NARUC Board of Directors at our
11 past meeting. And, lastly, Mr. Chairman, as we gather here today during Black
12 History Month, I believe it's important to do so and ground in reflection, pride, and
13 responsibility. Black History Month is not just a celebration of our past, it's a
14 recognition of perseverance, brilliance, innovation, and sacrifice. In Louisiana, our
15 story cannot be told without acknowledging the contributions of Black Louisianans
16 who built industries, powered our communities, shaped culture, and strengthened
17 democracy, often in the face of systemic barriers designed to exclude them. From
18 earlier laborers who laid literal and figurative infrastructure of this state, to
19 entrepreneurs, engineers, advocates, public servants, who continue to move us
20 forward, Black excellence is deeply embedded in Louisiana's progress. I also want
21 to recognize my two predecessors, the only other two Black members of this body,
22 Commissioner Irma Muse Dixon and Commissioner Lambert Boissiere. They are
23 trailblazers who stepped in spaces where representation was rare and leadership

1 was even rarer. Their service was not symbolic, it was substantive. They expanded
2 access, elevated voices, and proved that leadership in regulatory spaces must reflect
3 the people that they serve. Their presence made my presence here today possible.
4 So as we commemorate this month, we do so not as an act of nostalgia, we do it as
5 a commitment because honoring history without advancing equity dishonors the
6 very people that we celebrate. We honor this history because the future is great,
7 because representation in energy policy matters, because equity in utility regulation
8 matters, and because building a just and sustainable energy future for Louisiana
9 requires us all at the table. Let us celebrate, let us recommit, and let us continue
10 building a future worthy of their legacy. Thank you, Mr. Chairman.

11 **CHAIRMAN SKRMETTA:** Thank you. Any other comments from any other
12 Commissioners or announcements?

13 **VICE CHAIRMAN JEAN-PAUL COUSSAN:** I have a quick comment.

14 **CHAIRMAN SKRMETTA:** Go ahead.

15 **VICE CHAIRMAN COUSSAN:** First, thank you to Commissioner Lewis for
16 recognizing Black History Month and his predecessors. When over the last couple
17 of years, I'm not sure if anyone realized how important utilities would be nationally.
18 I want to recognize last night that President Trump actually talked about ratepayer
19 protection in his State of the Union Address. I want to commit, again, to our
20 constituents that this Public Service Commission is intent on protecting ratepayers.
21 That's our first and foremost obligation, and we will be doubling down as we look
22 at all of these new proposals over the next couple of years. And I want to make

1 sure that everyone understands that that is our first and foremost responsibility,
2 especially to our constituents. Thank you.

3 **CHAIRMAN SKRMETTA:** Thank you.

4 **COMMISSIONER FRANCIS:** Mr. Chairman, I'd --

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

6 **COMMISSIONER FRANCIS:** I'd like to second that. My sentiments exactly.
7 Thank you, JP.

8 **CHAIRMAN SKRMETTA:** Anything else, Commissioner Francis? That's it?
9 Yes. Absolutely. Today we have visiting with us three candidates who are running
10 for my particular district, District I. We have Mr. Wayne Cooper, who I believe is
11 from Robert, Louisiana, if he wants to be stand to be recognized. And we also have
12 State Representative Stephanie Hilferty, who's from Lakeview New Orleans area,
13 if she wants to stand up and be recognized. And we have former Jefferson Parish
14 President John Young who's here, if he'd like to stand and be recognized. So is
15 Mark Wright here? Oh, Mark, I see you in the back. There he is. State
16 Representative Mark Wright is in the back. Sorry. I say Mark because Mark and I
17 used to work together. So, anyway, thank y'all for being here today.

18 **COMMISSIONER LEWIS:** Mr. Chairman, are we having a forum today?

19 **CHAIRMAN SKRMETTA:** Apparently, but the good news is it's not a quorum.
20 So the other question is anybody here from Commissioner Campbell's district
21 that's running for his office? Okay. Thank you very much, and thank y'all for
22 being here today. Any other announcements? If not, we'll go ahead and move on
23 to the agenda.

1 **SECRETARY BRANDON FREY:** I think we have a few.

2 **CHAIRMAN SKRMETTA:** Go ahead.

3 **SECRETARY FREY:** I'm going to have one, and then I'll turn it over to Kathryn
4 to give some on the agenda. Just as a reminder, the April B&E will be in
5 Alexandria. I believe we a location at the Bentley Hotel downtown. We're going
6 to confirm that, but normal protocol will start at 10:00 for an out of town meeting.
7 I think will be the way we'll handle that, but we'll get the information out to y'all
8 as it becomes finalized.

9 **CHAIRMAN SKRMETTA:** And the Bentley Hotel is a request from which
10 Commissioner?

11 **SECRETARY FREY:** That's Commissioner Francis's district [CROSSTALK] -
12 -

13 **CHAIRMAN SKRMETTA:** Francis [CROSSTALK].

14 **SECRETARY FREY:** -- in Alexandria. Correct.

15 **CHAIRMAN SKRMETTA:** Okay. Got it.

16 **COMMISSIONER FRANCIS:** Commissioner -- Mr. Chairman, [INAUDIBLE]?

17 **CHAIRMAN SKRMETTA:** Yes, sir, please.

18 **COMMISSIONER FRANCIS:** Also, that's going to be a casual dress for that
19 meeting. I want to remind everybody of that. And we might have a little get
20 together the night before. So for those who come up early. Bentley is a beautiful
21 hotel and great memories. And I'm a redneck, about 30 miles north of there where
22 I was raised, so we had a lot of good memories there. So we're going to have a
23 good time in Alexandria. I hope y'all come.

1 **CHAIRMAN SKRMETTA:** Thank you very much, Commissioner Francis.

2 **MS. KATHRYN BOWMAN:** And then, Chairman, related to the agenda, so of

3 the 19 items we have today, Exhibit Number 7 is deferred. Seven is deferred. And

4 then we're going to take up Commissioner Lewis's directive under Exhibit 15 after

5 Exhibit 18.

6 **CHAIRMAN SKRMETTA:** Okay.

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

8 **CHAIRMAN SKRMETTA:** Yes, sir?

9 **VICE CHAIRMAN COUSSAN:** Commissioner Lewis and I visited earlier, and

10 we can address it then, but I've asked him, in the interest of some of the more recent

11 changes that he made to his directive, for a little bit more time to review it. And

12 he's -- I've committed to him that we would take it up at the next meeting and give

13 a dispositive vote on the matter.

14 **CHAIRMAN SKRMETTA:** Does that mean -- Commissioner Lewis okay to

15 defer it until next month?

16 **VICE CHAIRMAN COUSSAN:** Yeah. I'd like to defer it.

17 **COMMISSIONER LEWIS:** Yes. When we get to the guidelines, I'll make some

18 comments, but I'm fine to defer the matter.

19 **CHAIRMAN SKRMETTA:** Okay. Please make note of it, but we'll have

20 comments made by Commissioner Lewis when we get to the item after we do the -

21 -

22 **MS. BOWMAN:** Exhibit 18.

23 **CHAIRMAN SKRMETTA:** Right.

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

2 **CHAIRMAN SKRMETTA:** Anything else?

3 **MS. BOWMAN:** And that's all from Staff.

4 **CHAIRMAN SKRMETTA:** Okay. Let's go onto Exhibit Number 2 and do the
5 in re.

6 **MS. BOWMAN:** Exhibit Number 2 is Docket Number T-37730. It's the
7 Commission versus Pack Dat & Geaux Movers. It's an alleged violation of Order
8 T-37084, Revised Statutes 45:164(E), and General Orders of April 3, 2008, as
9 amended, and March 16, 2021, by engaging in activities related to transporting
10 household goods intrastate without Commission authority on or about September
11 15, 2025. It is a discussion and possible vote on a recommendation of the ALJ.
12 Staff investigated Pack Dat & Geaux Movers, and determined it was continuing to
13 advertise for intrastate household goods moving services after stipulating in Docket
14 Number T-37084, and that it had not registered with the Commission prior to
15 continuing operations. Staff issued a citation to the company on September 18 of
16 2025, directing it to appear at a hearing on November 5. When the matter was
17 called on November 5, the company appeared and entered a joint motion with Staff
18 to continue the hearing to December 3. The motion was granted and a written ruling
19 was issued. The company did not appear at the hearing in December when the
20 matter was called. Order T-37084, issued in April of 2024, accepts a stipulation
21 from the company to cease engaging in activities related to moving household
22 goods, including advertising, until a Commission certificate has been issued. Pack
23 Dat agreed to a \$1,000 fine, with 500 being suspended, which would become due

1 if it failed to comply with any terms of the stipulation. Staff argued that Pack Dat
2 advertising for household goods -- moving household goods was in violation of the
3 order. Additionally, Staff argued that the company violated the revised statutes and
4 the Commission's general orders by holding itself out as a household good movers
5 in online advertising without being registered with the Commission. Staff sought
6 that the company be found guilty as alleged, that the \$500 suspended portion of the
7 \$1,000 fine ordered in T-37084 be assessed for Pack Dat's violation of that order,
8 and that pursuant to the revised statutes, Pack Dat be fined \$2,000 for its violation
9 of the revised statutes and the Commission's general orders, as well as be assessed
10 a \$25 citation fee. The recommendation of the ALJ issued on January 16 of this
11 year found that the Commission Staff proved its case. Therefore, the ALJ
12 recommends that the Commission issue an order finding that Pack Dat & Geaux
13 Movers is guilty of violating Order T-37084, shall pay the \$500 suspended portion
14 of the \$1,000 fine ordered in Order Number T-37084. Further, that Pack Dat &
15 Geaux is guilty of violating the revised statutes, violating the Commission's 2008
16 General Orders, shall pay a \$2,000 fine pursuant to Revised Statute 45:171, and
17 shall pay a \$25 citation fee pursuant to the 2006 General Order. And that all fines
18 and fees herein shall be paid to the Commission within 30 days of the date of the
19 order being issued.

20 **CHAIRMAN SKRMETTA:** Any motions?

21 **COMMISSIONER LEWIS:** Motion to accept Staff's recommendations.

22 **VICE CHAIRMAN COUSSAN:** Second.

1 **CHAIRMAN SKRMETTA:** Motion by Commissioner Lewis, second by
2 Commissioner Coussan. Any opposition? [NONE HEARD] Hearing none, so
3 ordered. Next.

4 **MS. BOWMAN:** Next is Exhibit Number 3, Docket Number T-37785. This is
5 the Commission versus H&U Express Moving. It's an alleged violation of the
6 revised statutes by engaging in activities related to moving household goods prior
7 to complying with the requirements of Revised Statute 45:164(E) and General
8 Order dated March 16, 2021, for failure to comply with the requirements of also
9 General Order April 3, 2008, as amended. It's a discussion and possible vote
10 pursuant to Rule 57 on an affidavit and stipulation executed by the carrier, so this
11 will need two votes. As a result of the investigation by Transportation Staff, a
12 citation was issued to the company on November 17, 2025, based on the
13 aforementioned allegations. In response to that citation, the co-owner of the
14 company executed an affidavit and stipulation on behalf of the company admitting
15 to violating all violations alleged in the citation. The affidavit and stipulation also
16 agreed to an imposition of a \$25 citation fee and a \$1,000 fine, with \$500 being
17 suspended contingent on Staff's standard conditions contained in affidavits and
18 stipulations. Therefore, Staff recommends that the Commission exercise its
19 original and primary jurisdiction under Rule 57 to consider the affidavit and
20 stipulation and, second, accept the affidavit and stipulation executed on January 30,
21 2026, for fines and fees totaling \$525.

22 **CHAIRMAN SKRMETTA:** Chair moves to bring the matter up under Rule 57,
23 seeks a second.

1 **VICE CHAIRMAN COUSSAN:** Second.

2 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Coussan. Any
3 opposition to bring the matter up? [NONE HEARD] Hearing none, the matter is
4 up for consideration. Any motions?

5 **COMMISSIONER LEWIS:** Motion to accept Staff's recommendation.

6 **CHAIRMAN SKRMETTA:** Move from Commissioner Lewis. Any second?
7 Second from Commissioner Coussan. Any opposition? [NONE HEARD] Hearing
8 none, so ordered. Next item.

9 **MS. BOWMAN:** Exhibit Number 4 is Docket Number R-31106. This is the
10 Commission's rulemaking to study the possible development of financial
11 incentives for the promotion of energy efficiency by jurisdictional electric and gas
12 utilities. It's a discussion and possible vote to retain Tetra Tech as the
13 Commission's EM&V contractor pursuant to the Commission's General Order
14 dated August 28, 2025. This was Exhibit 7 last month. Pursuant to the LEEP Rules,
15 Staff solicited Tetra Tech for a proposed budget to assist the Commission in
16 evaluating and reporting on each participating utility's program as well as the
17 Commission's public entities program. Based on that solicitation, Tetra Tech
18 submitted a proposed budget. At the December '25 and the January '26 B&Es, the
19 Commission voted to defer this matter and requested that Tetra Tech submit a
20 revised proposal that did not include a budget for reviewing the Commission's
21 public entity programs, as the review of those programs was being handled by each
22 respective district office. Based on this request, Tetra Tech submitted a revised
23 budget, which covers five years of review and evaluation for seven distinct utility-

1 led programs, which breaks down to approximately \$1.5 million per year. Staff
2 recommends that the Commission retain Tetra Tech as its EM&V contractor for a
3 budget of \$6,009,547 in fees and \$114,234 in expenses for a total budget not to
4 exceed \$6,121,781.

5 **CHAIRMAN SKRMETTA:** Any motions?

6 **COMMISSIONER LEWIS:** Motion --

7 **VICE CHAIRMAN COUSSAN:** I have a motion -- oh, go ahead.

8 **COMMISSIONER LEWIS:** No, no, go.

9 **VICE CHAIRMAN COUSSAN:** I have a motion to approve the Staff's
10 recommendation, provided that we have an annual review of the contract.

11 **CHAIRMAN SKRMETTA:** Is that acceptable?

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

13 **CHAIRMAN SKRMETTA:** Seconded -- motion by Commissioner Coussan,
14 seconded by Commissioner Lewis. Any opposition? [NONE HEARD] Hearing
15 none, so ordered. Next item.

16 **MS. BOWMAN:** Exhibit Number 5 is Docket Number R-37773. It's the
17 Commission's vegetation management pilot program. It's a discussion and
18 possible vote on Staff's recommendation of a final rule. At the Commission's
19 October 2025 B&E, Staff was directed to open a rulemaking to create a vegetation
20 management pilot program for jurisdictional electric utilities, with a focus on the
21 distribution system. The directive also directed Staff to use best efforts to have the
22 pilot in place in early 2026, so that benefits of the pilot could start before the peak
23 of the 2016 -- excuse me, 2026 Hurricane Season. Based on this directive, Staff
24 noticed the rulemaking in the Commission's Official Bulletin with Entergy, 1803,

1 ALEC, Cleco, LEUG, the Alliance, and SWEPCO intervening. The notice also
2 provided an outline of the proposed pilot and sought comments from stakeholders
3 regarding various components of that pilot. Comments were received. After reviewing
4 the comments received, Staff filed a proposed final rule on January 29 of this year
5 seeking specific comments on a few topics and redline revisions. Revisions were
6 received by Cleco, Entergy, and SWEPCO. Considering all information provided
7 during the reviews in this rulemaking, Staff filed its final recommendation and final
8 rule on February 13 of this year. The final rule not only reflects the Commission's
9 directive, but also the comments, revisions, and information provided. The final rule
10 proposes a pilot for jurisdictional electric utilities with the main components
11 summarized as follows. Utilities are allowed to increase incremental vegetation
12 management spending over an up to two-year and nine-month timeframe. Spending
13 under the pilot is limited to each utility's 2025 historic vegetation management
14 spending and capped at 1% of a customer's annual average usage in 2025. Spending
15 is also limited to distribution-level vegetation management. Utilities must maintain its
16 historical vegetation management spending. Utilities must focus on target areas
17 expected to benefit the most from the additional vegetation management. And utilities
18 shall file annual compliance filings with the Commission, and subject to an annual true-
19 up and prudence review at the end of the pilot. Staff recommends that the Commission
20 accept the recommendation on final rules filed into the record on February 13, 2026.

21 **CHAIRMAN SKRMETTA:** I know we definitely want SWEPCO to come up for
22 comments, but if there are any other utilities want to come up. You know of any,
23 Kathryn?

24 **MS. BOWMAN:** No, sir, I don't.

1 **CHAIRMAN SKRMETTA:** Okay. Well, SWEPCO, if they could come up,
2 Commissioner Campbell has some questions for you. And Commissioner Lewis has
3 questions for Entergy, so they can get on deck and be ready to come up next. And
4 Northeast Electric. Two at a time. They have some extra seats over there if Staff wants
5 to bring them up. But, Northeast, you'll be after Entergy. And after you fill out your
6 card, please state your name for the record when you talk.

7 **MS. LYNN FERRY-NELSON:** Good morning. Lynn Ferry-Nelson with SWEPCO.
8 Bobby Gilliam, legal counsel. So SWEPCO certainly appreciates Staff's efforts to get
9 this pilot program off the ground. Unfortunately, the 1% for SWEPCO won't get us to
10 where we need to be for spending. So we recently received approval for an incremental
11 \$18 million for vegetation management spending in the Louisiana service territory.
12 And we've seen really dramatic results stemming from that additional spend. With the
13 1% proposal here, that will get us to about \$7 million a year in spending, where we'll
14 come up short compared to the \$18 million that has been recently approved for a one-
15 year period. So the proposal would be for utilities perhaps that have a more rural
16 service territory, that that percentage be increased to 2 or 2.5% to get to a level of
17 spending that we need to see to really see the improvement on the system.

18 **MR. BOBBY GILLIAM:** Yeah. I would just ask -- Bobby Gilliam on behalf of
19 [INAUDIBLE] just missed it, but dramatic results. We're putting all that together, but
20 it is amazing. We're looking at the circuits that have undergone this new vegetation
21 management, and we're -- it's a targeted program, and we're looking at the comparison
22 between those that have had it and those that did not. In our recent storm, I'll tell you
23 the results were dramatic. The difference between -- it was 144 circuits, and only four
24 that underwent this problem had outages. The remainder did not. So it's amazing and

1 we're getting all that data together for you. But it does seem to be working in a way
2 I've not seen before.

3 **CHAIRMAN SKRMETTA:** Well, the question I have for you, and I understand that
4 the data still has to come, but when we looked at the ice storm itself, I still know the
5 ice storm was bad in Shreveport, but it was much more intense in the eastern part of
6 the state from Ruston towards Monroe. Do you think it was -- can you equate the
7 benefit of the vegetation management in areas you did the work in versus that's not
8 where the storm impacted, or did the storm impact areas you had done management
9 in?

10 **MR. GILLIAM:** No. I can say it definitely impacted [INAUDIBLE]. I can --
11 impacted from my driveway, I mean, because I fell down in front of the --

12 **CHAIRMAN SKRMETTA:** So you got vegetation --

13 **MR. GILLIAM:** -- car in my driveway trying to get in my vehicle, and the ice was
14 literally that thick.

15 **CHAIRMAN SKRMETTA:** You got vegetation management on your driveway?

16 **MR. GILLIAM:** No. It wouldn't have done any good back there, I'll admit.

17 **CHAIRMAN SKRMETTA:** No. But my question is, is where you did vegetation
18 management, you saw improvement even though you had impact from the storm in the
19 areas that you did?

20 **MR. GILLIAM:** We did. We had dramatic --

21 **CHAIRMAN SKRMETTA:** And you can quantify it?

22 **MR. GILLIAM:** Dramatic improvement, and that's what we're doing to quantify
23 now.

24 **MS. FERRY-NELSON:** Yeah. So of the total outages, we had 162 circuits that were
25 impacted by Winter Storm Fern. Of those circuits, only four total that had been

1 trimmed with this incremental spend had outages. So you can see a significant contrast.
2 So of the untrimmed circuits, we had 92.3 million customer minutes interrupted. So
3 that's, you know, if you have an hour, 60 minutes, per customer. So you can imagine
4 92.3 million minutes. Of the circuits that were trimmed, 54,000 customer minutes
5 interrupted. So, I mean, significant impact. Like I said, so 162 circuits saw outages on
6 our system in Louisiana, and only four circuits that had been trimmed with this
7 incremental spend experienced outages. We also -- so the factor is 5.27 average
8 number of outages on the circuits that were untrimmed and 0.25 average outages on
9 the circuits that were trimmed.

10 **CHAIRMAN SKRMETTA:** Any other questions?

11 **COMMISSIONER LEWIS:** I have some for you. Thank you. I heard you mention
12 that you believe that we should change the rule from the 1% to the 2 to 2.25. But I'm
13 looking through, I don't -- did you make any comments of that in the docket?

14 **MS. FERRY-NELSON:** No. Not specifically to the percentage increase, but we did
15 note that the 1% would not get us to the level that we need to spend.

16 **COMMISSIONER LEWIS:** But don't you have a pending 18 million vegetation
17 management that you're asking Staff to evaluate? So I'm trying to decipher from the
18 policy you've already asked us to approve versus the rule that applies generically to all
19 utilities.

20 **MS. FERRY-NELSON:** Right. So I think there are a number of avenues here. You
21 know, we've proposed a system improvement plan that could implement where the
22 trimming that we intend to make under that plan could continue with an extension of
23 this \$18 million in incremental spend. But we certainly wouldn't double-dip between
24 the two programs. So if the pilot gets approved at 1%, you know, SWEPCO would
25 hopefully utilize a different program to get us to the level of spending we need to see.

1 **COMMISSIONER LEWIS:** Okay. Because, yeah, one of my concerns was having
2 utilities take traditional maintenance dollars and traditional vegetation dollars, and
3 moving it to a pilot because one of the questions we're having around reliability is
4 vegetation management. And I think it's important to toy this question with the pilot
5 to see whether or not there are not other system upgrades. As you know, we do have a
6 reliability docket that is pending that is looking at SAIFI/SAIDI. I've had multiple
7 conversations about SWEPCO about your SAIFI/SAIDI numbers, and especially at a
8 distribution level. And I don't want to put all the eggs in the basket that it's simply
9 vegetation management when we know there are other infrastructure changes and
10 needs that need to take place. And so that's why I'm trying to toy between what you
11 have in your pending applications versus this pilot program that's, in my eyes, separate
12 from what you've already asked the Commission for.

13 **MS. FERRY-NELSON:** Right. Right. Yeah. So we, you know, certainly need to
14 see the level of spend that we have right now in place on the incremental side and
15 would pursue that through either an extension of the \$18 million spend through the
16 system improvement plan, which likely won't be approved -- I don't know -- even a
17 year out now. We don't have a procedural schedule yet, so. But the pilot certainly
18 would get us maybe halfway there.

19 **COMMISSIONER LEWIS:** Okay.

20 **MR. GILLIAM:** Commissioner, if I could add, yeah, on the SAIDI/SAIFI --

21 **MS. BOWMAN:** And, Bobby, your mic's not on.

22 **VICE CHAIRMAN COUSSAN:** Can you bring your microphone -- yeah.

23 **COMMISSIONER LEWIS:** Bobby your mic's not on.

24 **CHAIRMAN SKRMETTA:** Both of y'all, if you could bring your microphones
25 closer.

1 **MR. GILLIAM:** Okay.

2 **CHAIRMAN SKRMETTA:** It's a little harder to hear.

3 **MR. GILLIAM:** Yeah. On SAIDI and SAIFI now, we're looking closely at those
4 numbers, but this is part of what we're putting together. We even have our engineers
5 that are doing dots all over where they're correlating, you know, the before and after
6 to show the impact, the vegetation, and the ice storm, and all that. So it's going to be
7 dramatic. And I've seen the various dots and they explain it to me. So it's something
8 graphic, and it's demonstrable, and it's not like us just guessing about what's going on.
9 So it's really important. The other point is we've got people out there now doing the
10 work on this additional veg, and they can't -- and some of them are contractors. We'll
11 lose them. We'll lose them here shortly because they've got other things to do. This
12 only goes up until May. So what we want to do is keep it going and not lose the ground
13 we've gotten to this point. That's very important because it'll be spring, and you can
14 lose ground quickly when the -- about April, everything starts going. Now, the real
15 important point Lynn made, we're not double-dipping though, because we're asking
16 for this recovery and other things in the SIP, and if we've already spent, it's just a
17 credit, you don't give it to us again. We're asking for it once. But this is the way we
18 maintain where we are and continue to improve. Otherwise, we start backing off that
19 and not losing workers -- it doesn't work. And the way they're working is also
20 important. I mean, I've seen the videos and the PowerPoints that we're getting. And
21 we did distribute some of those, but we're doing much new ones now. But, you know,
22 they're doing very targeted veg, they're using drones, they're using lasers, and they're
23 really hitting -- they're getting the most bang for the buck, and that's what's important.
24 And you can see, now, we can prove it not only in the bucks, but in the results. So
25 that's what we're asking for it, Commissioner.

1 **COMMISSIONER LEWIS:** Absolutely. And like I said, I'm in support of the pilot.
2 I wanted to make sure we didn't confuse today that you have a pending application that
3 is completely different than this rulemaking, which still has to go through the
4 procedural steps. So I didn't want to conflate the two issues that you were doing. And
5 I do have a few questions for Staff. And I think, Ms. Bowman, were you about to --

6 **MS. BOWMAN:** You can ask.

7 **COMMISSIONER LEWIS:** Is there any performance consequences in the rule if
8 spending produces no reliability improvement? Are we assessing that?

9 **MS. BOWMAN:** So there will be a prudence review at the end of the pilot program,
10 which is set to end, end of 2028. If Staff finds that either any of the utilities did not
11 utilize the funds correctly or decrease their standard, any of those types of things, then
12 we would -- it would be subject to a prudence review with potential refunds at that
13 time.

14 **COMMISSIONER LEWIS:** Okay. Great. And will any of the annual compliance
15 filings be public, or are we -- or will those be subject to, of course, our confidentiality
16 rules if there's anything in there? But will those be considered as public documents
17 for everyone to see the compliance reports from this pilot program?

18 **MS. BOWMAN:** So there will be an X docket opened for those annual true-ups to --
19 actually, that would be the prudence. The annual true-ups are going to be looked at in
20 each of the respective utilities' FRP annual reports.

21 **COMMISSIONER LEWIS:** Okay.

22 **MS. BOWMAN:** So it would be in those docketed proceedings, and then if there were
23 to be any true-up, it would also flow back through that annual report mechanism.

24 **COMMISSIONER LEWIS:** I would request when we have that, and for the utilities,
25 if you do adopt the pilot, that we -- while it is in the FRP compliance annual report,

1 that there also be maybe an addendum or an appendix separately for -- so we can solely
2 just look at this pilot program with remains to all the other issues that you would have
3 in your filing report.

4 **MS. BOWMAN:** Sure. And, Absolutely. Also, just to clarify, all of the spending is
5 to be completely separate, so it is easily attainable to see what was spent, how it was
6 spent, where it was spent to ensure that it was being prudently managed at the time.

7 **COMMISSIONER LEWIS:** Okay. Perfect. Thank you, Mr. Chairman. That's all I
8 have.

9 **CHAIRMAN SKRMETTA:** Okay. Commissioner Campbell?

10 **COMMISSIONER FOSTER CAMPBELL:** Thank you for coming. You say how
11 much you need now? What did you say you need? You went up from 1% to 2%?

12 **MS. FERRY-NELSON:** Right. So \$18 million is the incremental spend that we've
13 been approved through the end of May for this year, so our request would be to continue
14 that \$18 million spend, which would be about 2 to 2.5% under the pilot program.

15 **COMMISSIONER CAMPBELL:** Well, you know what, I live in Shreveport,
16 Bossier. I represent you for 24 years. This is the first time I've heard of that. When I
17 came here, it was 1%, 1%, 1%. Now you're at 2%. You hadn't talked to me about it.
18 This is the first time I heard of it just about two seconds ago.

19 **MS. FERRY-NELSON:** Commissioner, so our comments were not in the pilot docket
20 that it needed to be increased, but --

21 **COMMISSIONER CAMPBELL:** I have a phone, I have a telephone, and I talk with
22 your lobbyists daily. Why in the world you didn't call me and tell me we have a change
23 of plans, we're going to go to 2%? I asked my assistant. He hadn't heard anything
24 from it. We hadn't heard anything from it. I'm just wondering why you hadn't called.

1 **MR. GILLIAM:** Commissioner, if I can -- we have talked about the 18 million and
2 needing to extend it, and that's what we're talking about. And this, again, I know it's
3 got a lot of dockets involved, but it rolls over into the system improvement program,
4 and then you get a credit. We don't get to keep spending what we don't -- what's
5 already been taken care of. It'll be adjusted. So that's the concept that we've been
6 talking about. And it allows us to continue, but the Commission, you have a prudence
7 review plus the other docket. We don't double up and recover it in the SIP docket. So
8 it is something we've been needing to do and talking about for a while. And I think it
9 will show the results. And this spring, I mean, when trees are growing and limbs are
10 growing and we're having storms, that'll be an important time to continue. And as I
11 said, the other thing is these workers, they don't just stand around and wait. They're
12 going to be going somewhere else. And once you lose them, it's hard to get them back.
13 So that's the reason we're doing it. But we're not doing it to double-dip on the money.
14 Y'all have got the other docket to deal with that and make us take a credit.

15 **MS. BOWMAN:** And can I clarify something? Because I think this is the first Staff
16 is hearing of this as well, and it seems like, at least for Commissioner Campbell, it's
17 the first they're hearing. This is a rulemaking docket that was asked by Commissioner
18 Francis for us to open as a pilot program to look at some enhanced vegetation
19 management across all electric utilities. Part of that directive was to reduce the
20 customer impact, which is why there's a 1% cap in here. What SWEPCO is asking for
21 is to continue the interim 18 million that the Commission voted on last year, which in
22 my opinion, should be in a separate -- excuse me, SWEPCO-only docket.

23 **CHAIRMAN SKRMETTA:** Right.

24 **MS. BOWMAN:** And they're asking for that 18 million in two other dockets right
25 now that are SWEPCO specific.

1 **CHAIRMAN SKRMETTA:** So what's this differential between the 18 million that's
2 in the earlier docket, which is the way I was understanding it, and the differential of
3 the new 1%? What's the new 1%?
4 **MS. BOWMAN:** The 1% is across all electric utilities to ensure that customer impacts
5 aren't substantial.
6 **CHAIRMAN SKRMETTA:** And what's the dollar impact? See, I hate talking
7 percentages. I like talking dollars because I can conceptualize money, but I can't
8 conceptualize percentages because they're too nebulous. But what's the dollar value
9 of this 1% under this pilot program for SWEPCO?
10 **MS. BOWMAN:** It's going to depend on each utility, but it's --
11 **CHAIRMAN SKRMETTA:** Of SWEPCO. Just talk about SWEPCO.
12 **MS. BOWMAN:** Well, I'm not sure because they need to calculate that and provide
13 that to Staff.
14 **CHAIRMAN SKRMETTA:** Okay.
15 **MS. FERRY-NELSON:** That's the seven to eight million dollars.
16 **CHAIRMAN SKRMETTA:** Okay. So you're talking about seven to eight million
17 dollars on top of the 18 you're seeking?
18 **MS. FERRY-NELSON:** No, we would not --
19 **CHAIRMAN SKRMETTA:** Well, that's what she just said.
20 **VICE CHAIRMAN COUSSAN:** What they're saying --
21 **CHAIRMAN SKRMETTA:** But she said --
22 **MS. BOWMAN:** So they have an 18 million right now that's going to expire in the
23 end of May.
24 **CHAIRMAN SKRMETTA:** Right.
25 **MS. FERRY-NELSON:** Right.

1 **MR. GILLIAM:** Right.

2 **MS. BOWMAN:** They want to continue that \$18 million past --

3 **CHAIRMAN SKRMETTA:** No. They want another -- they want another 18 million.

4 **MS. BOWMAN:** Correct.

5 **CHAIRMAN SKRMETTA:** That's not continuing 18. They want another 18, which

6 will be 36 million instead of 18 plus 7 of 25 million, right?

7 **MS. BOWMAN:** Correct.

8 **CHAIRMAN SKRMETTA:** So that's why we talk dollars instead of percentages,

9 right?

10 **COMMISSIONER CAMPBELL:** [INAUDIBLE] 2%.

11 **CHAIRMAN SKRMETTA:** Right. So that's why you get your 2%. See, that's why

12 Foster was a math teacher. He got that part. So this is the differential we're talking

13 about. You want to boost -- they want to boost it from 18 million to 25 million?

14 **MS. BOWMAN:** They want to boost it from 7 million to 18 million.

15 **CHAIRMAN SKRMETTA:** The original 18 million plus 7 million in that earlier

16 docket of 18?

17 **MS. BOWMAN:** Well, under the pilot they will -- no. So all utilities have different

18 vegetation management budgets.

19 **CHAIRMAN SKRMETTA:** But that's under a new project, right?

20 **MS. BOWMAN:** Right now, SWEPCO has technically \$36 million of vegetation

21 management spend.

22 **CHAIRMAN SKRMETTA:** Okay.

23 **MS. BOWMAN:** The half, the 18 million we're talking about today, rolls off in May.

24 **CHAIRMAN SKRMETTA:** Right.

25 **MS. BOWMAN:** And I would like to also clarify --

1 **CHAIRMAN SKRMETTA:** Rolls off or they have spent it by then?

2 **MS. BOWMAN:** They have spent it by then. But I'd like to also clarify, just because

3 the Commission does not give them, quote, another 18 million, does not mean

4 SWEPCO cannot spend \$18 million on vegetation management.

5 **CHAIRMAN SKRMETTA:** Correct.

6 **MS. BOWMAN:** That is still just part of their operation and management expense.

7 **CHAIRMAN SKRMETTA:** Right. They can claim that back.

8 **MS. BOWMAN:** What they're wanting is a separate carve out to flow through the

9 FAC instead of flowing through base rates.

10 **CHAIRMAN SKRMETTA:** Right. So it's a different column.

11 **MS. BOWMAN:** Correct.

12 **CHAIRMAN SKRMETTA:** Right. So what's the issue you have? You don't want

13 it to come off on your -- you want this to come through your fuel adjustment charge; is

14 that what you're trying to do? Versus coming through your regular base -- your

15 primary account?

16 **MS. FERRY-NELSON:** Right. So right now, we have \$18 million embedded in base

17 rates for vegetation management that has been in place for at least 10 years.

18 **CHAIRMAN SKRMETTA:** Well, it seemed to me to have it -- it would be better to

19 go through the FAC because it would not end up being a potential value to the utilities

20 where the ratepayers would be paying profit on.

21 **MS. BOWMAN:** And I see that, I just don't think this rulemaking docket is the

22 appropriate mechanism for SWEPCO to receive that additional \$18 million.

23 **CHAIRMAN SKRMETTA:** Okay. So you're recommendation as Staff Counsel is -

24 - how would be the best method for them to seek this additional 18?

1 **MS. BOWMAN:** They are currently in negotiations with Staff on an open pending
2 docket for stipulation settlement that Staff has said is not the appropriate mechanism.
3 Last year, the way they got the \$18 million was they came in and sought an interim
4 increase from the Commission. So we could easily do that by, you know -- in March,
5 which would be before this 18 million rolls off, and that would give them a little more
6 time to give us a data on how, you know, positive the 18 million has been, as well as
7 to see what this additional impact would cost.

8 **CHAIRMAN SKRMETTA:** Right. Commissioner Campbell has a question.

9 **COMMISSIONER CAMPBELL:** Let me ask you a question. We're going to renew
10 the 18 million, right?

11 **MS. BOWMAN:** I mean, that's this conversation right now.

12 **COMMISSIONER CAMPBELL:** I understand. Well, personally, for somebody
13 who lived through the storm, and I represent all those people up there. Y'all did a good
14 job. You did the best you could do. I'm not saying you did a great job, but you did a
15 good job, because there's always room for improvement. But y'all did a -- you worked
16 hard. You had people there. So you need more money to even do a better job the next
17 time; is that what you're talking about?

18 **MS. FERRY-NELSON:** I wouldn't characterize it as more money. It would be a
19 continuation of what we've been approved to spend through May 31.

20 **COMMISSIONER CAMPBELL:** That's the 18 million?

21 **MS. FERRY-NELSON:** Correct.

22 **COMMISSIONER CAMPBELL:** A continuation?

23 **MS. FERRY-NELSON:** Yes, that's correct.

24 **CHAIRMAN SKRMETTA:** All right. Are you done?

25 **COMMISSIONER CAMPBELL:** Yeah.

1 **CHAIRMAN SKRMETTA:** Okay. Commissioner.

2 **COMMISSIONER FRANCIS:** Okay. Bobby --

3 **MR. GILLIAM:** So we're clear, we need to continue in May.

4 **VICE CHAIRMAN COUSSAN:** This is clear -- This is clear as mud by the way.

5 **CHAIRMAN SKRMETTA:** Yeah. Yeah.

6 **VICE CHAIRMAN COUSSAN:** This is clear as mud.

7 **CHAIRMAN SKRMETTA:** At this point, we're going to absolutely going to

8 continue the clear. But, Commissioner Francis --

9 **COMMISSIONER FRANCIS:** I want to try to apply the KISS method to this. Okay.

10 Keep it simple, stupid. That's what they say up in Jena. All right. SAIDI, that is a

11 way to measure your performance on outages, right?

12 **MR. GILLIAM:** Correct.

13 **COMMISSIONER FRANCIS:** When do you -- when will the next SAIDI numbers

14 come out to tell us about your area?

15 **MR. GILLIAM:** We have just submitted that in relation to our SQIP report. But they

16 only go through December of '25. So we -- we're giving y'all those numbers, but

17 we've, you know, we're continuing on with the program.

18 **COMMISSIONER FRANCIS:** So we'll be measuring your '25 numbers --

19 **MR. GILLIAM:** It will, yes.

20 **COMMISSIONER FRANCIS:** -- when we look at the next SAIDI report. We want

21 to spend more money and we'll be able to measure the performance with the SAIDI

22 numbers. So just so the public understands that, the public is -- we're asking the public

23 to spend more money for vegetation, and we'll measure it with a SAIDI. So what about

24 a pause? You're talking about we don't want a pause. We've got an ongoing program

25 going right now.

1 **MR. GILLIAM:** Correct.

2 **COMMISSIONER FRANCIS:** And there's a possibility of pausing it, or let's keep
3 it going. So why would we pause it?

4 **MR. GILLIAM:** Good question. Because at the end of May, that's where we're going
5 to be. It's going to be --

6 **COMMISSIONER FRANCIS:** So if we don't do something here today, we'll pause
7 in May?

8 **MR. GILLIAM:** Correct.

9 **CHAIRMAN SKRMETTA:** No.

10 **COMMISSIONER FRANCIS:** And I'm not for pausing, and so the argument would
11 be, do we want more money in the program?

12 **MR. GILLIAM:** Correct.

13 **COMMISSIONER FRANCIS:** And see, Kathryn, you talked about the process of
14 approving more money. That's kind of what's at hand right now?

15 **MS. BOWMAN:** Not specifically for SWEPCO, and I think that's where the
16 confusion is coming in.

17 **COMMISSIONER FRANCIS:** Good. Good.

18 **MS. BOWMAN:** This docket, the agenda item we're talking about right now is a
19 rulemaking. It is a pilot program for all electrics. And I do want to just clarify, it
20 doesn't pause in May. They can continue doing what they're doing right now and
21 spend the same amount of money in May moving forward. The hiccup is, under this
22 agenda item, they would only receive \$7 million because I'm recommending you guys
23 put a 1% customer protection cap in place. They want that cap to be increased to 2.5,
24 so they can get their full 18 million that is going to stop -- is going to roll off in May.
25 And what I'm suggesting is they can continue with 7 million through the end of the

1 year. And hopefully, by then, we will have a better understanding related to their SIP
2 program, their FRP renewal will be done, all of those other SWEPCO specific dockets
3 will have their availability for them to receive that additional -- what is that -- \$9
4 million.

5 **SECRETARY FREY:** And maybe -- and, look, I'm going to take a shot at this too,
6 and you're saying to clarify and keep it simple. So all of our utilities have vegetation
7 management built into their rates right now. That's every single utility. That's a
8 component of doing business, maintaining the vegetation. What Kathryn is proposing
9 here is a pilot to increase that by 1% over and above. SWEPCO has a different,
10 additional program that they're seeking. So they're spending their regular vegetation
11 management. If you didn't increase it or didn't continue that supplemental program, it
12 would be increased by this 1%. So they're asking for more than this 1%. I think that's
13 what's unique about SWEPCO here than the others. Everyone's got vegetation
14 management right now. Some have enhanced programs. SWEPCO has had an
15 enhanced one for quite some time, either through the SQIP or through this additional
16 rider here. So I think that's where the confusion is. This is over and above traditional
17 vegetation management. We're recommending 1% for every utility. SWEPCO is
18 asking for more than 1% because of that separate entity they have. That's the way I
19 appreciate it.

20 **CHAIRMAN SKRMETTA:** Okay. Well, I have a quick question, and then I'm going
21 to turn it over to Commissioner Campbell. Wouldn't it make more sense to provide
22 the vegetation management to increase the amount and put it through the FAC so
23 there's no profit earned on it, instead of letting it go through the infrastructure side of
24 the, you know, accounting, to where they can make a profit on their spend? We'd be
25 better off to let them have 2%, and reduce the amount that they spend on the other side

1 of the accounting sheet to where they would not have the profitability on that side, and
2 we could just have that as a direct passthrough.

3 **MS. BOWMAN:** I would agree with you. This pilot says it's to be flowed through in
4 their traditional vegetation management mechanism.

5 **CHAIRMAN SKRMETTA:** Okay. So you had mentioned that it was going to go
6 through the FAC.

7 **MS. BOWMAN:** Well, the 18 -- the additional -- their enhanced program goes
8 through the FAC.

9 **CHAIRMAN SKRMETTA:** Oh, so that's what the additional 18 they want to spend
10 would go through the FAC?

11 **SECRETARY FREY:** Yes. Yes.

12 **MS. BOWMAN:** Correct.

13 **CHAIRMAN SKRMETTA:** Which would be no profit on it?

14 **SECRETARY FREY:** Right.

15 **MS. BOWMAN:** But increasing this to 2% would not be them -- would not allow
16 SWEPCO to flow it through the FAC. This would be an additional percentage --

17 **SECRETARY FREY:** Yes.

18 **CHAIRMAN SKRMETTA:** Okay. Understood.

19 **MS. BOWMAN:** -- in their traditional ratemaking.

20 **CHAIRMAN SKRMETTA:** All right. Commissioner Campbell?

21 **COMMISSIONER CAMPBELL:** How much does this affect the bill? Right now,
22 you got \$7 million, 7%, or whatever. How much does this additional affect the bill?

23 **MS. FERRY-NELSON:** So the \$18 million incremental spend is about \$3 a month
24 on the average residential bill.

25 **COMMISSIONER CAMPBELL:** Plus, what you're paying now?

1 **MS. FERRY-NELSON:** Right. Three dollars.

2 **COMMISSIONER CAMPBELL:** What are you paying now? What's the charge
3 now?

4 **MS. FERRY-NELSON:** It's about \$3 a month bill impact.

5 **COMMISSIONER CAMPBELL:** And to increase it would be how much more?

6 **MS. FERRY-NELSON:** It will stay \$3.

7 **COMMISSIONER CAMPBELL:** Three dollars?

8 **MS. FERRY-NELSON:** Right.

9 **MR. GILLIAM:** It's not going to take effect until May when this would be leaving,
10 so it would --

11 **MS. BOWMAN:** Bobby, you need to speak into your mic a little bit, please.

12 **MR. GILLIAM:** I'm sorry. Yeah. It would not take effect until May, and so it would
13 just remain the same as far as the customer bill.

14 **COMMISSIONER CAMPBELL:** Three dollars?

15 **MS. FERRY-NELSON:** Correct.

16 **MR. GILLIAM:** Yes.

17 **COMMISSIONER CAMPBELL:** So after it's increased, it will still remain \$3?

18 **MS. FERRY-NELSON:** Right. There would be no change to the bill if the program
19 continues beyond May 31.

20 **COMMISSIONER CAMPBELL:** Okay.

21 **CHAIRMAN SKRMETTA:** Commissioner Lewis.

22 **COMMISSIONER LEWIS:** Yes. Let me say this. I'm going to be very clear, I think
23 it's very disingenuous what you just did. Because what -- you have a program and you
24 have pending applications for this 18 million that you have been negotiating with Staff,
25 and we've had significant conversations. This was a independent rulemaking for all

1 utilities. And what I feel you did is you came up here because you are still in
2 negotiations with Staff on that 18 million, and confused all of us by trying to move this
3 pilot program, so you can recoup all 18 million that you wanted, even though they're
4 in two other dockets. And -- no, let me finish. Because I've listened and I've been
5 watching and hearing, and I could not let the record go clear of what I think you just
6 did. And I think it's unfair to us that you did not put it -- I've read the comments. You
7 didn't list 2.5% anywhere in here in your recommendation -- in your comments on the
8 pilot program. Where that 18 million exists is in your interim that you asked for and
9 is in your other dockets. It wasn't in your comments here. So to come up here on this
10 agenda item, and mention other dockets, and then try to confuse the rest of us, I think
11 is disingenuous. And I think this is the problem that I've had with SWEPCO every
12 time there's a regulatory proceeding. Is that you come up here and you try to get what
13 you want by confusing us and moving things from dockets to dockets. I want us to be
14 very clear, this is a pilot program that we're supporting for all utilities. In addition,
15 because we've heard your request, we've heard the other utilities' request that
16 vegetation management needs an independent spending mechanism. Which is why we
17 pulled this as a pilot to say, well, let's put some independent dollars outside of your
18 formula rate plan, outside of your base rates, so we can evaluate the spending of
19 vegetation management to look at reliability. Put that aside, then you have your
20 traditional vegetation management that all utilities participate in. And then you had
21 your additional request based off of the challenges that you have up there in north
22 Louisiana. So I just want it to be very clear for the public because I think we've
23 confused a lot of people by trying to preapprove a docket that is still under negotiation.
24 So I would prefer that if you would keep your comments back to the comments you
25 listed right here in this docket, where everything you said is not in this. It's not in this.

1 And that's what I'm voting on today. And so I just wanted to say that, and you don't
2 have to respond. I just felt this entire exercise was extremely disingenuous to us up
3 here.

4 **MS. FERRY-NELSON:** That was certainly not the intent. It was merely a
5 comparison of what the pilot program would achieve for SWEPCO versus what is in
6 place at this time. So the percentages are merely a comparison for you to see the 7
7 million versus the 18 million.

8 **CHAIRMAN SKRMETTA:** Okay. Commissioner Campbell has something he
9 wants to say. Commissioner?

10 **COMMISSIONER CAMPBELL:** Since this has to be crystal clear, and it's not that
11 clear right now, I'd like to defer this motion until next month's meeting. Make a
12 motion to defer.

13 **MS. BOWMAN:** And I have no problem with that, Commissioner. What would we
14 need --

15 **VICE CHAIRMAN COUSSAN:** We're --

16 **CHAIRMAN SKRMETTA:** Hang on.

17 **MS. BOWMAN:** Okay.

18 **CHAIRMAN SKRMETTA:** He's going to comment.

19 **MS. BOWMAN:** Thank you.

20 **VICE CHAIRMAN COUSSAN:** His motion is to defer the vote on the vegetation
21 management pilot program. That's going to be the motion. We'll also defer anything
22 else having to do with SWEPCO and their other dockets if we need to do that, because
23 we need to postpone this discussion right now to a different meeting, so that they can
24 have an opportunity to clarify what their intent is, and that we can understand how this

1 pilot program is going to move forward and how -- you know, so all of the discussion
2 about this needs to be deferred.

3 **COMMISSIONER LEWIS:** Mr. Chairman, if I may, I would like Entergy to come
4 up because as I stated, I think we've gotten confused based off of SWEPCO's ask and
5 there are other utilities who support this pilot program in different iterations that don't
6 have the components that SWEPCO --

7 **CHAIRMAN SKRMETTA:** Well, wait. Hang on a second. Hang on a second. We
8 got a motion to defer.

9 **VICE CHAIRMAN COUSSAN:** We have a motion.

10 **COMMISSIONER LEWIS:** No, I was just asking --

11 **CHAIRMAN SKRMETTA:** I understand. We got a motion to defer and we got a
12 second.

13 **VICE CHAIRMAN COUSSAN:** We're on this vegetation management issue and we
14 have a motion to defer. I don't want to hear any other -- more testimony.

15 **CHAIRMAN SKRMETTA:** We're going to call a vote on it.

16 **MS. BOWMAN:** Well, I have a -- well, one, I heard a motion by Commissioner
17 Campbell. Who seconded?

18 **VICE CHAIRMAN COUSSAN:** Second.

19 **CHAIRMAN SKRMETTA:** Commissioner Coussan.

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

21 **CHAIRMAN SKRMETTA:** Commissioner Coussan.

22 **MS. BOWMAN:** Can I ask a clarifying -- just so I know what the motion to defer is?

23 **VICE CHAIRMAN COUSSAN:** Sure.

24 **CHAIRMAN SKRMETTA:** To defer it to next month.

25 **COMMISSIONER CAMPBELL:** Next meeting.

1 **MS. BOWMAN:** Are you asking Staff to reopen the comments on the rulemaking to
2 allow SWEPCO to put in whatever they need to to clarify this, the ask in this docket?
3 Again, I'm just trying to understand what we need to do before next month.

4 **VICE CHAIRMAN COUSSAN:** I'm not a lobbyist, but I think they should call
5 everybody individually and maybe talk to them about it. I don't care what they put
6 into the record. But I think they should probably put something into the record if you
7 think that would be appropriate.

8 **MS. BOWMAN:** I do think that would be appropriate.

9 **VICE CHAIRMAN COUSSAN:** So they can open -- you can open it back up as a
10 matter of our proceedings for them to introduce any other briefs that they'd like.

11 **COMMISSIONER CAMPBELL:** Since this is my area, your whole footprint is in
12 my area, and my office is real close to y'all's office, I would ask you to come over and
13 explain exactly what you're doing. Right now, I don't want to vote for something I
14 don't completely understand, and I don't think anybody up here completely
15 understands it, so.

16 **CHAIRMAN SKRMETTA:** All right. We have a motion on the table by
17 Commissioner Campbell, seconded by Commissioner Coussan. Any opposition?
18 [NONE HEARD] Hearing none, so ordered. We'll deal with this next month in
19 Alexandria. Oh, we're here?

20 **VICE CHAIRMAN COUSSAN:** It's two months --

21 **CHAIRMAN SKRMETTA:** Oh, I'm sorry. Two months to Alexandria. Sorry about
22 that.

23 **SECRETARY FREY:** And it'll be very quick. I think we're like three weeks away
24 from our March meeting, so.

1 **CHAIRMAN SKRMETTA:** I was about to say. It's because of -- thank you, Mardi
2 Gras.

3 **SECRETARY FREY:** Yes.

4 **CHAIRMAN SKRMETTA:** Right. I got it. All right. Thank you very much.

5 **MR. GILLIAM:** All right. Thank you.

6 **CHAIRMAN SKRMETTA:** All right. Next item, please.

7 **MS. BOWMAN:** Next item is Exhibit Number 6. It's Docket Number U-36320. This
8 is Abby Plantation Estates Sanitary Sewerage Corporation doing business as Louisiana
9 Sewer Utilities. It's a request for an assessment of rates and review for regulatory
10 compliance. It's a discussion and possible vote on an uncontested stipulated
11 settlement. On March 31, 2022, Abby filed the instant application pursuant to the terms
12 of Order Number U-34761, which required Abby file this instant application within
13 two years of that order. Abby's initial filing in the matter was published in the
14 Commission's Official Bulletin and no interventions were received. Thereafter, the
15 parties determined that Abby should file a full rate case in the docket. And on July 19,
16 2024, Abby did that. The application was published in the Commission's Official
17 Bulletin with no interventions. Following discovery on Abby's application, Staff filed
18 the direct testimony along with Staff's audit memorandum and recommendations, and
19 Abby filed correspondence indicating it concurred. Subsequently, the parties executed
20 an uncontested stipulated settlement, which was filed into the record on January 9,
21 2026. The hearing on the stipulated settlement was held on January 22. The major
22 terms of the settlement are as follows. Abby shall be authorized to increase its
23 residential sewer rate to \$45.70 per equivalent dwelling unit and its commercial sewer
24 rate to 55 per connection, subject to a minimum commercial rate of 55. Abby shall be
25 authorized to establish a regulatory asset for the recovery of rate case expenses. It shall

1 continue working with Louisiana Department of Environmental Quality to attain
2 compliance with all applicable standards and regulations. And within 30 days after the
3 issuance of an order in this proceeding, Abby shall file into the record a new or revised
4 tariff reflecting the Commission's action. Staff recommends that the Commission
5 approve the uncontested stipulated settlement filed into the record on January 9, 2026.

6 **CHAIRMAN SKRMETTA:** Chair moves to accept Staff recommendation. Seeks a
7 second.

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

9 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Campbell. Any
10 opposition? [NONE HEARD] Hearing none, so approved.

11 **MS. BOWMAN:** Exhibit 7 is deferred, so we will move on to Exhibit 8, which is
12 Docket Number U-37425. This is Entergy's application for approval of generation and
13 transmission resources in connection with service to a single customer for a project in
14 north Louisiana. It's a discussion and possible vote on a scope expansion for United
15 Professionals Company. At the Commission's August 2025 B&E, this Commission
16 approved a settlement between Staff and Entergy as well as other parties regarding an
17 approval of generation and transmission resources in connection with providing service
18 to Meta. The approval was memorialized in Order Number U-37425, and part of that
19 approval contemplated additional capacity, including certification of renewable
20 resources and revisions to Entergy's Rider GZ and Three-Gigawatt Order. United
21 Professionals was retained to assist Staff in both of those dockets. Entergy has now
22 filed an application for construction of two new solar facilities, which has been
23 docketed as U-37800. Part of Entergy's application in that docket indicates that the
24 two solar facilities would satisfy part of Entergy's obligation under U-34725. In
25 addition to that certification filing, Entergy is working on fulfilling other requirements

1 of the order regarding modifying its expedited renewal procurement process and
2 updates to its Rider GZ as part of those activities. Given UPC's experience in both
3 proceedings, Staff sought a budget expansion from UPC to assist in the additional
4 filings anticipated by Order U-34725. Staff solicited UPC and they submitted a
5 proposed budget. Staff recommends that the Commission increase UPC's budget due
6 to scope expansion for an additional 173,000 in fees and 2,000 in expenses for a total
7 budget not to exceed of \$175,000.

8 **CHAIRMAN SKRMETTA:** Move to approve Staff recommendation, seeks second.

9 **COMMISSIONER LEWIS:** Second.

10 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Any opposition?

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

12 **MS. BOWMAN:** Exhibit 9 is the same docket and it's similar to the last. It's a
13 discussion and possible vote on a scope expansion for Fishman Haygood. And under
14 the same order that the Commission approved related to the Meta certification, Fishman
15 Haygood was retained to assist in that certification as well. And Staff sought
16 solicitation from Fishman Haygood to assist in the construction of the two new solar
17 facilities' certification, as well as the modifying of the Rider GZ, and the expedited
18 renewal procurement process. Based on that solicitation, Fishman Haygood provided
19 a proposed budget, and Staff recommends that the Commission increase Fishman
20 Haygood's budget due to scope expansion for an additional 370,000 in fees and 5,000
21 in expenses for a total budget not to exceed of 375,000.

22 **CHAIRMAN SKRMETTA:** Chair moves to accept Staff recommendation.

23 **COMMISSIONER CAMPBELL:** Let me ask a question.

24 **CHAIRMAN SKRMETTA:** Any seconds before we move on?

25 **COMMISSIONER LEWIS:** Second.

1 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Lewis. Commissioner
2 Campbell has a question.

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

4 **COMMISSIONER CAMPBELL:** Did we -- do we have anybody else bidding on
5 these?

6 **MS. BOWMAN:** So this one was not a bid. This one was a -- actually, a scope
7 expansion for both United Professionals and Fishman Haygood based on the order that
8 was issued saying Entergy had to go out and procure additional solar and additional
9 renewables. So this one was just a scope expansion for the two parties.

10 **COMMISSIONER CAMPBELL:** Are we back doing like we used to do pretty
11 much? Are we getting about two people who gets all the business?

12 **CHAIRMAN SKRMETTA:** This was already a contract with an expansion of scope.

13 **COMMISSIONER CAMPBELL:** I'm not talking about this one.

14 **MS. BOWMAN:** We do issue --

15 **COMMISSIONER CAMPBELL:** I'm talking about all the other things that we have.

16 **MS. BOWMAN:** Yeah, no. No, sir. We do issue RFPs for new dockets, new
17 applications, things of that nature. We are still only getting one to two responses per
18 those RFPs.

19 **COMMISSIONER CAMPBELL:** What --

20 **SECRETARY FREY:** And we've got, you know -- just to add on that. I mean, when
21 I used to do those before Kathryn, I think we've got considerably more people on our
22 list now. We just don't get a whole lot of bids.

23 **COMMISSIONER CAMPBELL:** Do you call them and talk to them about it?

1 **SECRETARY FREY:** We actually get -- I've seen responses like thanks for sending
2 this, we're not interested in bidding at this time. So we're getting more of those for
3 whatever reason.

4 **COMMISSIONER CAMPBELL:** You know what I'm not interested in? I'm glad
5 you brought that up. One guy getting all the business. That's what I'm not interested
6 in. And that's what seems to happen around here. One firm gets most of the business,
7 which may be okay, but it may not be okay. So it might be that y'all have to pick up
8 the telephone and tell these people, hey, here's what we got. And if they're thinking,
9 well, it's other firms who are going to get all the business, why should I bid? That's
10 what happens a lot of time, and that shouldn't be happening.

11 **CHAIRMAN SKRMETTA:** So we have a motion by Chair, second by
12 Commissioner Lewis. Any opposition? [NONE HEARD] Hearing none, so ordered.
13 Next item.

14 **MS. BOWMAN:** Exhibit Number 10 is Docket U-37425. This is Entergy's
15 application for approval of generation and transmission resources in connection with
16 service to a single customer for a project in North Louisiana. It's a discussion and
17 possible vote on a motion of the Alliance for Affordable Energy and Union of
18 Concerned Scientists for investigation and prudence review. In Order Number U-
19 37425, the Commission approved the construction of generating units and transmission
20 facilities to serve the Meta data center, subject to significant customer protections, as
21 provided in a stipulated settlement. The order is a final Commission order, as it was
22 not subject to a request for rehearing nor was it appealed. On January 14 of this year,
23 the Alliance and the Union for Concerned Scientists filed this instant motion, and in
24 that motion, cited press reports regarding Meta's financing arrangements for its data
25 center. The motion asked that the Commission investigate the impact of those financial

1 arrangements on the customer protections, including the guaranty provided by Meta
2 that was provided in the order. The prudence of Entergy's connection with that
3 financing and whether the construction of the units and transmission projects to serve
4 the Meta data center continue to be in the public interest. On February 13 of this year,
5 Entergy filed a memorandum in opposition, wherein they unequivocally state that there
6 has been no change that relieved Meta from its unconditional and irrevocable guaranty
7 of the customer obligations under their ESA with Entergy. Those customer obligations
8 under that service agreement remain fully backstopped by an unconditional and
9 irrevocable guaranty from Meta. Entergy did acknowledge that Meta has obtained
10 outside financing for the project and that the structure is complex, but explained that
11 there have been no amendments to that ESA or to any of the related agreements. On
12 February 20, 2026, the NPOs filed its reply, wherein they argue Entergy's motion
13 improperly focuses on the motives instead of the facts raised. While not entitled as
14 such, the NPO motion is akin to a request for rehearing of Order Number U-37425,
15 pursuant to Commission Rule 43. That motion is not timely as it was filed well beyond
16 the 10-day deadline and more than 60 days after the cited press report of Meta's
17 financing arrangement. Rule 43 states that the Commission can order a rehearing on
18 its own motion where the Commission concludes that substantial errors of procedure
19 or the exclusion of evidence have so affected the record as to render it impractical to
20 determine the case justly and fairly upon the record. Staff has reviewed all of the
21 motions filed as well as the terms and conditions approved in Order U-37425, including
22 those guaranties, and has determined that there is no new evidence or circumstances
23 that warrant a Commission rehearing or other action to review the Commission's
24 decision in Order Number U-37425 at this time. Furthermore, as provided in that order,
25 Entergy retains all the prudence obligations provided by law and specifically is

1 required to ensure that all parent guaranties -- parent guaranty agreements are obtained
2 and fully executed and will timely and prudently enforce its rights with respect to those
3 agreements. Staff recommends that the Commission not exercise its authority under
4 Rule 43 as there is no evidence to warrant the Commission taking any action at this
5 time. And we do have two yellow cards. One from Ms. Miller and one from Ms. Burke
6 who would like to speak on this matter.

7 **CHAIRMAN SKRMETTA:** Please call them up. Y'all have cards already written
8 out I believe, correct?

9 **MS. LOGAN BURKE:** Yes.

10 **MS. SUSAN MILLER:** Yes, sir.

11 **CHAIRMAN SKRMETTA:** So just introduce yourself and go ahead and start.

12 **MS. MILLER:** Sure.

13 **MS. BOWMAN:** And I would ask just if you keep the mic a little closer to you, thank
14 you.

15 **CHAIRMAN SKRMETTA:** They're just having better results when the mic's on the
16 edge of the table by you.

17 **MS. MILLER:** Okay. Thank you very much. Good morning, Chairman and
18 Commissioners. My name is Susan Miller, and I'm representing the Alliance for
19 Affordable Energy and the Union of Concerned Scientists on this motion. With me is
20 Logan Burke, who's the executive director of the Alliance for Affordable Energy. At
21 the outset, we disagree that this a request for rehearing. This is a request to investigate
22 whether the ratepayer protections, which the Commission believed it adopted as part
23 of the application, are actually still effective. And we've asked for a prudence review
24 of Entergy. We have not asked that the application be reversed or anything like that.
25 We want to make sure the ratepayer protections exist. And if they don't exist, we want

1 the Commission and the parties to figure out what actions they can take to make sure
2 the ratepayers are protected. It has nothing to do with asking that the application be
3 reversed, the data center not be constructed, or anything like that. That's a
4 mischaracterization of what we asked for. To explain how we got to this point, two
5 months after the Commission approved the application, Meta fundamentally changed
6 the financial structure of this project. Meta is no longer the majority owner of the data
7 center. In exchange for, on bond payments, Meta sold 80% of the data center to a
8 company called Blue Owl. So it is not just, oh, they borrowed money to finance their
9 construction. In exchange for that money, they gave an 80% ownership. So now it
10 gets a little complicated, but Meta is now the lessee of the data center. It is leasing the
11 data center from Blue Owl. It is not the major owner. So it is also no longer the parent
12 of Laidley. Another financial company during this joint venture, Beignet, is now the
13 parent of Laidley. Beignet has no money. It's another financial vehicle, so it has no
14 assets. And Blue Owl is the parent of Beignet. So it's become very complicated. The
15 Wall Street Journal article referred to it as Frankenstein financing. And Meta's own
16 credit auditor red flagged this arrangement. So what we've given you are two things.
17 One's the article on the credit auditors, and the other, an article on Blue Owl. Let's
18 start with Blue Owl, who is now 80% owner of this facility, as they are in disturbing
19 financial straits is the best way to put it. In the last 13 months, their stock share price
20 has dropped 60%, and 30% of that drop is from January through today. They've
21 permanently halted redemptions on one of their funds, and they're in an array of class
22 action lawsuits. So they're not a company that's in a good position, and they own 80%
23 of the Richland Parish data center. Entergy relies on the parent guaranty, which
24 incorrectly is referred to as a guaranty of the ESA. By its terms, the guaranty itself
25 only applies to the CIAC. As such, there is no parent guaranty guaranteeing that if

1 Laidley fails to pay under the ESA, someone else will pay. And that is a major, major
2 concern because, essentially, in a slightly roundabout way, Blue Owl is now the parent
3 of Laidley, and Blue Owl is in financial trouble. Yes, they have a parent guaranty for
4 the CIAC. But that does not apply -- but once the construction is complete, there will
5 be no parent guaranty that protects the ratepayers because there is no parent guaranty
6 on the record that shows that someone is responsible for Laidley's failure to pay at any
7 time under the ESA. Also, I think the argument of how strong the parent guaranty is
8 is a little misleading because on page two, number four, it says the terms are
9 enforceable except as may be limited by, and one of the things it's limited by is general
10 equity principles. There are dozens of general equity principles, one of which is did
11 you get consideration when you signed this contract? Which an argument could be
12 made that there is no longer any consideration for Meta since it's no longer the parent.
13 I think it's also important to bear in mind that this guaranty is to be interpreted under
14 the laws of New York. It's not to be interpreted under the laws of Louisiana. So any
15 legal positions that the Louisiana courts have taken with regard to general equity
16 principles wouldn't apply. Now, on August 20, during the B&E, Entergy stated that it
17 had gotten a legal opinion regarding the enforceability of this parent guaranty. They
18 didn't put it in the record, nobody's seen it, and quite frankly I think a new legal opinion
19 needs to be obtained regarding the enforceability of this guaranty given the financial
20 structural change. And, quite frankly, I would request that the Commission ask Staff
21 to get that legal opinion since it's apparently difficult to get one out of Entergy. But
22 that still brings us back to once the construction is done and the ESA starts to become
23 effective, if Laidley ever fails to pay, there doesn't appear to be any obligation by any
24 other party to back that up, and Laidley has no assets that Entergy could go after. So
25 the ratepayers would be on the hook for whatever is left to be paid for if Laidley just

1 decided it didn't want to pay anyone, decided to walk away from this project, and that
2 brings up the other aspect of this new financial situation. Under their agreement with
3 Blue Owl, who they are leasing the data center from, Meta can walk away after four
4 years, and there's no parent guaranty that says that something will happen to Meta.
5 And if Meta walks away, Laidley is going to walk away. Laidley has nothing really to
6 do with operating a data center. And being able to walk away after four years just
7 increases the amount of stranded costs that will have to be covered by the ratepayers.
8 And to me, that is why Entergy is not concerned about this. Entergy is the only entity
9 with no skin in this game. Meta has paid something. Meta has paid 1.8 billion, I
10 believe, so far, which for Meta isn't a lot of money, but they've paid something. And
11 if -- once Meta stops paying, all Entergy is going to do is turn around and reach into
12 the ratepayers' wallets and get what's left. And so Entergy has no risk in this, but the
13 ratepayers have a severe risk, particularly now, how it's been reconstituted such that
14 there is no Meta to get money from at the end of the day once the data center starts
15 being used. And the company that might be on the hook, but probably isn't because
16 there's no parent guaranty from them either, Blue Owl, is in severe financial straits. So
17 the ratepayer protections that this Commission thought it was having in conjunction
18 with approving this application don't exist. And that's what we want you to
19 investigate, not Meta, not the data center. We want you to investigate are there any
20 existing protections for the ratepayers once this data center starts operating? And if
21 not, what can the Commission require Entergy to do in order to protect the ratepayers?
22 Not what can the Commission require Meta to do. What can the Commission require
23 Entergy to do as a matter of prudence in order to protect the ratepayers? Thank you.

24 **COMMISSIONER LEWIS:** Mr. Chairman -- or should I wait for Logan to finish
25 and then ask questions?

1 **CHAIRMAN SKRMETTA:** Logan, you want to go -- continue? Go ahead.

2 **MS. BURKE:** I simply wanted to offer the fact that we are having to watch on a very
3 regular basis, daily basis, the risks associated with these novel financial arrangements.
4 We've seen this, we know this story before. Historically, this story is what happens
5 with model financial arrangements, and people lose their homes. What we are
6 concerned about is that the people holding all the risk here are the residents and small
7 businesses of Louisiana. And we want to make sure that there is every opportunity
8 taken to reduce that risk when we know that the risk is only growing. Thank you.

9 **COMMISSIONER FRANCIS:** So if you audit Entergy, that'll solve your problem?

10 **MS. MILLER:** No. I think more of what we have to do is, first of all, we have to
11 figure out are there any protections for ratepayers that exist, which I don't believe they
12 do unless --

13 **VICE CHAIRMAN COUSSAN:** I think we covered that, like, ad nauseam in this
14 docket. The ratepayer protection.

15 **MS. MILLER:** I respectfully disagree, sir.

16 **VICE CHAIRMAN COUSSAN:** I know, and I respectfully disagree as well.

17 **CHAIRMAN SKRMETTA:** Sorry. We have one more speaker.

18 **COMMISSIONER LEWIS:** Mr. Chairman, I have some questions for them.

19 **CHAIRMAN SKRMETTA:** Yeah. Go ahead. You can get them on deck in the chair
20 up there. Who do we have left?

21 **MS. BOWMAN:** Yeah. Ms. Reed, if you want to come sit up here just to be ready.

22 **CHAIRMAN SKRMETTA:** We've got a seat up front for the next speaker. Who is
23 it?

24 **MS. BOWMAN:** Ms. Butler-Reed.

25 **CHAIRMAN SKRMETTA:** Butler-Reed, is she here?

1 **MS. BOWMAN:** She was.

2 **CHAIRMAN SKRMETTA:** Okay. Well, Commissioner, go ahead and ask while
3 we're finding the next witness.

4 **COMMISSIONER LEWIS:** Okay. Thank you, Mr. Chairman. So, Susan, can you
5 point me back to -- you mentioned in the guaranty, made some comments about
6 something that was mentioned on page two, but I did not catch what you were fully
7 saying. Can you point me back to what you were pointing out?

8 **MS. MILLER:** Sure. At page two at the very bottom with number four, it starts this
9 guaranty is a legal, valid, and binding obligation. And then it comes up with a
10 [INAUDIBLE] of exceptions to enforcement. And the exception to -- and one of the
11 exceptions to enforcement is specifically general equity principles that Meta can -- if
12 Entergy seeks to obtain funding from Meta because Laidley has failed to pay under the
13 CIAC, doesn't apply to the ESA at all, if they seek to obtain funds under the CIAC,
14 Meta can fight that by raising general equity principles. Whether they be successful or
15 not would depend on which principle they raise and how New York law covers it.

16 **COMMISSIONER LEWIS:** Okay. So as I read your motion before the Commission,
17 on page two, you point out that you believe that Meta and Blue Owl were working
18 behind the scenes to significantly alter financial structures of the data center project
19 while proceedings to examine the now irrelevant data center financing structures were
20 on-going, and that that was a significant secret. So if I'm understanding you correctly,
21 you believe that is the portion that was not knowledge to the Commission at the time,
22 that this now known Beignet, LLC was being formed, and was actually sold and formed
23 on the day of the vote, and that that is the crux of what we should investigate if that
24 does change this guaranty?

25 **MS. MILLER:** That's correct.

1 **COMMISSIONER LEWIS:** And if I understand you also correctly, that you were
2 saying that you believe that the guaranty, as written, is only covering the CIAC, but
3 your real question is on the energy service agreement, and whether or not those
4 protections exist under this guaranty?

5 **MS. MILLER:** If I can respectfully direct you to the page one, in the very first few
6 lines, it says have entered into that agreement for contribution in aid of construction
7 and capital costs with Laidley. So that's your agreement for contribution in aid of
8 costs, hereafter referred to as the agreement. The agreement is the only thing that's
9 referred to in the rest to of the guaranty. The energy service agreement is never
10 mentioned anywhere in this guaranty.

11 **COMMISSIONER LEWIS:** Okay. And as you pointed out, and I think you made it
12 in your comments, and I'll definitely ask Staff and Entergy about this, is that you
13 believe that there should have been a legal opinion from a New York counsel
14 confirming the actual bond, the bond by this parent guaranty, and to your -- you have
15 not seen any legal opinion. Is that what you're telling us today?

16 **MS. MILLER:** That is correct. At the August 20 meeting, Entergy stated that it did
17 have a legal opinion. They have to have a legal opinion from a New York law firm
18 because it's enforceable under New York law, but they never submitted that in the
19 record. And now, I think they would need a second legal opinion to show, given the
20 changes in the financial structure that -- and given the fact that Meta is no longer the
21 parent, that this actually is still an enforceable obligation on Meta.

22 **COMMISSIONER LEWIS:** Okay. So you believe there should be a legal opinion
23 on the original construction, Laidley, and now with Blue Owl and Beignet, that we
24 should have a subsequent legal opinion in New York's jurisdiction since that would be
25 the jurisdiction if something were to happen in this deal?

1 **MS. MILLER:** That's correct.

2 **COMMISSIONER LEWIS:** Okay. I just wanted to make sure I was following your
3 arguments, but I will go to the next speaker. And I'll have questions for our Staff and
4 Entergy, and may have you rebut some of that, if there needs to be.

5 **CHAIRMAN SKRMETTA:** All right. Do we have a motion on the floor on this?

6 **MS. BOWMAN:** There is no need for a motion on this.

7 **CHAIRMAN SKRMETTA:** Okay. All right. So procedure from Staff, we have
8 another speaker?

9 **MS. BOWMAN:** Yes. Ms. Reed would like to speak.

10 **CHAIRMAN SKRMETTA:** Okay. Would one of y'all give up your seat?

11 **MS. MILLER:** Oh, yes.

12 **CHAIRMAN SKRMETTA:** Great. Thank you.

13 **MS. MILLER:** We'll both just move back there.

14 **CHAIRMAN SKRMETTA:** Okay. That's fine.

15 **COMMISSIONER LEWIS:** Mr. Chairman, at the appropriate time, I'll have some
16 questions for Entergy and Staff.

17 **CHAIRMAN SKRMETTA:** Yeah. That's fine. What's the procedure on this
18 particular in re? We're having a lot of discussion. Is there any action from the
19 Commission?

20 **MS. BOWMAN:** So if the Commission agrees with Staff's recommendation that no
21 action should be taken --

22 **CHAIRMAN SKRMETTA:** Right.

23 **MS. BOWMAN:** -- then we hear --

24 **CHAIRMAN SKRMETTA:** Does that require a motion?

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

1 **CHAIRMAN SKRMETTA:** Okay. So we just -- so either we agree or we don't
2 agree, and if we don't agree, we have to have a motion?

3 **MS. BOWMAN:** Correct.

4 **CHAIRMAN SKRMETTA:** Okay. So somewhere in there, there was a motion.
5 Believe it or not. Trust me. So, okay. Go ahead. You have to -- just say your name,
6 please.

7 **MS. KETURAH BUTLER-REED:** Got you. Good morning, everyone. Keturah
8 Butler-Reed. Of course, I'm a resident of Baton Rouge, Louisiana. Yes, I do hold a
9 lot of positions and titles within a lot of different community organizations, but today
10 I'm really here because I am extremely concerned about what's happening with our
11 utility bills, and I know that it plays, like, a huge role in connection with what's
12 happened while we're speaking today on Meta. I'm here to support an investigation
13 into Meta's risky financial arrangement because it places more financial risk on
14 everyday taxpayers -- ratepayers, rather. When we think about the average salaries in
15 Louisiana, ranging under 50,000, and even less so with Black residents, and that being
16 -- what -- under 30,000 or whatever the case, a lot of families are living in, like, low-
17 income areas, and this is just something that they cannot afford. I do help cover a lot
18 of the bills for, like, my grandma, and I literally got an email like earlier in February,
19 and the bill was -- for her utility bill was, like, \$676, and that is ridiculous. When we're
20 thinking about -- and my grandmother is in her 70s, and she has so many other friends
21 in the community and they're retired. So it's like they're living on a fixed income, so
22 they really can't even afford to pay those. They can barely afford to pay their rate
23 sometimes, let alone we're thinking about food, we're thinking about inflation, we're
24 thinking about so many other issues. So to think of them not being able to pay their
25 regular needs, and now, you know, having additional bills on -- these financial strains

1 can no longer happen for our community because what are we going to do if they can't
2 pay their bills? So just wanting to lift that up because this is a serious issue for myself.
3 It is a serious issue for most people in the state. But also thinking about how large data
4 centers significantly increase energy demand, and that drives up those costs, and that's
5 not my fault. So I just wanted to lift this up and, you know, just supporting some of
6 the -- a lot of the work that you're doing, Commissioner Lewis. You are appreciated
7 for, you know, even putting this forward. So that's all I have.

8 **CHAIRMAN SKRMETTA:** Thank you very much. Appreciate it. All right. Are
9 we done? Or you want to talk to Entergy?

10 **COMMISSIONER LEWIS:** Yes. Can Entergy --

11 **CHAIRMAN SKRMETTA:** Entergy, you got some fellows who want to come up?

12 **COMMISSIONER LEWIS:** -- and Staff. And maybe make sense to be right by the
13 table because I may go back and forth.

14 **CHAIRMAN SKRMETTA:** Okay. Let me know when the music stops.

15 **MR. LARRY HAND:** Good morning, Commissioners. Larry Hand on behalf of
16 Entergy Louisiana.

17 **MR. SKYLAR ROSENBLOOM:** Skylar Rosenbloom also on behalf of Entergy
18 Louisiana.

19 **CHAIRMAN SKRMETTA:** Thank you, Mr. Hand and Skylar. Before I ask the
20 question, I first give you an opportunity if you would like to respond to anything that
21 was said, and then I have some specific questions for you after that.

22 **MR. HAND:** And I'll be brief. I just want to reaffirm, and I'm going to sign my
23 witness card under oath. I want to reaffirm a few things in terms of the electric service
24 agreement that we have signed with Laidley, LLC. That service agreement is a 15-
25 year service agreement. It's an obligation, a binding obligation between Entergy and

1 Laidley, LLC. Laidley, LLC is a special purpose entity established by Meta to own the
2 data center. Obviously, we've been discussing some financing that Laidley has done.
3 But in terms of our relationship with a contract counterparty, that is with Entergy and
4 Laidley, LLC. We've thought about carefully how do we protect our customers from
5 the cost to construct generation, transmission on the electric side to make sure if
6 Laidley, LLC does not honor their obligations, how do we protect our customers from
7 those costs? And the way we did that, again, Laidley, LLC is a special purpose entity
8 that Meta created. It does not have a balance sheet like Meta. Meta is different. So
9 the way we structured it was we looked carefully across the entire build cycle at what
10 our expenditures are to build the equipment, what our forecasts are for our financial
11 commitments, and we make sure that either Laidley, LLC pays us cash, what we've
12 referred to as a contribution in aid of construction. So we look at their contributions in
13 aid of construction, and if there's a difference between that amount and the amount we
14 have expended or are committed to expend, we have a parent guaranty or a guaranty
15 from Meta Platforms, Inc., which is a publicly-traded entity with a net worth -- or a net
16 value market cap of about \$1.6 trillion. And what happens between Laidley and Meta,
17 I don't want to say I don't care, I want this project to be successful because it is
18 impacting positively lives in Richland Parish. Jobs, there's probably 7,500 people
19 working on the ground right now, high-paying jobs. We want that to be successful.
20 But at the end of the day, I owe it to my customers to make sure they don't pick up the
21 tab if Laidley somehow doesn't honor the obligations. And that's why we have that
22 guaranty from Meta. It is unconditional and irrevocable. And I think the statements
23 earlier that the guaranty that we have in hand is limited to the -- what we refer to as the
24 CIAC agreement, the contribution in aid of construction agreement. That is a true fact,
25 and the reason it is a true fact is we have a schedule of guaranties, parent guaranties

1 from Meta, that Laidley is obligated to deliver to us at different milestones leading up
2 to the ESA. And including once the ESA is about to become effective, they owe us
3 another guaranty with a higher amount and covering the obligation under the ESA.
4 While someone might say what happens if Meta doesn't deliver that guaranty? What
5 happens is we've been covered up to that point, and if they don't deliver that guaranty
6 on time, they don't get electricity. They can't run their data center. We will have
7 covered all the expenses to build it, but they won't get the power. And I think they will
8 deliver that guaranty on time. They've delivered every one on time thus far, and every
9 contribution in aid of construction has been on time. So that's how we've covered our
10 customers. If you have questions about the guaranty itself, the legal arguments, I would
11 refer you to Mr. Rosenbloom. And I would close by saying one of the protective
12 conditions the Commission imposed on us, which we readily agreed to, Entergy has an
13 obligation to prudently administer and manage all of these agreements. The electric
14 service agreement, the CIAC agreement, and the guaranties we received from Meta. If
15 we do not prudently administer those to benefit our customers, we would be responsible
16 for that malfeasance. And I can assure you, the ESA we signed is not going to be
17 amended to reduce the term below 15 years. You've heard discussion of Meta can
18 walk away after four years. Laidley is not going to be let off on that contract in four
19 years. They're obligated for 15 years. So I can assure you that will not happen. And
20 if it did happen, y'all have a remedy against Entergy as to why we didn't protect our
21 customers in that action. Thank you.

22 **COMMISSIONER LEWIS:** Skylar, do you have anything?

23 **MR. ROSENBLOOM:** Yeah. I was going to just be real brief, Commissioner. I
24 know you have questions and we'll get to those. I just wanted to again reiterate, and
25 Larry still alluded to this [INAUDIBLE] here, but we've got, sort of, two pockets of

1 agreements. We have, on the one hand, our service agreement with the customer, our
2 irrevocable and unconditional guaranty with Meta, and we have our settlement
3 agreement with Staff and the intervenors that was approved by the Commission last
4 year. And I can, here, state to you, unequivocally, that none of those have changed.
5 There have been no changes to the service agreements with the customer that have not
6 been made available to all parties, including the NPOs, during the course of the
7 proceeding and seen by the Commission ahead of the Commission's vote in August.
8 There has been nothing here that would impair Meta's guaranty of the obligations under
9 the service agreements by this financing agreement. And there's been nothing here
10 that has changed the settlement agreement that we've agreed to with Staff and other
11 intervenors. As I said in our petition -- excuse me, in our opposition here, the deal that
12 was approved is the deal today. There's nothing more to that. I do want to address a
13 couple of the arguments that were raised, I believe, for the first time here today. One,
14 it was mentioned, as Larry discussed, that the guaranty that we submitted is for the
15 CIAC agreement. As he mentioned, we're on a schedule. We'll get the guaranty for
16 the ESA ahead of the ESA being effective. And then also there was a citation to page
17 two of the guaranty about how the guaranty may not be effective under applicable
18 bankruptcy, insolvency, reorganization, equity loss. That applies to Meta, not to
19 Laidley. If Meta is bankrupt, if a \$1.6 trillion company has gone bankrupt, I think we
20 have a lot of problems. But I would also agree that we would also have problems
21 collecting under the parent guaranty. The insolvency, reorganization, or even entire
22 dissolution of the customer, that specifically excepted, does not impact the guaranty
23 that we have from Meta. Laidley could go away in its entirety and Meta remains on
24 the hook for all of those obligations. I'll pause there and answer your questions,
25 Commissioner.

1 **COMMISSIONER LEWIS:** No, thank you so much, Skylar. So I want to -- I'm
2 going to start where you kind of stopped off. So when you are -- the guaranty, and I
3 think you state this in your response brief on page six, that says will not discharge
4 irrespective of the dissolution, winding up, liquidation, or insolvency of the customer.
5 That is what you believe is the protections with Meta. So irregardless of Laidley
6 changing to Beignet or Blue Owl, that's the line that you're referring to in this guaranty
7 that you believe is the protections for Louisiana customers?

8 **MR. ROSENBLOOM:** I believe that's a protection as well, but if you read the
9 guaranty, there seems to be much hay made of the caption of the guaranty being a
10 parent guaranty. There is no term throughout the guaranty other than the caption which
11 requires Meta to be the parent of Laidley, the sole direct parent of Laidley, in order for
12 the guaranty to be effective. What it states is that Meta irrevocably and unconditionally
13 guaranties these obligations. There is no mention of corporate structure, direct
14 parentage, anything like that, other than the title of -- the piece of paper says parent
15 guaranty at the top. It's well understood under Louisiana law, New York law, and
16 general contract construction principles that headings and titles do not override the
17 substance of the agreement.

18 **COMMISSIONER LEWIS:** Okay. Thank you. And I think you've answered this,
19 but I just want to make sure, so that the guaranty covers the ESA obligations including
20 termination payments or only just the CIAC?

21 **MR. ROSENBLOOM:** This particular guaranty only covers the CIAC payments.
22 The guaranty for the ESA will be coming ahead of the ESA --

23 **COMMISSIONER LEWIS:** Before the ESA goes into effect, so you're saying --

24 **MR. ROSENBLOOM:** Yeah. So without that parent -- without that guaranty, we are
25 not going to begin the ESA, it cannot.

1 **COMMISSIONER LEWIS:** Correct. And, Lane, can -- and I know I think Mr. Hand
2 spoke on it, but can you walk me through how you believe that that guaranty would not
3 be affected by the changes of ownership?

4 **MR. LANE SISUNG:** Sure. I mean, I agree that the changes of the -- just the plain
5 terms of the guaranty are for Meta to be responsible. So the plain terms, the change of
6 ownership does not vitiate the guaranty that Meta has given. And with regards to the
7 two-tiered structure, you know, through discovery, what we did was -- because, look,
8 we absolutely saw there were two guaranties and that gave us the cause to say why
9 aren't you just doing a suspensive condition? Why are we doing it in this way? And
10 so the two things that we did to get comfortable with sort of the two-guaranty approach,
11 the CIAC and then the ESA, is first is we looked -- and it's in the discovery that
12 everyone got, we looked at what the risk was in terms of how much money Laidley had
13 put up versus how much money the ratepayers could be on the hook as of -- and the
14 guaranty would cover that risk. And we looked at that balance, and for the most part
15 actually, there's not a risk at all. Laidley will have overcontributed to where they are
16 on the spending cycle. But it's a little lumpy and so sometimes it's underneath. So
17 what do we do in that case? We said if something blows up, that's on -- Entergy had
18 the responsibility to prudently manage that. If that goes upside down and ratepayers
19 suffer anything because the guaranty doesn't even show up, we've got Entergy on the
20 hook for that. Then when you come to the second tier ESA, the guaranty for the ESA,
21 same thing, when you get to that point, we've got that first risk covered. We've got all
22 the CIAC, we're at the point where now we're really going to go live. If they don't
23 produce the guaranty, we put all of that responsibility on Entergy and not on ratepayers.
24 So I guess that's the only thing I wanted to really make clear from Staff's perspective.
25 You know, they said that Entergy was the only one with no risk and ratepayers were

1 the only ones with risk. To the contrary, we made sure that the settlement said the
2 exact opposite, that all of the risk is on Entergy and none of the risk is on ratepayers.

3 **COMMISSIONER LEWIS:** Thank you for that clarification, Lane. I know -- and it
4 was brought up by the NPOs about a legal opinion from New York. And I know in
5 your cross testimony, I believe you mentioned and recommended that you still believe
6 that is a good recommendation that should be added into the record at some point in
7 this docket?

8 **MR. SISUNG:** I'm going to defer to Ms. Shelton on the legal opinion.

9 **MS. DANA SHELTON:** Yes, sir, Commissioner. We did ask for that and it was part
10 of Mr. Sisung's recommendation. And we did receive it, Entergy did provide it.

11 **COMMISSIONER LEWIS:** Okay.

12 **MS. SHELTON:** So I've seen it, I've read it. We have no problem with it being
13 provided to others and it does confirm that the parental guaranty is enforceable under
14 New York law.

15 **COMMISSIONER LEWIS:** Okay. So we have --

16 **MS. SHELTON:** We have that.

17 **COMMISSIONER LEWIS:** -- received [INAUDIBLE].

18 **MS. SHELTON:** And it is full of, you know, lots of legalese as these opinions are.
19 It's from the New York law firm of Troutman Pepper, which is one of the big national
20 law firms. But the bottom line is it does confirm the enforceability of the parent
21 guaranty under New York law.

22 **COMMISSIONER LEWIS:** Was that placed in the record or just in conversations?

23 **MS. SHELTON:** It was not placed in the record because by the time it was provided,
24 we were deep into settlement negotiations. It was the timing and our testimony had

1 been filed, so it was really a timing matter. But, you know, if the movants would like
2 a copy of it, we're happy to ask Entergy to provide it.

3 **COMMISSIONER LEWIS:** Yes, Entergy, I would make that request that you work
4 with the NPOs and in finding a solution. It doesn't have to necessarily be through a
5 regulatory proceeding, that that legal opinion, since it has been brought up into the
6 record and has been a conversation today, that it's also placed, so we can move on from
7 this. I did have one other question for you, Staff, about the liability cap in the guaranty.
8 I know that is redacted, so I'm not going to talk about the figure there. But do you
9 believe that liability cap provides significant financial protections for Louisiana
10 ratepayers?

11 **MR. SISUNG:** As I sit here, I'm not really exactly sure what the liability cap --

12 **COMMISSIONER LEWIS:** Or Entergy can answer that, too. I'm sorry, Staff.

13 **MR. HAND:** Yeah. I'll refer to it. The guaranty that is in the record was dated, I
14 believe, April 2025 or effective April 2025. And it did have an amount -- a maximum
15 amount of the obligation at that point in time. We have a schedule of parent guaranties,
16 not only the timing of when they're due, but the incremental amounts, because the
17 amount goes up over time. Since that guaranty became effective, Meta has delivered
18 in January of this year a second guaranty just changing the amount from that initial
19 amount to a much higher amount. We got that in January. And as Mr. Sisung said
20 earlier, because of that, we are now, I think, at this meeting, we are in a position where
21 between the cash Laidley has provided and the Meta guaranty cap amount, we probably
22 have several hundred million dollars of surplus credit protection and collateral based
23 on what we spent thus far. So that will continue to go up over time until we approach
24 the ESA and then a new guaranty will come in with a max amount commensurate with
25 the obligations under the ESA. So that will change over time.

1 **COMMISSIONER LEWIS:** Okay. And can you remind me when is the projected
2 ESA to go into effect?

3 **MR. HAND:** Unless he kicks me really fast, December of this year.

4 **COMMISSIONER LEWIS:** Okay. So we're down to the last 10 months.

5 **CHAIRMAN SKRMETTA:** All right. Is that it?

6 **COMMISSIONER LEWIS:** I just have one more question, Mr. Chairman. So I'm
7 listening to everything in good faith and I want to make sure and give Entergy the
8 opportunity to respond to this. I knew the news of Blue Owl has been concerning to a
9 lot. I just want to make it -- give you the opportunity -- you were not aware of that?
10 Because there's been a lot of questions since this ownership change happened today,
11 the Commission was taking this procedure up, which has brought a lot of questions of
12 bad actor, bad faith. So I want you -- give you the last opportunity to respond about
13 your knowledge or Entergy's knowledge of this change and the financial structures.

14 **MR. HAND:** Yeah. I will say affirmatively, you know, I did not know about Blue
15 Owl. I don't know who Blue Owl was until the announcement came out, so I had no
16 knowledge of Blue Owl or that financing arrangement. I will however say that anytime
17 we deal with large industrial projects, the issue of their ability to finance their projects
18 often comes up. So I can't say that I am completely unaware or surprised that Laidley
19 endeavored to do some sort of financing. That happens all the time. But Blue Owl and
20 the structure of it, I learned of the terms from the news articles, as did most of the
21 world, I think.

22 **COMMISSIONER LEWIS:** Okay. And thank you for that. I've listened to all the
23 arguments in good faith. I still have some questions around Blue Owl in that I do
24 believe, at this point time, the guaranty, at least for my eyes, has significant protections,
25 even though I did oppose this proposal. I will -- further questions and I think what the

1 weight of this Commission will proceed, and I believe Ms. Shelton or Sisung can
2 correct me if I'm wrong, that if new information does come that give us any more cause
3 or pause around the guaranty, that the Commission has ample ability to investigate
4 prudently and move accordingly with new information. Today won't be our last day to
5 handle any new information that may come that questions the validity and the solidity
6 of this guaranty.

7 **MS. SHELTON:** That's correct, Commissioner. In fact, Entergy explicitly has the
8 obligation under our agreements to alert the Staff if anything were to occur with respect
9 to Meta's business management. And that's what these are, financing arrangements.
10 This article that you were just provided this morning by the NPOs about an Ernst
11 Young accounting review audit, all those are internal Meta business issues. But if there
12 are any Meta business issues that would impact the deal that we have here, the
13 protections that we have here, Entergy is obligated to come forth and inform the
14 Commission and inform the Staff right away. So, yes, we feel -- and as Mr. Sisung
15 described very well, Entergy still remains on the hook for maximum prudence
16 obligations as provided by law. So, really, you have at any time the ability to reopen
17 this if you so choose. And that's what you would be doing here today by entertaining
18 the motion, whether you call it a rehearing or anything else, it substantively would be
19 reopening the deal that was approved less than a year ago. So, yes, I think the
20 Commission is protected and would have the opportunity to review any situation when
21 it comes up.

22 **COMMISSIONER LEWIS:** Okay. Thank you. Thank you, Mr. Chairman.

23 **CHAIRMAN SKRMETTA:** All right. We're going to go ahead and move back to
24 Commissioner Coussan.

1 **VICE CHAIRMAN COUSSAN:** Thank you, Mr. Chairman. Continuing the subject
2 of ratepayer protections, Mr. Sisung, I think you kind of yada yada yadaed over the
3 best part, okay? And that was dealing with the CIAC, which was brought up by the
4 proponents here. And could you express again, very clearly, like you're talking to the
5 public and not to experts in the electric utility business, about the importance of the
6 guaranty that we have for the CIAC? We already, again, just heard that you have a
7 surplus over and above what the CIAC might ultimately result, you know, the final
8 numbers. But talk about that in the context of the normal risk for new generation, and
9 the CIAC risk, and that we have a guaranty for that amount plus the cash up front,
10 which is protecting the ratepayer to the extent that we have almost a net zero effect on
11 ratepayers. Could you please express that? And then second part of the question,
12 which might be for the rest of the panel, is to talk about that in the context of the
13 comments we had from one of our witnesses earlier that her bill is impacted by, quote,
14 unquote, data centers. And I think if all of us would just Google right now what's
15 causing my bill? Well, the AI is going to say, oh, it's data centers. The facts are a lot
16 different. The facts on the ground are a lot different state by state, and in particular
17 let's talk about the state of Louisiana. And let's talk about the only data center that's
18 even broken ground so far in Louisiana, and how that statement, when applied to the
19 state of Louisiana and to our projects and to your company, Entergy, how that statement
20 is inaccurate.

21 **MR. SISUNG:** All right. Lane Sisung again, I'm sorry. I forgot to introduce myself
22 last time. Staff consultant for United Professionals Company. So I'm going to --

23 **VICE CHAIRMAN COUSSAN:** Staff consultant and you are the consultant for the
24 Public Service Commission?

1 **MR. SISUNG:** Correct. I am the consultant for the Public Service Commission, I
2 would for United Professionals Company. Okay. So you asked me not to yada yada,
3 so I'm going to make it very brief. What CIAC is is the money that -- and this happens
4 not just with Meta. This happens with a lot of large industrial customers. It's the
5 money that they come out of pocket and they're going to pay for the equipment that
6 the need. So Meta had a tremendous amount of investment they had to make. They
7 are coming out of pocket with that CIAC, but Entergy has to fund that, and how you
8 recoup that from them, there's timing issues. So they're putting up money in bulk,
9 Entergy's spending money. They're putting up money in bulk, Entergy's spending
10 money. So there's going to be a lumpiness to how that money comes in and out.
11 There's a guaranty that sits on top of that to ensure that no matter what, that at these
12 intervals, these amounts are covered by the guaranty that at these intervals, these
13 amounts are covered by the guarantee. And so between the guaranty, and the cash
14 that's coming in, there is generally, no risk and if the lumpiness creates some risk,
15 that risk remains on Entergy and not on ratepayers. So that was the answer to the
16 CIAC issue.

17 **VICE CHAIRMAN COUSSAN:** But the risk of CIAC on any project, especially
18 one of this nature, would be a significant risk, but for the fact that they're paying
19 up front, and we have a guarantee. So that's the issue is that we have significant
20 protections in place to protect the ratepayer.

21 **MR. SISUNG:** Correct.

22 **VICE CHAIRMAN COUSSAN:** And the CIAC, is not just, oh, we only have a
23 guarantee for a CIAC. That's the biggest part. That's the yada, yada, yada and
24 over the best part. That's the biggest part.

1 **MR. SISUNG:** Okay. To your second question about data centers. So as we have
2 been up at this Commission, for years now, capacity prices are going up because of
3 a scarcity of capacity, because of all the early retirements of the fossil fuels, the
4 capacity prices --

5 **VICE CHAIRMAN COUSSAN:** So over the last decade --

6 **MR. SISUNG:** Yeah. Over the --

7 **VICE CHAIRMAN COUSSAN:** -- retirement of fossil fuel electric plants?

8 **CHAIRMAN SKRMETTA:** Like coal plants.

9 **VICE CHAIRMAN COUSSAN:** Like coal plants?

10 **MR. SISUNG:** Yes.

11 **VICE CHAIRMAN COUSSAN:** -- sometimes nuclear plants?

12 **MR. SISUNG:** Correct

13 **VICE CHAIRMAN COUSSAN:** And now we're even fighting over gas plants,
14 right?

15 **MR. SISUNG:** Right.

16 **VICE CHAIRMAN COUSSAN:** Fossil --

17 **MR. SISUNG:** And the addition of renewables to counterbalance that. So capacity
18 prices -- the cost of capacity has been going up. So when, you know, to try to
19 equate data centers as the cause for rising electricity is very oversimplistic.
20 Capacity prices have been going up altogether. Data centers are part of the demand
21 side of the equation of supply versus demand. They're just another kind of load
22 putting additional pressure on that, but they're not a singular cause of what's
23 causing prices to increase. But more importantly, from this Commission's

1 perspective, what we've done here in Meta, and what hopefully we'll get to express
2 with our large load, you know, policy guidelines later is we're ensuring that there's
3 no data center in Louisiana that is going to directly contribute to an increase in
4 prices.

5 **MS. SHELTON:** Commissioner, may I add in response to that, too. I think, you
6 know, obviously, the Staff, everyone has great sympathy for rates going up and
7 what Ms. Reed testified to here today. Another reason why the Staff was
8 supportive, ultimately, of the Meta deal as it arranged, one thing you can't -- you
9 shouldn't underestimate is, once online, Meta will actually, hopefully help to share
10 some of the cost of improving our aging grid. They'll contribute to that. They will
11 help to recover after storms. They're going to be part of the Louisiana economy.
12 They're going to be another ratepayer that costs can be shared with. So while there
13 are risks, there are always risks with big growth like we're seeing now. But there's
14 also an opportunity for the economy to grow, and for more ratepayers to share in
15 the costs we're all going to be facing. And I think a lot of the press that you see
16 talking about data centers raising costs in the country and, you know, it's all over
17 the press right now. And I think that's what a lot people are hanging on to. But
18 those are really in areas of the country where these data centers came in before
19 anybody really knew what was going on and --

20 **VICE CHAIRMAN COUSSAN:** It's not just areas, it's three states, primarily.

21 **MS. SHELTON:** Right.

22 **VICE CHAIRMAN COUSSAN:** And Louisiana is not one of them.

1 **MS. SHELTON:** Correct. Correct. And we learned lessons from what happened
2 to those states. And I think, the deal we were able to put together that Entergy
3 brought to table and the we improved upon was put together in light of those bad
4 experiences in those other states. So we don't think that's going to happen here,
5 and it certainly hasn't yet, because Meta's not online yet. So they have not raised
6 rates yet.

7 **VICE CHAIRMAN COUSSAN:** And the testimony, the expert testimony at the
8 meeting for the final vote was that it could be as much of -- as 10% savings on
9 something like the hurricane recovery cost, the legacy cost, also possibly the 10%
10 savings on fuel costs. And hopefully we hear those same type of -- well maybe not
11 on fuel, but on the -- some of the legacy costs like the hurricane recovery.
12 Hopefully, we hear some of those same comments from the other proposals that
13 other utilities are going to be working on. But we don't hear a lot of that being
14 reported typically, you know. That's not part of the reports, that's not part of the
15 national discussion. There are reports, however, with data to support it that show
16 how overall costs can be reduced with large load customers like data centers. That's
17 not just us just talking about it. It's actually a national report that's been out, and I
18 have that available for anybody who might need it. It's on my phone, in an email,
19 that I need to basically be able to give that out to anyone that has these questions
20 so that we can start correcting the narrative that, you know, some of these media
21 outlets like to carry.

22 **CHAIRMAN SKRMETTA:** Okay. And nothing like covering the same territory
23 three times, but I would like to confirm that, you know, there are no data centers in

1 Louisiana. So pricing being affected by data centers is not really occurring here.
2 So this is a -- this is a myth, right? So we, you know. Second thing is, because of
3 the way that the Commission Staff and -- has negotiated with Entergy, we have
4 crafted a program which is not only going to not impact the consumers of this state,
5 it's actually going to benefit the consumers of this state. It's possible because of
6 the large potential of the generation of this system that it's going to generate maybe
7 as much as 20% of the overall generation capacity of the state, that that could
8 actually increase the potential savings into any storm fund beyond 10%. And it can
9 be how we look at the management of the fleet and how we move forward on this.
10 You know, the one real value of this state that is overlooked in the other states
11 where data centers have negatively impacted those states is the regulatory compact
12 that this state provides through regulated utilities, where many of the other states
13 that engage in heavy data center facilities have open access participation, and data
14 centers have moved into those states, and they have marketed the price of electricity
15 up, and up, and up, and it impacts the consumer at the residential level. And it has
16 been a negative process and they've learned quite quickly that it is something that
17 has negatively impacted the consumer. Well, it's not happening in Louisiana. We
18 have taken on the position that we understand that companies need to have a profit,
19 companies need to have well-managed utilities that aren't going to become derelict,
20 and so they have to be held in good standard quality. But we're in a position to
21 where we also understand the needs of the consumer. So Louisiana has led the way.
22 And I think that Louisiana has demonstrated a method that the federal government
23 has looked at. I think the president, even in his state of the union speech, as

1 Commissioner Coussan mentioned, said that, you know, looking out how large load
2 customers, particularly data centers, are going to have to participate in funding of
3 their data centers and not to provide an impact on the consumer. And I think
4 Louisiana -- we can tell you that in meetings with FERC commissioners and other
5 people with large load office -- excuse me, the power dominance office, were not
6 particularly fully informed about what success Louisiana had brought to the game
7 well before the issue had really hit the horizon. So, you know, Louisiana can, you
8 know, give itself a gold star on we have set the standard. And I think it's an
9 important thing. So, I think we're in a position to feel that now only now, but for
10 the Amazon facility that is going to come through the process. That was announced
11 by the governor and SWEPCO. That was possibly just a little cart before the horse,
12 but they recognize they have to go through this process, and this process is not a
13 cookie cutter. It is not going to get any easier for them. This is SWEPCO, excuse
14 me. SWEPCO, this is not going to be any easier for them than it was for Entergy,
15 and this is an important thing. But I will point out, and I think that this is, you
16 know, when we talk CIAC, you know, we look at this as this is money, like you
17 said, that these data centers are going to put up in advance. And what it does, is it
18 pays for the infrastructure, but it's paying on an installment plan. So it pays for it,
19 it gets built in a section, more money comes, it pays for the next go. At no point,
20 is ratepayer money paying for any of this infrastructure. It is constantly being
21 refreshed from a pool of money that's coming from the customer that wants to come
22 in and build this new infrastructure. So the system is -- that's been created by the
23 Commission through our Staff, and through the work of the utility, is something

1 the state could be proud of. So I'm very, very incredibly pleased with the results
2 of this and I think the Commission has got something to be super proud of. And to
3 be honest with you, I think the people of Louisiana have something to be incredibly
4 proud of in what we're accomplishing for the state. So I think -- anybody else?
5 Any other questions or comments?

6 **SECRETARY FREY:** I just wanted to have Dana and Lane confirm something,
7 too, along Vice Chairman Coussan's point about no data centers in Louisiana. But
8 they represent us in front of both MISO and SPP. There's no data centers in MISO
9 or SPP either that we're aware of, correct?

10 **MR. SISUNG:** No. There are some data centers who have interconnected in the
11 MISO footprint. It's not many, and it's not public information.

12 **SECRETARY FREY:** Got you.

13 **MR. SISUNG:** But there are a few that have interconnected.

14 **VICE CHAIRMAN COUSSAN:** Well, we're talking -- you're talking about --
15 there are data --

16 **SECRETARY FREY:** PGN.

17 **CHAIRMAN SKRMETTA:** It's predominately PGN.

18 **VICE CHAIRMAN COUSSAN:** -- there's small data centers, there large data
19 centers, it's a matter of the size of the load.

20 **SECRETARY FREY:** Yes.

21 **MR. SISUNG:** Correct. Correct. There's not a large amount of data centers that
22 have interconnected.

1 **CHAIRMAN SKRMETTA:** It's insignificant. When we look at data centers that
2 impact the price of -- the cost of electricity for the consumer, they are
3 predominantly -- 90 plus percent are in the PJM interconnect --

4 **MR. SISUNG:** Yes.

5 **CHAIRMAN SKRMETTA:** -- and are a largely unregulated market, which this
6 Commission and this state should fight against, because the adequate -- more than
7 adequate protections irregulated system that we have in this state has provided
8 security for all participants. And I think it's demonstrated itself to be a success.
9 So, like I said, anything else from the Commission?

10 **COMMISSIONER FRANCIS:** Yeah. Lane, let me ask you this.

11 **CHAIRMAN SKRMETTA:** Go ahead.

12 **COMMISSIONER FRANCIS:** I know a lot of data centers self gen. So when
13 they self gen, they don't hook into the RTO system, right?

14 **MR. SISUNG:** Well, depends. So, yes. A data center can absolutely self-generate
15 and be an island. If they decide to do that, right, generators go down, they have to
16 build twice, three times as much generation as they would otherwise need. They
17 can also self-generate, but get on the gird for backup power, and that open up a
18 whole another dialogue of how those costs need to be shared.

19 **COMMISSIONER FRANCIS:** But if they do, they'll have to have to have
20 approval from the RTO, and so it can't be confidential as this -- the people need to
21 know -- will know, the public will know --

22 **MR. SISUNG:** Yes.

23 **COMMISSIONER FRANCIS:** -- the RTOs. Okay.

1 **CHAIRMAN SKRMETTA:** All right. Any other questions? All right. Thank
2 you very much. Appreciate it. Thank y'all. Next item. Exhibit 11, I believe?

3 **MS. MILLER:** Excuse me, sir. I would just like to make one comment, please.

4 **CHAIRMAN SKRMETTA:** Sure. Go ahead.

5 **MS. MILLER:** Thank you for your indulgence. Susan Miller again, representing
6 the Alliance for Affordable Energy and Union of Concerned Scientists. I have to
7 say that I am incredibly surprised and disturbed by the fact that Staff Attorney and
8 Entergy sat up here and admitted they violated the due process rights of all the other
9 parties in that proceeding. Entergy provided information to Staff during a
10 proceeding that they provided to no other party. That prevented us from reviewing
11 that legal opinion. It prevented us from asking questions on cross regarding that
12 opinion. It's an incredible due process violation of our participation in that
13 proceeding, and I'm really, really disturbed by it. And I'm going to go back and
14 figure out what next steps we have to take. Thank you very much.

15 **CHAIRMAN SKRMETTA:** Okay. Thank you. All right. Exhibit 11. Next
16 item, please.

17 **MS. BOWMAN:** Exhibit 11 is Docket Number U-37574. This is Hillside Partners
18 doing business as Hillside Mobile Home Park. It's an application for an increase
19 in water rates and establishment of services and fees. It's a discussion and a
20 possible vote on an uncontested stipulated settlement. On May 7, 2025, Hillside
21 filed the instant application and was published in the Commission's Official
22 Bulletin with no interventions. The company currently provides water services to
23 customers in Hillside Mobile Home Park, and the company claims the current

1 revenues are inadequate to provide for current operating and maintenance expenses,
2 necessary capital improvements, and an adequate rate of return. Staff reviewed
3 Hillside's application and all of the exhibits, and on October 10 of last year, filed
4 direct testimony and in a Staff report. Staff noted concerns regarding Hillside's
5 change of water source and Hillside's contractual agreement for meter reading.
6 And with those concerns in mind, Staff recognized the need for a rate increase.
7 Staff recommended placing the costs of purchased water in a flow-through rate and
8 recommended a rate change to generate additional revenues of approximately
9 \$34,000. Staff's recommendation would bring Hillside's return on operating and
10 maintenance from a -53.71% to a 0.80%. The company indicated acceptance of
11 Staff's report and recommendation. On December 23, 2025, Hillside and Staff
12 entered into an uncontested stipulated settlement, with a hearing on that settlement
13 on January 8 of this year. Major terms are as follows: Hillside's authorized to
14 increase water rates to generate an additional approximately \$34,000; Hillside must
15 provide written notice to its customers no later than 30 days prior to implementing
16 any of the new rates; they have to continue to comply with regulations of the
17 Department of Public Health; and they're authorized to increase its service fees and
18 charges as filed, except for an increase as its NSF check fee, which shall remain at
19 \$20. Staff recommends that the Commission accept the uncontested stipulated
20 settlement filed into the record on December 23, 2025.

21 **VICE CHAIRMAN COUSSAN:** I'll entertain a motion.

22 **COMMISSIONER FRANCIS:** Whose district is this in?

23 **VICE CHAIRMAN COUSSAN:** It looks like it's in Commissioner Campbell's.

1 **CHAIRMAN SKRMETTA:** It's Commissioner Campbell's. This is yours. Have
2 they got a motion yet?

3 **VICE CHAIRMAN COUSSAN:** No. I just asked for a motion.

4 **CHAIRMAN SKRMETTA:** This is your trailer park.

5 **COMMISSIONER CAMPBELL:** Okay. Accept -- I make a motion to accept
6 the unstipulated settlement filed into the record on the 23rd, and I want to --

7 **CHAIRMAN SKRMETTA:** Second. Any opposition? [NONE HEARD]
8 Hearing none, so ordered. Next item please, number 12.

9 **COMMISSIONER CAMPBELL:** When was the last time these people had a
10 raise?

11 **CHAIRMAN SKRMETTA:** Staff report. Go ahead.

12 **COMMISSIONER CAMPBELL:** 2013.

13 **VICE CHAIRMAN COUSSAN:** 2013.

14 **CHAIRMAN SKRMETTA:** 2013.

15 **MR. ARVIND VISWANATHAN:** That's correct, Judge -- Commissioner.

16 **MS. BOWMAN:** 2013.

17 **COMMISSIONER CAMPBELL:** That's a long time ago.

18 **MS. BOWMAN:** A long time.

19 **MR. VISWANATHAN:** Force of habit.

20 **MS. BOWMAN:** Are you ready for Exhibit 12?

21 **CHAIRMAN SKRMETTA:** Yeah, please. Exhibit 12.

22 **MS. BOWMAN:** Exhibit Number 12 is Docket U-37774. This is Pierre Part
23 Natural Gas Company's rate stabilization plan adjustment filing for the test year

1 ending June 30, 2025. It's a discussion and possible vote on a joint report and draft
2 order. On October 31 of '25, Pierre Part filed the instant application which was
3 published in the Commission's Official Bulletin with no interventions. Pursuant to
4 Order U-36612, Pierre Part's rate stabilization plan allows the company to earn a
5 midpoint ROE, and requires a resetting of rates in the event that the test period falls
6 outside the prescribed dead band of 9.5 to 10.5. In Pierre Part's 2025 filing, the
7 company reported an ROE of 42%, which would have required a rate decrease, and
8 would result in a downward adjustment in the revenue requirement of
9 approximately \$226,000. Commission Staff confirmed the company's ROE, and
10 as such, Staff found that Pierre Part was authorized in accordance with the
11 provisions of its RSP to adjust rates to generate a decrease. Staff filed its report
12 and recommendation into the record on January 14 of this year. Upon review,
13 Pierre Part indicated it agreed with Staff's report and recommendation, and the
14 parties filed a joint report and draft order into the record on February 10 of this year
15 acknowledging resolution of all issues. Staff requests that the Commission accept
16 the joint report filed on February 10, 2026, and issue the draft order.

17 **CHAIRMAN SKRMETTA:** Any --

18 **COMMISSIONER LEWIS:** Motion to accept Staff -- and Randy, can I have a
19 quick question for you?

20 **CHAIRMAN SKRMETTA:** Motioned by Commissioner Lewis. Seconded by
21 Commissioner Coussan. And report from Mr. Young.

22 **COMMISSIONER LEWIS:** Yeah. Thank you so much, Randy. I am -- as you
23 know, we love to see rate decreases. I just had one question about, kind of, your -

1 - the ROE bandwidth here at Pierre Part. Can you kind of explain what led to kind
2 of this huge swing from the norm that we saw? And when did you -- why did y'all
3 see a big jump in sales? And is this an anomaly, or are we going to kind of see
4 this going forward with Pierre Part?

5 **MR. RANDY YOUNG:** Yes. Thank you, Commissioner. Randy Young for
6 Pierre Part Natural Gas. And to give a little bit of background, Pierre Part's about
7 a 1,400-customer system headquartered in Raceland, and they provide service in
8 Assumption Parish. So they've been on a rate stabilization plan for a number of
9 years. If you look at the last three or four years, to give you some context. So, for
10 example, in 2022, they had a \$84,000 decrease, and then in 2023, it followed with
11 an \$57,000 increase. So it bumped back and forth. In 2024, they had \$168,000
12 increase, and then in 2025, a \$225,000 decrease. So we're seeing it sway back and
13 forth a bit. They currently have a request for the Commission to extend their rate
14 stabilization plan. We're in the process of trying to dive in and look at the details
15 for Staff now and trying to understand why it's bouncing or bumping back and forth
16 a bit, and see if we can figure out what's the drivers, and how do we flatten that out
17 a little bit and have less sway back and forth. It looks like there's three or four
18 moving parts in that calculation. So we're still trying to isolate on what exactly is
19 causing it, but we're all focused on trying to take some of that sway out of it.

20 **COMMISSIONER LEWIS:** Great. No. That was my only question about the
21 sway in between. So now that I know that there is a RSP before the Commission
22 and in negotiations, I'll get with you and Staff regarding kind of looking at this
23 further so the ratepayers kind of know predictability. I think they're going to be

1 very happy with the reduction, but I don't want them to go up -- increase, reduction,
2 increase reduction. How can we make their rates a little bit more stable? So I'll
3 get with you and Staff regarding that pending docket.

4 **MR. YOUNG:** Yes. Thank you, Commissioner.

5 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman.

6 **CHAIRMAN SKRMETTA:** Okay. We have a motion on the floor with a second.
7 Any opposition? [NONE HEARD] Hearing none, so ordered. Next item, please.

8 **MS. BOWMAN:** Exhibit Number 13 is Docket Number U-377 --

9 **CHAIRMAN SKRMETTA:** Randy, you might not want to leave.

10 **MS. BOWMAN:** Yeah.

11 **CHAIRMAN SKRMETTA:** Just in case. Never know.

12 **MS. BOWMAN:** -- U-37777. This is South Coast Gas Company's rate
13 stabilization plan adjustment for the -- for test year ending June 30, 2025.
14 Discussion and possible vote on a joint report and draft order. On October 31 of
15 '25, South Coast filed its instant application, which was published in the
16 Commission's Official Bulletin and no interventions were received. Pursuant to
17 Order Number U-36276, South Coast rate stabilization plan allows the company to
18 earn a midpoint return on equity, and requires a resetting of rates in the event the
19 test period for earnings fall outside the prescribed dead band of 9.5 to 10.5. In
20 South Coast's 2025 filing, the company reported an ROE of 35.6%, which would
21 have required a rate decrease and would have resulted in a downward adjustment
22 in the revenue requirement of approximately 1.4 million. Staff conducted a review
23 of South Coast filing and did determine that the company's earned ROE for the test

1 year was above its bandwidth. Thus said, South Coast was authorized in
2 accordance with its provisions with its RSP to adjust its rates downward to generate
3 a decrease in revenue. Upon review of that recommendation, South Coast indicated
4 the company accepted its report, and on February 10, 2026, Staff and South Coast
5 filed a joint report and draft order into the record. Staff requests that the
6 Commission accept that joint report filed on February 10, 2026 and issue the draft
7 order.

8 **CHAIRMAN SKRMETTA:** Any motions?

9 **VICE CHAIRMAN COUSSAN:** I make a motion to accept the Staff's
10 recommendation.

11 **CHAIRMAN SKRMETTA:** Commissioner Coussan moves. Second?

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

13 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Campbell. Any
14 opposition?

15 **COMMISSIONER FRANCIS:** I'd like to make a point. Very seldom you see
16 decrease on the bill. Okay.

17 **CHAIRMAN SKRMETTA:** Yes, sir.

18 **VICE CHAIRMAN COUSSAN:** Let's get a press release going.

19 **CHAIRMAN SKRMETTA:** And thank you for the Staff finding those issues out.
20 And appreciate Mr. Young, no questions for you, evidently. Thank you very much.
21 So ordered. Next item.

22 **MS. BOWMAN:** Exhibit Number 14 is Docket Number U-37794. This is
23 SWEPCO's application for authorization of a system improvement plan including

1 rate recovery. It's a discussion and possible vote to retain an outside consultant.
2 SWEPCO filed this instant application seeking Commission approval of
3 approximately \$400 million of resiliency projects. Staff did issue an RFP seeking
4 outside consultant and received one bid. The bid was from United Professionals
5 Company of 123,000 in fees, and 2,000 in expenses, for a total budget not to exceed
6 of \$125,000. Staff makes no formal recommendation as the sole bidder is qualified.
7 **COMMISSIONER CAMPBELL:** I'll make a motion to accept United
8 Professionals.
9 **CHAIRMAN SKRMETTA:** Chair seconds. First motion by Commissioner
10 Campbell. Any opposition? [NONE HEARD] Hearing none, so ordered. Second
11 -- next item please.
12 **MS. BOWMAN:** Next item is Exhibit Number 15 which is our reports,
13 resolutions, and discussions. We do have a report --
14 **CHAIRMAN SKRMETTA:** Why don't we go ahead and skip that, move into the
15 regular agenda, and come back to this?
16 **MS. BOWMAN:** Okay. Would you like to do the ratifications now, or?
17 **CHAIRMAN SKRMETTA:** Yeah. We can go ahead and do the ratifications
18 first.
19 **MS. BOWMAN:** So we'll move to ratifications under Exhibit 15. The first is a
20 discussion and possible vote to ratify votes casted by Chairman Skrmetta acting as
21 the Commission's representative of the Regional State Committee of Southwest
22 Power Pool. It's on -- this matter is on the agenda for ratification of votes casted
23 on February 2 of this year. Staff followed the protocols set forth in Special Order

1 17-2019 to consult with the Vice Chair and Secretary prior to the vote. The voting
2 items are as follows: the first item was, establish a new loss of load expectation
3 status. Chairman Skrmetta voted in favor; the second voting item enacted the
4 conditional high impact large loads process. Chairman Skrmetta voted in favor; the
5 third voting item updated the cost of new entry value to \$139.85 per kilowatt year
6 starting with the 2026 summer season. Chairman Skrmetta voted for this -- in favor
7 of this item; the fourth item established a framework for demand response and load
8 responsible entities peak demand assessment. Chairman Skrmetta voted against
9 this item. Staff recommends that the Commission ratify Chairman Skrmetta's votes
10 casted on February 2, 2026, as the Commission's representative to the SPP RSC.

11 **VICE CHAIRMAN COUSSAN:** Move to accept Staff recommendation to ratify
12 his votes.

13 **COMMISSIONER FRANCIS:** I'll second that.

14 **CHAIRMAN SKRMETTA:** Skrmetta abstains. Any opposition? [NONE
15 HEARD] Matters ratified.

16 **MS. BOWMAN:** The next ratification is discussion and possible vote to ratify
17 interventions of Commission -- of the Commission in RTO-related, or other FERC-
18 related proceedings. This is pursuant to the scope of work approved in connection
19 with the retention of Fishman Haygood and United Professionals Company at the
20 February 2021 B&E for MISO, SPP, and ERSC participation. Due to short
21 deadlines allowed for these interventions, if advance Commission approval is not
22 possible, the Executive Secretary on the recommendation of UPC or Fishman
23 Haygood can authorize initial interventions, comments, or protests subject to

1 ratification. Interventions were filed on the Commission's behalf for purposes of
2 monitoring issues related to MISO and/or SPP in other FERC proceedings. Staff
3 recommends that the Commission ratify the actions taken in Docket Numbers
4 AC26-18, EL26-36, EL26-38, AC26-19, ER25-3508-002, ER26-988, EC26-43,
5 ER26-1010, ER26-1033, and ER26-1197.

6 **CHAIRMAN SKRMETTA:** Chair moves to ratify the FERC interventions.

7 **VICE CHAIRMAN COUSSAN:** Second.

8 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Coussan. Any
9 opposition? [NONE HEARD] Hearing none. Quick question for you, Mr. Sisung.
10 We had discussed the writing -- the provision of a white paper to FERC
11 Commissioner Rosner and also to the Office of National Power Dominance on the
12 Commission's performance in the Meta project. Is any requirement of action from
13 the Commission necessary?

14 **MR. SISUNG:** No. I don't believe so. That falls within our scope within our
15 FERC related matters, and I believe Ms. Shelton already begun that.

16 **CHAIRMAN SKRMETTA:** Okay. Thank you very much. Do we want to go
17 ahead and do the directives, Kathryn, and get that out of the way?

18 **MS. BOWMAN:** Can I -- we need one clarification, and I apologize. Colby just
19 indicated it. The agenda that is in front of us did not have those FERC ratifications
20 on there. So, I'd ask for the Commission to agree to take those up out of order.

21 **CHAIRMAN SKRMETTA:** Sure. It's sitting on -- it's on my docket sheet.

22 **MS. BOWMAN:** Well, it's on mine too. But just in case it was not on the public
23 agenda that was put out.

1 **CHAIRMAN SKRMETTA:** Okay. Well, I mean, if it's -- I mean do you want
2 to double check? Because it's all in our books.

3 **COMMISSIONER LEWIS:** Mine's missing it though.

4 **CHAIRMAN SKRMETTA:** Yours is missing?

5 **COMMISSIONER LEWIS:** Mine's missing, but I didn't catch it.

6 **CHAIRMAN SKRMETTA:** So it wasn't on the actual Commission's --

7 **MS. BOWMAN:** It looks like is wasn't on the actual agenda itself. Just, we need
8 to take it up out of --

9 **CHAIRMAN SKRMETTA:** Yeah. We can -- I mean, if --

10 **MS. BOWMAN:** Just, we need to take it up out of --

11 **CHAIRMAN SKRMETTA:** Ms. Shelton, does that impact us in any way?

12 **MS. DANA SHELTON:** I think it's an abundance of caution. I think you ought
13 to probably just --

14 **CHAIRMAN SKRMETTA:** Defer?

15 **MS. SHELTON:** -- do it out of order so --

16 **SECRETARY FREY:** Yeah. Just move to take up an item out of order. It needs
17 to be unanimous, and then we vote after that.

18 **CHAIRMAN SKRMETTA:** Okay. So we can do it today?

19 **MS. BOWMAN:** Yes.

20 **SECRETARY FREY:** Yeah, yeah.

21 **CHAIRMAN SKRMETTA:** So Chair moves to bring the item up out of order.

22 **COMMISSIONER FRANCIS:** Second.

1 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Francis. Any
2 opposition? [NONE HEARD] Hearing none. So Chair moves to ratify the
3 interventions of the Louisiana Public Service Commission RTO related matter and
4 FERC related matters and the previous listing of those docketed items by the Staff
5 Attorney that was previously listed in the record.

6 **COMMISSIONER FRANCIS:** Second.

7 **CHAIRMAN SKRMETTA:** Seconded by Commissioner Francis. Any
8 opposition? [NONE HEARD] Hearing none, so ordered.

9 **MS. BOWMAN:** Thank you.

10 **CHAIRMAN SKRMETTA:** Clarified for your satisfaction?

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

12 **CHAIRMAN SKRMETTA:** Okay. Great. Why don't we go ahead and do these
13 directives? Do we -- the large load issue for the Staff, the one for Commissioner
14 Lewis, we're going to defer. But do we have the one that we -- that's on a different
15 docketed item, right?

16 **SECRETARY FREY:** It's a different item.

17 **CHAIRMAN SKRMETTA:** Okay. All right.

18 **MS. BOWMAN:** So we can move to exhibit -- if you want to focus on the
19 directives first, we can move to Exhibit 17.

20 **CHAIRMAN SKRMETTA:** Well, let's go ahead and move to 16. Wait. So
21 actually, after the announcements is -- the next one is 16, isn't it?

1 **SECRETARY FREY:** Yeah. After the reports and discussions would be 16 next.
2 If you want to move that one, that's -- I know, that's kind of a discussion, too. But
3 that's --

4 **CHAIRMAN SKRMETTA:** Yeah. Let's go to 17.

5 **SECRETARY FREY:** Okay.

6 **MS. BOWMAN:** Exhibit Number 17 is undocketed. It's a directive to Staff on
7 the Louisiana Advanced Nuclear Exploration program at the request of the Chair.
8 And I assume you would like me to read this?

9 **CHAIRMAN SKRMETTA:** Yeah, please. Go ahead.

10 **MS. BOWMAN:** I direct the Staff to review the Louisiana Advanced Nuclear
11 Competitive Edge strategic framework report filed in Docket Number X-36987 and
12 develop the next steps in the process to be known as the Louisiana Advanced
13 Nuclear Exploration program, which would establish a mechanism for investor-
14 owned utilities and interested rural electric cooperatives to engage with qualified
15 advanced nuclear technology vendors for potential integration of small modular
16 reactors, microreactors, and other advance nuclear technologies into the state's
17 electric grid fleet, and which such plan to be returned to the Commission as soon
18 as practicable. There is no anticipated need for any outside contract work on this
19 issue.

20 **CHAIRMAN SKRMETTA:** Yeah. This is just the next step after we -- the
21 Commission approved the LANCE project last year about January, and it's a next
22 step in looking at looking at how we can look to the future. So we're working on

1 it right now with Staff. Any opposition? [NONE HEARD] All right. That's
2 approved. And the next item would be 19?

3 **MS. BOWMAN:** Exhibit 18.

4 **CHAIRMAN SKRMETTA:** Eighteen, sorry.

5 **COMMISSIONER CAMPBELL:** What happened to 15?

6 **SECRETARY FREY:** We're going to go back to that one.

7 **CHAIRMAN SKRMETTA:** We're going to go back. We're going to go back to
8 15.

9 **SECRETARY FREY:** We're going to go back to 15.

10 **CHAIRMAN SKRMETTA:** We're working on it. So let's -- that'll be a longer
11 report. So we'll get the other ones out there. So Number 18 is the directive
12 regarding non-binding guidelines for large load customers.

13 **MS. BOWMAN:** Yes. And this is at the request of the Commission. And the
14 directive is as follows: After preliminary discussions with various electric utilities
15 on the potential of new large load additions, this Commission has been working
16 with Staff to put together non-binding guidelines to address recurring issues that
17 utilities should consider when proposing the interconnection of large load
18 customers. These guidelines provide transparency to the utilities, potential large
19 load customers, and the public on known areas of concern for the Commission.
20 Any proceedings regarding large load additions, these areas of concerns will be part
21 of the Commission's analysis. In any filing concerning the addition of large load
22 customer, the utility should be prepared to explain how each issue laid out in the
23 guidelines have been addressed, or explain why the proceeding would still be

1 consistent with the public interest based on the specific facts of the proposal without
2 addressing the Commission's known concerns outlined in these guidelines. For the
3 purposes of determining what is considered large load, Staff points utilities and
4 potential customers to the Commission's General Order dated July 29, 2019,
5 wherein the Commission requires utilities to properly plan for a new customer that
6 would represent a projected increase in the peak load of that utility and an amount
7 greater than 5% of the prior peak load. Again, these guidelines are non-binding but
8 attempt to provide the utilities, perspective large load customers, and the public
9 with what the Commission intends to consider in proceedings dealing with these
10 additional large loads. As such, the Commission directs Staff to provide a copy of
11 the guidelines to each jurisdictional electric utility, as well as post a copy on the
12 Commission's website.

13 **COMMISSIONER CAMPBELL:** What's the reason that we have to -- large
14 loads? What is the reason we have to notify or we accept large loads?

15 **MS. BOWMAN:** So if you recall at the December B&E, we did the lightning
16 initiative?

17 **COMMISSIONER CAMPBELL:** Yeah.

18 **MS. BOWMAN:** Given that, Staff has started having conversations with some of
19 our electric utilities on the addition of new large loads. And these are just some
20 issues that we've already identified.

21 **VICE CHAIRMAN COUSSAN:** He can't hear while y'all are talking. She's
22 answering your question.

23 **MS. BOWMAN:** Did you hear that?

1 **COMMISSIONER CAMPBELL:** No. I didn't. But go ahead and do it again.
2 I'll hear.

3 **MS. BOWMAN:** Let's start this again. So December's B&E, we did the Lightning
4 Initiative --

5 **COMMISSIONER CAMPBELL:** Mr. Coussan.

6 **MS. BOWMAN:** -- that Commissioner Coussan directed.

7 **COMMISSIONER CAMPBELL:** I got it.

8 **MS. BOWMAN:** Since we started those conversations with the utilities, we've
9 identified some issues that Staff anticipates will be looked at in any future
10 certification proceeding with a large load. And we just want to try to get out in
11 front of any of those proceedings to make sure the utilities and the large load
12 customers know these are issues that we want to be addressed before you ever come
13 to us and ask for certification.

14 **COMMISSIONER CAMPBELL:** I got it.

15 **MS. BOWMAN:** Okay.

16 **CHAIRMAN SKRMETTA:** All right. Any opposition to the directive? [NONE
17 HEARD] Okay. It's passed or it's approved. And so we're going to go back to --

18 **MS. BOWMAN:** We have 19. Do you want to do 19 real quick?

19 **CHAIRMAN SKRMETTA:** Yeah. Let's go do 19, and then --

20 **SECRETARY FREY:** And 19 will kind of segue into the report on 15 on the
21 storm --

22 **CHAIRMAN SKRMETTA:** Right. Exactly.

23 **SECRETARY FREY:** -- and why this is needed, so.

1 **CHAIRMAN SKRMETTA:** Yeah.

2 **VICE CHAIRMAN COUSSAN:** Do we have copies of the guidelines already?

3 **MS. BOWMAN:** You do. The public does not.

4 **VICE CHAIRMAN COUSSAN:** Yeah. Okay. And when are they going to be
5 published based upon this directive?

6 **MS. BOWMAN:** Later this afternoon.

7 **VICE CHAIRMAN COUSSAN:** Okay. And it's going to be on our website?

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

9 **VICE CHAIRMAN COUSSAN:** Okay. And in -- looking forward to it. Thank
10 you.

11 **MS. BOWMAN:** So Exhibit 19 is also undocketed. This is the Commission's
12 temporary modifications to the FAC and PGA General Orders for electric and gas
13 utilities for fuel costs associated with the Winter Storm Fern. It's a discussion and
14 possible vote to authorize temporary modifications at the request of the Chair.
15 Winter Storm Fern impacted this state at the end of January with below freezing
16 temperatures lingering for several days. As with the 2021 winter storms, Staff
17 anticipates January fuel charges substantially higher than December's as well as
18 historical January charges, which will result in noticeable impacts on customer's
19 bills. Per Commission orders, the authorized recovery mechanism for fuel costs is
20 a direct flow through to customers via either the fuel adjustment clause general
21 order for electrics or purchase gas adjustment general order for gas utilities. If Staff
22 is correct, the January fuel charges would be substantially higher and the burden on
23 that one-time flow through of January fuel costs to customers would also be high.

1 As such, and as this Commission did for the 2021 winter storm, Staff is
2 recommending that the electric and gas utilities who did experience significantly
3 high fuel charges spread those costs and utilities collection of those costs over a
4 longer period of time than one month. As such, Staff recommends that the
5 Commission adopt the proposed special order, authorizing temporary modification
6 to the Commission's fuel adjustment clause order authorizing temporary
7 modifications to the Commission's purchase gas adjustment order, and delegating
8 to the Executive Secretary the authority to approve utility-specific modifications to
9 the appropriate Commission order on fuel recovery, including opening a docket, if
10 necessary. Any of these temporary modifications and the associated recovery will
11 be subject to the audit provisions of the Commission's fuel adjustment clause and
12 purchase gas adjustment orders.

13 **SECRETARY FREY:** And just to add to that, you know, we referenced '21. So
14 what we saw in '21 was significant spikes in fuel prices. I don't think we've seen
15 them on that level here. But it has been enough that some of the utilities mentioned
16 that we were allowed to do this deferral in '21. We may want to request one similar.
17 This is just getting ahead of it.

18 **MS. BOWMAN:** We already have one requested.

19 **SECRETARY FREY:** And we have got -- yes. But we have gotten one request
20 already. And this is not mandatory, but it gives them that flexibility that the PGA
21 and the FAC orders do not provide for us. So this is pre-approving that, still subject
22 to all the audits etcetera.

23 **CHAIRMAN SKRMETTA:** Right.

1 **VICE CHAIRMAN COUSSAN:** This is separate than creating a -- like a
2 regulatory asset.

3 **SECRETARY FREY:** Reg asset. Correct. Correct.

4 **VICE CHAIRMAN COUSSAN:** This is a -- merely a deferral.

5 **SECRETARY FREY:** That's correct.

6 **VICE CHAIRMAN COUSSAN:** Okay.

7 **SECRETARY FREY:** If they want to -- a reg asset would have to be a separate
8 filing from a utility asking for that.

9 **VICE CHAIRMAN COUSSAN:** And let's talk to the public, what does this mean
10 for the public should the IOU take advantage or correctly utilize this option, it will
11 assist in the leveling of bills and reduce what was otherwise be a spike?

12 **SECRETARY FREY:** That is correct. So let's say for example, gas went up to
13 \$15 for a couple of days, during that period. Now, it's back to down to -- what is
14 it? About four now?

15 **VICE CHAIRMAN COUSSAN:** Four.

16 **SECRETARY FREY:** Rather than recover that huge shunt, the \$15 that ran the
17 generators, they'll spread that cost over however long they determined. They're
18 still recovering the actual cost. There's no profit for the utility just like it normally
19 would be. It's just smoothing it off to where you're not hitting them all at one
20 month with that larger fee.

21 **VICE CHAIRMAN COUSSAN:** Thank you.

22 **CHAIRMAN SKRMETTA:** All right. Any questions? All right.

23 **MS. BOWMAN:** We would entertain a motion and a second.

1 **CHAIRMAN SKRMETTA:** All right. Any motions?

2 **VICE CHAIRMAN COUSSAN:** I motion to accept the Staff recommendation.

3 **CHAIRMAN SKRMETTA:** Second from the Chair. Any opposition? [NONE

4 HEARD] Hearing none, it's approved.

5 **MS. BOWMAN:** So we will now go back to Exhibit 15, there are two reports

6 under there. One is the report from the impacted electric utilities regarding Winter

7 Storm Fern.

8 **CHAIRMAN SKRMETTA:** Let's do that one first.

9 **SECRETARY FREY:** Yeah. And I'll kind of -- as we're waiting, and I'll defer

10 y'all who you want to call up on that, but I was going to give you just the numbers

11 we identified --

12 **CHAIRMAN SKRMETTA:** I don't -- we have -- I know we have Northeast, we

13 have SWEPCO, and Entergy, correct?

14 **SECRETARY FREY:** Yes. And Cleco to some extent, if they have a report, had

15 pretty significant outages, but they came on quickly, so.

16 **CHAIRMAN SKRMETTA:** Who had the least?

17 **SECRETARY FREY:** The least were the co-ops. They submitted reports to us.

18 I don't know that we need to hear from any of them because -- the co-ops other than

19 Northeast.

20 **CHAIRMAN SKRMETTA:** Northeast. So, but of Cleco, SWEPCO, Northeast,

21 and Entergy, who had the least?

22 **SECRETARY FREY:** Cleco had the lowest percent.

23 **CHAIRMAN SKRMETTA:** Let's have Cleco first.

1 **SECRETARY FREY:** Okay.

2 **CHAIRMAN SKRMETTA:** And then we'll go from least to most.

3 **SECRETARY FREY:** Okay. And while Mark's coming up, I'll say -- so on
4 January 24, we started reporting outages to GOHSEP. Jessica is actually on a post-
5 recovery call right now. But our first outages we reported was about 32,000. The
6 official peak that we reported to GOHSEP was 24 hours later on January 25 at 2:00
7 P.M. of 151,000. However, at that time, looking at each individual utility, because
8 you had a lot of Panola-Harrison, Cleco, and SWEPCO already back on.

9 **CHAIRMAN SKRMETTA:** I have a question.

10 **SECRETARY FREY:** Sure.

11 **CHAIRMAN SKRMETTA:** Does GOHSEP maintain its own meteorologist?

12 **SECRETARY FREY:** Yes, they do.

13 **CHAIRMAN SKRMETTA:** So they do actually have one?

14 **SECRETARY FREY:** There is -- yes, Jay Grimes, who used to be with Channel
15 9 here in Baton Rouge is the state climatologist/meteorologist.

16 **CHAIRMAN SKRMETTA:** State climatologist/meteorologist?

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

18 **CHAIRMAN SKRMETTA:** Got it.

19 **SECRETARY FREY:** So it's very helpful. He's giving his take along with the
20 weather service, so it's really been a nice addition to GOHSEP. So we actually, at
21 that time, when we reported that peak of 151, we're looking in the peak of about
22 180, because we had had some who had lost service already restored. But looking
23 in the post report, the peak was actually somewhere closer to two to 250,000. The

1 reason why I said that, and I think you're going to hear this from particularly
2 Northeast and Entergy, that really got pummeled in that northeast part of the state
3 is, you actually saw some parishes experience higher outages three days after the
4 storm as a factor of the ice starting to thaw, taking down vegetation. And I think
5 you're also going to hear, and what we saw is that this was a heavy vegetation event
6 of lots of ice on trees well outside of the rights-of-ways in most instances, taking
7 down lines. Significantly more icing at least from the preliminary reports that we
8 saw in '21, we peaked about 250,000 there as well. So it's kind of interesting
9 looking at that perspective. I think we were looking at roughly three quarters to a
10 half an inch of ice maxes in '21. I think you're going to hear numbers significantly
11 higher than that today. And with that, we'll turn it over to the utilities. So I think
12 what we're saying is we want to hear from Cleco, probably SWEPCO next, then
13 Northeast, and Entergy. We'll do it in that order, if y'all are listening out there.

14 **CHAIRMAN SKRMETTA:** Okay.

15 **MR. MARK KLEEHAMMER:** Thank you. Mark Kleehammer on behalf of
16 Cleco Power. With me, I have Andre Guillory, our chief customer officer. He's
17 going to go into the details on what I think was a successful response for our
18 customers. I just want to hit on the highlights, which is that we had restored about
19 90 -- greater than 94% of our customers who were affected by day three, 96% by
20 day four, and 100% by day five. So I'll turn it over to Andre, whose team did all
21 of the hard work in this restoration.

22 **MR. ANDRE GUILLORY:** Good morning, Commissioners. Andre Guillory,
23 chief customer officer for Cleco. As was mentioned, Winter Storm Fern first started

1 to impact the Cleco service territory on the evening of Saturday, January 24, with
2 the worst of the ice accumulation occurring through the morning on Sunday of
3 January 25. We experienced the majority of our damage and customers out in --
4 through Desoto, Sabine, and northern Rapides Parish where we saw upwards of,
5 you know, between a half inch to over an inch of ice accumulation on lines and
6 vegetation. At peak, Winter Storm Fern left nearly 18,000 Cleco customers without
7 power. With the help of nearly 650 external resources, that's vegetation
8 management and line contractors, in addition to Cleco's local and reassigned
9 resources from across the state, our emergency response team was able to restore
10 power, as Mark mentioned, to 100% of Fern affected customers. Able to accept
11 power by the end of day, on January 29, just five days after the initial impact. As
12 we prepare for the Winter Storm Fern, just as we would for other types of natural
13 disasters, we watched weather forecasts and as they began to align and increase in
14 certainty, around the likelihood of greater than a half inch of ice accumulation
15 across parts of our territory, our response teams began to prepare for the response
16 beginning on Tuesday, January 20, where operations, resourcing, and logistics, in
17 addition to other support teams worked to identify the needs and staging strategies
18 for the impending storm. Recognizing that for ice storms, mobilization is always a
19 significant challenge as opposed to what we would typically see from a regular
20 wind event or a tropical storm. Official daily storm calls were activated on
21 Thursday, January 22, and resource mobilization began on Friday, the 23rd, ahead
22 of the predicted freezing rain. Our line and vegetation management crews were
23 able to begin assessing damage and restoring power by mid-day on the 25th, which

1 was the Sunday, and by end of day, or actually end of night on that Sunday, we had
2 roughly 60% of the affected customers that had been affected, restored. As you
3 may be aware, ice storms are a little bit different than your typical tropical storms,
4 in that, it's not a blow through where damage occurs and then efforts begin to pick
5 it all back up and put the pieces back together. But until that ice melts, that
6 accumulated ice continues to weigh down lines and vegetation around the lines.
7 And so even as customers are restored, damage continues to persist and continues
8 to reoccur until all the ice is melted and then some after that. So because
9 temperatures struggled to get above freezing until later on Tuesday the 27th in some
10 of our service territory areas, those damages continued to occur as a result of the
11 persistent ice. It also prevented ice from melting on the roads and bridges that made
12 mobilization particularly challenging. Despite those challenges, as Mark
13 mentioned, we were able to progress at a relatively high pace, restoring over 94%
14 of customers by day three. What we found, you know, as far as customer
15 satisfaction and customer experience or concerns that during these natural disasters
16 and extended periods of interruption, information provided to the customer is
17 almost, if not as important as the timing of the restoration. And so, we worked very
18 diligently to provide, you know, ample numbers of press releases and other
19 customer basic communications around damage that we had experienced, safety, of
20 course, and also, you know, regional and local -- more local estimated times of
21 restorations that we were able to provide our customers to give them, you know,
22 set the expectation of, you know, when can they come home. When can they
23 resume business as usual? A total of 14 press releases were issued before, during,

1 and after the storm from Cleco's corporate communications team. While we are
2 very proud of the, you know, the response and the efficiency with which we were
3 able to store power, maybe the most impressive fact to us is that Cleco and our
4 contractors restored power efficiently with zero reportable injuries throughout the
5 event. That's for both Cleco personnel and our contractors. Given the conditions,
6 the time pressure, the multitude of distractions, we feel like this was a huge
7 accomplishment and it couldn't have been done without a significant amount of
8 support both from, you know, Cleco and our contracting partners. So to wrap it up,
9 we believe our overall response to Fern was successful, but as always, we recognize
10 that there are opportunities for improvement. And so, in typical fashion, we're
11 going to take into account customer feedback, input from governmental officials,
12 and just lessons learned from our Cleco storm teams that we will put together and
13 incorporate into our emergency response plans going forward. Also, we identified
14 what those keys to success -- what we would define as those keys to success. And
15 from our perspective, as was mentioned before in these types of events, vegetation
16 is always a significant factor in how much damage and how long it takes to restore.
17 We contribute our system performance and our ability to recover pretty quickly to
18 over 1,200 miles of right-of-way that was trimmed in those very specific affected
19 areas since 2024 as part of our enhanced veg management strategy, where rights-
20 of-ways, particularly on the distribution system, were cleared ground to sky. And
21 while there are some, you know, there are instances of damage caused by vegetation
22 outside of the right-of-way, that's somewhat out of our control. And so, we felt
23 like that was a major contributor to the lower amount of damage. We've also --

1 excuse me. We've also note as a key to success, was our pole maintenance
2 program. Wherein, in those affected areas, we replaced since 2024, right around
3 800 distribution poles as part of our inspection, maintenance, and replacement
4 process. Having a grid and the vegetation in what we feel like is , you know, is
5 premier operating conditions in those areas that were affected by the ice. We
6 believe it helped to mitigate some of the risk around the damage that occurred.

7 **CHAIRMAN SKRMETTA:** Right. Before I hand this off to Commissioner
8 Francis, I want to go ahead and make an announcement. You can kind of keep this
9 for sending out. March 6, at 5:00 P.M. to 6:00 P.M., at Tulane University Law
10 School -- the Tulane Law School has a vegetation management institute. And
11 they're allowing us to put together a panel on Louisiana, our approaches to
12 vegetation management. So we're going to have representatives from the three
13 investor-owned utilities, as well as United Professionals is going to participate. I'm
14 going to go ahead and moderate the panel. And I think we're also going to get a
15 company that deals in -- I think Shelton Industries is going to participate. So if
16 anybody would like to attend, I think it's going to be free and you just show up.
17 But, again, it'll be five -- I think in the witching hour, 5:00 P.M. to 6:00 P.M. at
18 Tulane University Law School.

19 **SECRETARY FREY:** We'll put that on the website. We'll get the actual
20 information.

21 **CHAIRMAN SKRMETTA:** That'll be great.

22 **SECRETARY FREY:** [INAUDIBLE]

1 **CHAIRMAN SKRMETTA:** Yeah. If you go through the clearance over there,
2 good luck. So, anyway. Commissioner Francis.

3 **COMMISSIONER FRANCIS:** Question. Hazardous trees outside of the right-
4 of-way --

5 **CHAIRMAN SKRMETTA:** Mike, you want to use your microphone?

6 **MS. BOWMAN:** Commissioner, your mic is --

7 **COMMISSIONER FRANCIS:** Hazard trees outside the right-of-way, could you
8 give us a swag on what you think the damage is? What percentage of outage cause
9 by that?

10 **MR. GUILLORY:** Yeah. I don't have an exact percentage available on hand
11 today.

12 **COMMISSIONER FRANCIS:** Just a swag. You know what a swag is?

13 **MR. GUILLORY:** But just a swag, I would say that of the damage, probably trees
14 outside of our right-of-way were the majority of the damage.

15 **COMMISSIONER FRANCIS:** Wow.

16 **MR. GUILLORY:** As you will recall from the drought in 2023, that introduced a
17 new level of what we considered to be danger trees that are just outside our right-
18 of-way. We have addressed thousands of those danger trees since 2023, but the
19 fact is that some still remain. And so, it's an effort in identifying which trees we
20 would consider to be danger trees. We have crews -- vegetation management crews
21 that are dedicated to danger tree removal only across the state. But even so, there's
22 still a number of trees from outside of our right-of-way that may or may not qualify
23 for what we would typically consider a danger tree, right? A tree that's visibly dead

1 and is likely to fall. But the vegetation damage that we saw was primarily from
2 trees outside of our right-of-way.

3 **COMMISSIONER FRANCIS:** I was born and raised in your area quite a bit.
4 Familiar with those trees outside. And we're talking to some of the larger land
5 owners who could help us. Possibly have some suggestions. And I think it's
6 something we need to address. It would be ratepayer money, but it'll stop damage
7 and increase reliability. And I think it's something worth us looking into. And I'm
8 going to be talking with all the others, Commissioners and utilities about it. So,
9 thank you.

10 **CHAIRMAN SKRMETTA:** So just to clarify something, isn't the state rule for
11 right-of-ways outside municipalities 18 feet clearance for distribution lines for you
12 guys?

13 **MR. GUILLORY:** So, it depends. Our rights-of-way vary in size, depending on
14 the --

15 **CHAIRMAN SKRMETTA:** But I think we have a state rule on clearance. I think
16 it's 18 feet?

17 **MR. KLEEHAMMER:** That might be like the minimum standard under the
18 national electric reliability code that we've adopted.

19 **CHAIRMAN SKRMETTA:** I think so. So, my question is, should we be looking
20 at expanding that leeway to, you know, and talk to the various utilities and get sort
21 of some input? Like Commissioner Francis was talking, is that something that
22 needs to be looked at? Because the average pine tree is a little bit taller than 18 feet
23 last time I checked, you know, it could be masks on sailing ships, so. And they are

1 house killers, much less powerline killers, right? But, you know, I'm fully in
2 agreement with Commissioner Francis that it's in the best interest of the ratepayers
3 in the long-term to have some sort of spilt cost element or something with
4 landowners to get rid of trouble trees, and looking at what we should look at as the
5 real clearance path for the trimming, you know, distance. I know that that's an
6 impossibility for municipalities, because one trip down St. Charles Avenue, and
7 you know they'll never trim the trees properly. But at the same time, in -- where
8 areas where you can do it, you might want to consider doing it. So if Commissioner
9 Francis wants to work something out with the companies and the Staff, you know,
10 I'd be very supportive of it.

11 **SECRETARY FREY:** And we'd probably have to get legislation on that, too,
12 because it would be, you know --

13 **CHAIRMAN SKRMETTA:** Well, that's Colby's job.

14 **SECRETARY FREY:** There he goes. He's nodding, I think.

15 **CHAIRMAN SKRMETTA:** Yeah. Well, it was more like grimacing, but there
16 you go, so.

17 **SECRETARY FREY:** And to your point on that though, you know, and y'all
18 mentioned the danger of trees tied to the drought. There was actually a task force
19 that was created to Speaker Pro Temp. Mike Johnson, not Speaker Johnson.

20 **CHAIRMAN SKRMETTA:** Right. Caldwell Parish.

21 **SECRETARY FREY:** Yeah, different Mike Johnson. But because of the impact
22 of the drought, and the beetle infestation on the pine trees, we're looking at the
23 potential to get federal dollars in to trim. And I don't know that that was ultimately

1 successful, but we were anticipating that could be a concern down the line. I think
2 what is somewhat telling though, and I know we're going to hear the same numbers
3 from SWEPCO, Entergy, and Northeast is, you know, you're saying half an inch to
4 an inch. Well, that's significantly more icing than we saw in '21, yet, we peaked
5 about the same amount of outages. So there clearly was some work that was done
6 that mitigated what could've been a much worse scenario. And I'm not saying
7 people still had power out for a long time, there's things that can be done better.
8 But I think we're seeing much like we saw with the hurricane, what was it?
9 Francine a couple of years ago, that followed a similar path to Gustav and Isaac.
10 And we saw a fraction of the outages that these proactive measures do result in
11 significantly shorter outages and fewer outages.

12 **COMMISSIONER FRANCIS:** Mr. Secretary, that sounds like you're blowing
13 your PSC horn there.

14 **SECRETARY FREY:** I might have been.

15 **CHAIRMAN SKRMETTA:** Well, there you go. Any other questions for Cleco?

16 **COMMISSIONER LEWIS:** Really quickly, I know we just approved your grid
17 hardening plan, and so I know you probably haven't done significant work, but
18 were there any noticeable locations that you had already identified that this five-
19 year plan that we approved you think will address hardening in those particular
20 areas?

21 **MR. GUILLORY:** The five-year plan that was approved is primarily focused in
22 southern parts --

23 **COMMISSIONER LEWIS:** Okay.

1 **MR. GUILLORY:** -- of our service territory. So to answer your question directly,
2 no, sir.

3 **COMMISSIONER LEWIS:** Okay. Okay. I was just curious on that.

4 **VICE CHAIRMAN COUSSAN:** Thank you.

5 **MR. KLEEHAMMER:** Thank you.

6 **SECRETARY FREY:** And I think we had SWEPCO next. While they're coming
7 up -- Northeast next? No. I think we said SWEPCO, then Northeast, then Entergy.
8 While they're coming up, I did get this. So gas is actually \$3 right now, not four.
9 It looks like we had saw a spike of about 30 on Henry Hub. So going back to the
10 PRA item with deferrals, but actually got apparently as high as 150 in New York,
11 so. They're deferring fuel there.

12 **VICE CHAIRMAN COUSSAN:** To our utilities credit, many of them were not
13 exposed to that spot price --

14 **SECRETARY FREY:** That's right. That's correct.

15 **VICE CHAIRMAN COUSSAN:** -- because they had hedged correctly or had
16 longer term contracts. So that's another story for a different day.

17 **SECRETARY FREY:** Absolutely.

18 **VICE CHAIRMAN COUSSAN:** But they weren't exposed to those spot pricing,
19 fortunately, for the whole time, or for the amount of the gas that they needed to
20 purchase. You have the floor.

21 **MR. GILLIAM:** Thank you. I'll open very, very quickly. Bobby Gilliam
22 representing SWEPCO and this is Lynn Ferry-Nelson to my left, who will explain
23 all the work they have done. But I just -- a couple of initial comments. Everybody's

1 talking about vegetation. The work planned as a result of -- SWEPCO had targeted
2 51 surrogates for trimming as result, and during the storm, and before, and the total
3 was 1,446 miles of tree trimming. So it was a lot of tree trimming, and it did -- we
4 believe helped substantially during the storm. Also, just quickly, it's not only
5 waiting for the storm, it's getting ready for the storm. And before, it replaced
6 roughly 80,000 utility poles were inspected, and 16,000 were replaced. So all of
7 that goes into the vegetation response as well. So it was well received, and I can
8 tell you I'm authorized to say this, the mayor from Houghton, who has in Lafayette,
9 I believe it was when we were talking about the forced outage. It was very -- you
10 know, he had his concerns. He came up, and I ran into him at a restaurant with a
11 lot of people around me, and he came up and said how pleased he was, how he had
12 even driven out and checked some lines where they'd been cut in advance and they
13 had zero outages as opposed to large numbers in the past. He said, I want you to
14 tell everybody that, including the Public Service Commission. So, I'm delivering
15 the message today.

16 **VICE CHAIRMAN COUSSAN:** Thank you.

17 **MR. GILLIAM:** Thank you. And with that, I'll turn it over to Ms. Nelson.

18 **MS. FERRY-NELSON:** Good morning. You know, as Brandon said earlier, so
19 much of this was preparedness ahead of time for the storm. We are anticipated --
20 anticipating significant amounts of icing on the lines, which could've been
21 catastrophic. However, all of the work that we had done to trim trees beforehand,
22 replace poles, really played into the success that we saw during the storm
23 restoration. So overall, we had over 2,700 employees and contractors on the ground

1 to restore power. We saw the impacts over two days. That Saturday morning, we
2 started to see some outages. However, we made headway during that day to restore
3 power. But then again, Sunday night, we had the second wave of sleet and freezing
4 rain on the lines which caused additional outages. So overall, we had 103,393
5 customers out throughout the entirety of the time, but that could be multiple outages
6 per customer. So at the peak, we had 45,500 offline coincidentally. Those outages
7 began on Saturday morning. We restored power throughout the day. And then, on
8 Sunday morning, is when that peak of 45,000 occurred. Ninety-five percent
9 restoration overall across our service territory was reached at -- on January 28 at
10 7:00 P.M. However, in the legacy district, we reached 95% restoration on January
11 27 at 2:00 P.M. So just a couple of days after the significant impacts. For the valley
12 district, restoration took longer. We have much longer circuits there and, you know,
13 the customers are very spread out across the lines. So that 95% restoration was
14 reached on January 29 at 10:00 A.M. We set up base camps both in Shreveport at
15 the state fairgrounds, and also in our valley district at Parc Natchitoches. We also
16 had mobile generation available for deployment to ensure that the circuits that were
17 significantly impacted with timing we could deploy that generation. So overall, in
18 Louisiana, we replaced 336 cross arms, 265 poles, 101 transformers, and over 31
19 miles of conductor related to the storm. Across the company, SWEPCO restored
20 power to 208,462 customers at the non-coincident peak, but overall, the coincident
21 peak was just under 69,000 customers in Arkansas, Texas, and Louisiana. So, as I
22 stated, we saw historic levels of ice, sleet, and freezing temperatures, but addition
23 --

1 **VICE CHAIRMAN COUSSAN:** I'm sorry. Go ahead.

2 **MS. FERRY-NELSON:** That's okay. Additionally, as it relates to the fuel costs,
3 the programs that we implemented after Yuri with the Commission's approval,
4 including gas hedging and also gas storage program, saved customers over \$4
5 million during that weekend period. So, really great savings. We're not seeing the
6 spikes in prices, and then also, the impact of power prices --

7 **VICE CHAIRMAN COUSSAN:** So the four million was saved in this storm, or
8 in the other storm?

9 **MS. FERRY-NELSON:** In this storm.

10 **VICE CHAIRMAN COUSSAN:** Based upon what you learned and put into
11 place?

12 **MS. FERRY-NELSON:** Correct. This storm --

13 **VICE CHAIRMAN COUSSAN:** Got you.

14 **MS. FERRY-NELSON:** Based on the hedging and the gas storage policies that
15 were in place, right? So for the storm readiness, as Bobby stated earlier, we had
16 trimmed 452 miles of lines across 16 circuits. And those circuits is where we only
17 saw four total outages overall. And the significant decrease in customer minutes at
18 54,000 versus the 92.3 million customer minutes untrimmed -- excuse me,
19 untrimmed circuits. So the steps we took to get ready ahead of time over the last
20 five to six months have really played an important role in the restoration. We also
21 inspected 80,000 utility poles and 16,000 of those poles were replaced. So, in 2025,
22 overall, we trimmed 1,300-line miles for vegetation impacts. As I stated
23 previously, we set up the two base camps, one in Legacy, one in the Valley District,

1 and we had support from over 39 utility companies to help in the restoration efforts.
2 We met twice daily for our incident command center, and from those meetings to
3 discuss restoration efforts and the reallocation of crews across the service territory.
4 We also developed the customer communications on that, social media, e-mails.
5 As part of the storm assessment, which happens before any restoration can take
6 place, we send crews out to look at the damage and try to get the most bang for the
7 buck up front. So if a circuit has 10,000 customers out, we'll attempt to restore that
8 circuit before a circuit that has maybe 200 customers. So we utilize both drones
9 and helicopters to make that assessment, which significantly speeds up the
10 restoration and assessment process. Especially, when you have ice on the roads,
11 and crews have to drive very slowly to reach those specific areas to restore power.
12 So, we also --

13 **COMMISSIONER CAMPBELL:** I can say that I had a lot of people call my
14 office who were out of electricity, and I could call y'all and you did the best you
15 could do real quick, and I appreciate that. You got to them and you got them back
16 on as quickly as possible. You couldn't do everybody, but you -- as a whole, you
17 made a good grade as far as I'm concerned.

18 **MS. FERRY-NELSON:** Thank you. That's great to hear. The feedback was
19 overwhelmingly positive. Of course, there were customers who lost power for
20 several days, but --

21 **COMMISSIONER CAMPBELL:** We had so many people out at one time. That
22 was a problem. It wasn't like it was 25 here, 25 there. It was like 200 here, 300
23 here. It was just a big mess. I've been through a lot of storms. You know, I have

1 been -- criticized south Louisiana when I have hurricanes. And I often say that we
2 ought to pay less for electricity in north Louisiana, which I still think we should,
3 because we don't have as much outage as south Louisiana, and not for as long. But
4 anyway, these ice storms will make you think about it because they're a tough time
5 of year, it's not hot, it's cold. It's freezing cold, and people are out of electricity.
6 So anyway, I still think we pay higher rates than we should, but I do understand
7 now, somewhat better.

8 **MS. FERRY-NELSON:** So one of the improvements that we made based on
9 customer feedback and lessons learned is related to the outage verification letter.
10 And oftentimes, customers need evidence of a power outage of six or eight hours
11 or more to get some benefits from the state programs. So we are now able to send
12 those letters via e-mail, so, electronically. The customers get them far sooner than
13 when we had to mail them in the past. So that was a great win for our customers
14 based on feedback and lessons learned in the past.

15 **VICE CHAIRMAN COUSSAN:** What is that called? What is the letter called?

16 **MS. FERRY-NELSON:** It's an outage verification letter.

17 **VICE CHAIRMAN COUSSAN:** Okay. I've heard about that.

18 **COMMISSIONER FRANCIS:** Do you have a plan for pre-storm equipment and
19 all? Do you have in that planning to get ahead of the storm? Because I know we
20 have a -- you put a lot of equipment in place, and you have to estimate how many
21 bucket trucks you're going to need, how much equipment. And how much of that
22 factory -- is the weather estimating? I know that was so hard with how much rain
23 did we get and how much ice. It was very hard to estimate.

1 **MS. FERRY-NELSON:** It is incredibly difficult. I think like every utility, we
2 start that process before the storm hits. We make the request for mutual assistance
3 days in advance and get everything setup to be staged before the impacts hit.

4 **COMMISSIONER FRANCIS:** I know you had a -- you had a group there in the
5 Natchitoches area in place. And so just for -- after it was over with, did you have
6 too much equipment there? Not quite enough? What? -- How did you -- I mean,
7 it's just a guess. And so, how'd you do? How'd you do?

8 **MS. FERRY-NELSON:** I think we did very well. I mean, the request was made
9 for well over 5,000 contractors to come for mutual assistance, and we did not get
10 that many. We had over 3,000 systemwide at the peak. And then, as service was
11 restored in Arkansas and Texas, we brought crews into Louisiana to help restore --
12 to speed up the process once we had made the restorations. We had limited outages
13 in our Arkansas service territory, so we were lucky.

14 **COMMISSIONER FRANCIS:** Thank you.

15 **VICE CHAIRMAN COUSSAN:** Okay. Thank you.

16 **MR. GILLIAM:** All right. Thank you.

17 **SECRETARY FREY:** And as Northeast is coming up, you know, something
18 Lynn said there is a good point that you -- what's different about this than a
19 hurricane is that with a hurricane, we've gotten pretty good unfortunately, on
20 modeling, you know what areas are going to be impacted. Unfortunately, with this,
21 you were looking at a storm that went from Texas, across Louisiana, Arkansas,
22 Mississippi, Tennessee, Alabama, and Georgia. So a lot of the mutual assistance
23 the utilities would normally pull --

1 **CHAIRMAN SKRMETTA:** They were everywhere.

2 **SECRETARY FREY:** Yeah. Right. Everyone was trying to lock it up and they
3 wouldn't release their crew. So we did see people move in afterwards, but then you
4 had the logistical problem of the roads being iced over.

5 **CHAIRMAN SKRMETTA:** Right.

6 **SECRETARY FREY:** So they're a lot of difficulties that materialize here that
7 you don't see in a hurricane, and I think that message was understood.

8 **CHAIRMAN SKRMETTA:** Right. We had the same -- in conversations with
9 other states during the ice storm, I was engaged with Mississippi. And Mississippi
10 was in really bad shape.

11 **SECRETARY FREY:** Yes.

12 **CHAIRMAN SKRMETTA:** And they -- we had ended up -- we couldn't help
13 them because of the workers needed here but we ended up getting people from
14 Georgia -- Georgia Power to come over and give them some hand. But the TVA
15 section of Mississippi -- like Oxford, Mississippi to the Alabama line in that area,
16 it was three weeks, --

17 **SECRETARY FREY:** Yeah.

18 **CHAIRMAN SKRMETTA:** -- you know, without power. So, I mean, this is a -
19 - like, hurricanes are bad, ice storms, like Commissioner Coussan and I were just
20 discussing, people [CROSSTALK]. It's terrible.

21 **COMMISSIONER CAMPBELL:** But don't forget -- don't forget, in north
22 Louisiana, people pay the same rates as they do in south Louisiana, and we don't
23 have half the damage that you guys do, and we pay the same rates that you do.

1 **CHAIRMAN SKRMETTA:** Well, I think you did this time.

2 **COMMISSIONER CAMPBELL:** Now, I know that there's only one person up
3 here would vote to reduce the rate, that's me. The rest of you guys wouldn't do it.

4 **VICE CHAIRMAN COUSSAN:** I'd do it.

5 **COMMISSIONER CAMPBELL:** For north Louisiana?

6 **CHAIRMAN SKRMETTA:** I think you're in the same boat with us this time.

7 **COMMISSIONER CAMPBELL:** You'd vote to do it? I'm going to call you on
8 that. Okay?

9 **CHAIRMAN SKRMETTA:** I think north Louisiana found out really quickly. I
10 think you're going to have a big one this time.

11 **COMMISSIONER CAMPBELL:** I don't believe that, but I believe you. But I
12 don't believe that you -- I don't believe there's one soul up here that'll reduce the
13 rates for north Louisiana besides me. And it's justified, because we don't have the
14 damage and it doesn't as long, but we pay the same rate as people in south
15 Louisiana. The same rate -- identical rate or maybe even higher, in some instances.

16 **CHAIRMAN SKRMETTA:** We're all in the same state.

17 **MS. FERRY-NELSON:** Well, we will be able to utilize the storm securitization
18 funds to pay for the restoration costs. So customers will not see an increase as a
19 result of this storm.

20 **CHAIRMAN SKRMETTA:** And do you have a fund that's already established
21 to some degree?

22 **MS. FERRY-NELSON:** That's correct, yes. [CROSSTALK]

1 **CHAIRMAN SKRMETTA:** A storm recovery fund, that's some element. So
2 you have some funds that are already established, right?
3 **MS. FERRY-NELSON:** We do, yes.
4 **CHAIRMAN SKRMETTA:** Okay. All right. Thank you.
5 **MS. FERRY-NELSON:** Thank you.
6 **COMMISSIONER FRANCIS:** Okay.
7 **CHAIRMAN SKRMETTA:** Next, Northeast co-op?
8 **SECRETARY FREY:** Northeast. Luke and Jeff.
9 **CHAIRMAN SKRMETTA:** These are all your guys. You get some of them,
10 huh?
11 **COMMISSIONER FRANCIS:** Yeah, I got just a few.
12 **MR. JEFF CHURCHWELL:** I'm all your guys.
13 **SECRETARY FREY:** Jeff, make sure your mic is on.
14 **CHAIRMAN SKRMETTA:** No. You're not mine. [CROSSTALK] Claim as
15 you can. Try as you may.
16 **MR. LUKE PIONTEK:** Good afternoon, Commissioners.
17 **CHAIRMAN SKRMETTA:** What's the furthest south Northeast comes into the
18 -- like town wise? You come down to Winnsboro?
19 **MR. CHURCHWELL:** We're below Winnsboro.
20 **MS. BOWMAN:** Wait, wait. Jeff, Jeff.
21 **VICE CHAIRMAN COUSSAN:** You live in Winnsboro?
22 **MR. CHURCHWELL:** I live in Bastrop. But our main headquarters office is in
23 Winnsboro.

1 **CHAIRMAN SKRMETTA:** Okay. Nice try.

2 **MS. BOWMAN:** And introduce yourself. Introduce yourself.

3 **MR. CHURCHWELL:** I will. I'm the Jeff of Luke and Jeff. I'm Jeff Churchwell

4 of Northwest Power co-op.

5 **CHAIRMAN SKRMETTA:** Sounds like a country western song. There you have

6 it.

7 **COMMISSIONER CAMPBELL:** Why don't you start off telling the people at

8 one time there was nobody in Lake Providence had any electricity? That's a fact.

9 **MR. CHURCHWELL:** Is that -- well, if we're going to go there first, we'll go

10 ahead and go there. East Carroll Parish was --

11 **COMMISSIONER CAMPBELL:** Devastated.

12 **MR. CHURCHWELL:** -- decimated. It was -- whether it was from -- there's

13 only two service providers. It's either Northeast or Entergy, and we both

14 experienced just terrible outages. I don't want to say that the parish was 100% out

15 of power, Commissioner. And I don't know, Larry, or --

16 **CHAIRMAN SKRMETTA:** They'll let you know when they come up.

17 **MR. CHURCHWELL:** We were pretty close. I would say that. I know from our

18 portion, they were 100% without power for --

19 **CHAIRMAN SKRMETTA:** Well, northeast Louisiana caught it the hardest.

20 **MR. CHURCHWELL:** It did. It did.

21 **MR. PIONTEK:** All right. Chairman Skrmetta, Commissioners, Luke Piontek on

22 behalf of Northeast Louisiana Power Co-op. Before I turn it over to Mr.

23 Churchwell, general manager, I just want to make a couple of comments. As

1 Commissioner Campbell just noted, northeast was heavily hit by this storm. All
2 seven parishes were affected. We had outages in all seven parishes. East and West
3 Carroll and Richland Parish were hit the hardest. The other four were all fully
4 restored by January 30, 2026, even though it hit our entire system. The other three,
5 East and West Carroll, and Richland, were fully up in early February. I think
6 February 11th was the last day we got fully restored in those hard-hit parishes. And
7 with that, I'll turn it over to Mr. Churchwell to go through the details.

8 **MR. CHURCHWELL:** Well, as everybody's alluded to, you know, it's all about
9 preparation, right? And for us, it started on Wednesday of that -- of the week
10 leading up to the 24th. I can't -- I know, somewhere around the 23, I guess it was.
11 I had conversations with Aarron Graham, who is the CEO of ALEC. He was our -
12 - who was directing the mutual aid between the cooperatives. The three co-ops that
13 were kind of in the line of fire were Concordia Electric, Claiborne Electric, and
14 then, Northeast. So the three managers from those co-ops, along with Aarron, we
15 started kind of looking at the forecast models and what we were thinking. And we
16 had indicated to him what our need might be. And for Northeast, I got with my
17 staff, and I said, how many linemen can we physically house? You know, that's in
18 our part of the world right now. We've discussed them mightily today, but Meta
19 has moved into our area, and there's not a whole lot of housing available at the
20 moment. So we did everything we could to -- between Airbnb's, and some
21 apartments, and different things that we could get our hands on, along with rooms
22 at the Oak Grove Hotel -- Lodge. I don't know what it is. I should know that, I
23 apologize. But we did get rooms there because we knew we were going to be

1 impacted across our entire system. So we started trying to prepare for those guys.
2 And, you know, it's food, it's fuel, it's beds, it's, you know, warm showers. It's
3 the whole deal. And that is -- logistics is by far the hardest thing in all this. It's
4 when you're trying to house -- I was invited to a press conference at the Ike
5 Hamilton, and it was -- it was the most amazing thing I'd ever seen. I've never
6 witnessed a man camp in my life, but Commissioner Campbell called me on a
7 Wednesday and said, hey, we're having a press conference, be at the Ike Hamilton.
8 And when I got there, it was just amazing what Entergy had amassed at that
9 location. And I was in awe. But it is -- it is very difficult, and that's one thing that
10 I don't want to get lost in this is because when you ask people to put their lives on
11 hold, leave their family, and come to restore the power for people they don't know,
12 you want to make sure that they have a warm -- a warm meal, three hots, a cot, and
13 a shower, right? And sometimes, the three hots and the cot are the difficult part.
14 But we did start that process. My initial ask was, you know, somewhere around 24
15 guys in addition to our staff, because I felt sure we could take care of those, you
16 know, those folks, but not knowing the severity of it either. We had calls. Aarron
17 set up a call for the three of us on Thursday, and then by Friday, he had incorporated
18 all of the other co-ops so that we were all on the -- on the Zoom call together. This
19 was -- the other co-ops that they were going to make available to help. And then,
20 those three of us who might need the help. So we were able to coordinate that. By
21 Sunday afternoon, after we had one on Saturday, as it was -- as the storm had
22 already started to come in Sunday, I was out trying to do whatever I could to help
23 the guys. And so, I had to stop my evaluation and/or restoration, whatever that little

1 bit I could do. But I run back in the office, get on the Zoom call, and just told them
2 real frantically that I need anything I can get, so. And then said I have to go because
3 we're still trying to get the power back restored. Sunday was just a one step
4 forward, eight steps back for us. It was terrible. But I had crews from DEMCO,
5 WST, Jeff Davis, and Pointe Coupee arrived on Monday, at various times. They
6 were very welcomed, sight to see with all their equipment. You asked about
7 equipment earlier. That's all that, you know, goes into that. It's men, but it's also
8 the equipment that they're bringing with them. We had track equipment, which
9 was very valuable throughout this process, and some unbelievable line workers that
10 I can't credit enough for those guys that came to assist my guys. I'm going to have
11 to put my glasses on. We -- where we saw the most significant outages for us was
12 mid-morning on Sunday. We woke up, we have an outage -- an outage reporting
13 system that we use internally. The only reason we don't make it available to our
14 membership is because it's not always right. So, you know, just more confusion.
15 But internally, when we woke up on Sunday morning, I got to the office a little
16 before six. First thing I did was turn the computer on, and there were 93 pages out.
17 That's 50 meters per page. I went to bed, and it was 26 pages when I went to bed
18 Saturday night, so. The overnight we had in north Louisiana -- we had a
19 thunderstorm blow through while it was sleeting, snowing, and raining. At about
20 4:00 A.M., we had lightning and thunder, and when you've had the amount of
21 accumulation that Brandon referenced earlier, you don't need a lot wind. And the
22 good Lord saw that we got that wind. So that's why we saw that increase on Sunday
23 morning. We had as many as -- we're estimating around 7,200 of our members that

1 were without power. And it was -- and it varied depending on, you know, once we
2 got the additional guys there from the co-ops, also added 12 men and equipment
3 from contractors that we have. So I had 41 additional linemen and equipment to go
4 with our 36 or so linemen and our equipment that we have.

5 **COMMISSIONER LEWIS:** Jeff, really quickly, what size of that 7,200 is your
6 total membership in --

7 **MR. CHURCHWELL:** It's about half.

8 **COMMISSIONER LEWIS:** About half? Okay.

9 **MR. CHURCHWELL:** Yeah. A little more maybe, I mean, because it's probably
10 more residential that was involved than business.

11 **COMMISSIONER LEWIS:** Okay.

12 **MR. CHURCHWELL:** But, I just have a hard time, Davante, wanting to say
13 much more than that, you know? But we were able to respond. As Luke said, he
14 went through and told you we were getting -- Morehouse was mainly sleet, praise
15 God. It was -- because that's our most dense area. We were able to get it fully
16 restored by Tuesday. Frankin Parish on the southern end, less impacted. Thank
17 goodness as well. We got -- but it is our largest parish to serve and the most
18 members reside in Franklin Parish. So it was, you know, the probabilities were
19 there. So we got that completed by Friday, the 30th of January, which I thought was
20 a very admirable task by all involved, because I did have to spread our resources
21 among three offices. Because in 2021, we referenced Winter Storm Yuri. It only
22 impacted really the southern end of Richland Parish and Franklin Parish. This one
23 got -- it got more of our system, and it was more -- it was a harder storm, and it

1 affected more folks than Yuri did. We had relative -- and we don't serve a whole
2 lot of Madison Parish, so we were able to get it back up on Thursday. A lot of it
3 was just getting guys to the location. That was some of it. We suffered on the north
4 end. When I call the north end, I say Morehouse, that would be our Batchelor, Plow
5 Cabin, Holly Ridge area around the data center, all the way to Oak Grove and into
6 East Carroll. We still had ice on the roads six, seven days after the storm. So we
7 were still having to navigate that. You bring a bunch of guys from south Louisiana
8 to north Louisiana, and, you know, there's only a couple things you could do with
9 ice in south Louisiana, and I think one of them -- it involves beer. But they -- so
10 they were troopers when it came to that, and I can't, again, thank them enough. But
11 as Luke said, West Carroll, East Carroll, and Richland were a totally, totally
12 different animal. We -- I would like to say that it really had no bearing on the
13 vegetation because as Commissioner Skrmetta aptly pointed out, a loblolly pine
14 tree is taller than the right-of-way is wide, so. We had a lot of -- we did a lot of
15 work leading up to our fiber deployment. So as we've -- as we went out and we
16 put fiber on the poles to serve for our membership, we did -- we spent over \$2
17 million in right-of-way work, so. And that was up -- leading up to this storm. So
18 from 2020 through 2024, we spent a lot of money. And we have just realized then,
19 we just got to keep going, right? Keep going around. And so we're still spending
20 about 800,000 a year to keep our right-of-way, our vegetation in place. I will close
21 with a couple of things that are kind of astounding to me. We had 505 broken poles
22 out of 60,000. That percentage wise doesn't sound like a lot, but 505 broken is
23 something. I had 275 damaged or downed transformers. And at the moment, we

1 are estimating that this will be a financial event that will cost Northeast Louisiana
2 Power Cooperative and its members somewhere between \$6 and \$7 million.

3 **CHAIRMAN SKRMETTA:** Is this a FEMA event?

4 **MR. CHURCHWELL:** Yes, sir. We were finally -- we finally received the
5 declaration one day last week. And I think there's eight parishes in the state of
6 Louisiana that are identified, and six of those are the -- of the seven parishes that
7 we serve. The only one of our seven parishes that did not get declared was Madison.

8 **CHAIRMAN SKRMETTA:** Okay. And are you having any problem with
9 acquiring transformers?

10 **MR. CHURCHWELL:** We actually -- credit to our suppliers, we were able to
11 stay ahead of any material or supply issues, so.

12 **CHAIRMAN SKRMETTA:** Okay. Thank you.

13 **MR. CHURCHWELL:** Yes, sir.

14 **CHAIRMAN SKRMETTA:** Anybody else? Questions?

15 **COMMISSIONER FRANCIS:** So your cost recovery, you're going to get all
16 your money back from FEMA?

17 **MR. CHURCHWELL:** Right now, Commissioner Francis, they're saying that
18 it's a 75/25 event. We're working with a company, Hunt Guillot & Associates.
19 They are -- they have a representative. We've engaged them to help us through this
20 FEMA nightmare trap, whatever we want to call it.

21 **CHAIRMAN SKRMETTA:** Trying to boost you to 90?

22 **MR. CHURCHWELL:** Yeah. And we're hoping to get to that 90/10.

23 **COMMISSIONER FRANCIS:** I thought it was 90/10. So it's in here?

1 **CHAIRMAN SKRMETTA:** Not yet.

2 **MR. CHURCHWELL:** Well it starts at 75/25 is what I've been told. I've learned
3 more about FEMA in the last seven days than I cared to.

4 **COMMISSIONER FRANCIS:** So you're going to have storm recovery damage
5 recovery on your bills too, huh?

6 **MR. CHURCHWELL:** No, sir.

7 **CHAIRMAN SKRMETTA:** Not yet.

8 **COMMISSIONER FRANCIS:** Where are you going to get the money? The
9 25%?

10 **MR. CHURCHWELL:** Right now, we're getting it from a place called CoBank,
11 and they're being --

12 **COMMISSIONER FRANCIS:** You borrowed. You're borrowing it?

13 **MR. CHURCHWELL:** I'm borrowing it. Yes, sir. Yes, sir.

14 **CHAIRMAN SKRMETTA:** The co-ops own CoBank, right?

15 **MR. CHURCHWELL:** It's the bank of cooperatives, I think it said.

16 **COMMISSIONER FRANCIS:** The ratepayers are responsible for the debt, you
17 know?

18 **COMMISSIONER CAMPBELL:** How much interest do you have to pay?

19 **MR. CHURCHWELL:** I think it's around 4.755% right now. It's where we're
20 at now. Our line of credit and, you know, that's -- you got -- the way we do it, you
21 kind of build the line of credit out, and then you turn that out. So it's --

22 **COMMISSIONER CAMPBELL:** It's cheaper than commercial rate by far.

1 **MR. CHURCHWELL:** Well, we're not -- now, RUS is for sure. That is, you
2 know, CoBank is -- I think they play in the same sandbox as all the big banks as
3 well.

4 **CHAIRMAN SKRMETTA:** So it's prime plus?

5 **MR. CHURCHWELL:** It's prime plus.

6 **COMMISSIONER FRANCIS:** Church, your storm hit Saturday night and
7 Sunday morning, and how soon did you get some outside help in?

8 **MR. CHURCHWELL:** They were able to get to us by Monday morning. The
9 co-op guys. They were, you know, they just were not willing -- and I'm the same
10 way, if we're going to help with a hurricane, I'm not going to drive into the eye of
11 a hurricane. I'd rather wait and let the eye pass, and then we'll drive in.

12 **COMMISSIONER FRANCIS:** But some of the companies staged in ahead of
13 time.

14 **MR. CHURCHWELL:** They did. They did. And we -- and that was part of the
15 preparation is that, you know, we'll come once the storm has hit, and that was the
16 cooperatives who came to help. And I --

17 **COMMISSIONER FRANCIS:** A lot of them had stuff in place, guesstimating
18 where the storm would be. But you wasn't able to do that?

19 **MR. CHURCHWELL:** No, sir.

20 **COMMISSIONER FRANCIS:** Now was there a man camp? Would that help
21 you any? If you had a man camp to -- and park a few bucket trucks and people
22 before the storm? Is that a suggestion or an idea?

1 **MR. CHURCHWELL:** Well, it's, I mean, you know, in kind of the post-storm,
2 what can you do better, --

3 **COMMISSIONER FRANCIS:** Well, if it happens next year?

4 **MR. CHURCHWELL:** Yeah. Well, I mean, we've definitely learned some
5 lessons on that, you know. And when you're dealing with cooperatives like we are
6 right here in the state of Louisiana, the mutual aid that we use, they're not, you
7 know, we're not bringing guys from, you know, Georgia or Arizona, they're just
8 from down the road kind of, as we would say. And so, we kind of had a man camp
9 staged, they were just -- some of them in Baton Rouge, and you're only looking at
10 a couple, you know, two and a half, three hour drive to get to it. So it's not like
11 having to bring, you know, a day's journey to get people to us, so. That's how we
12 look at the mutual aid. Now, the contractor side of it, yeah. We -- and ultimately,
13 toward the end of the storm, I added an additional 11 crews -- a fiveman -- 11
14 fiveman crews, to help us clean up right there at the end.

15 **COMMISSIONER FRANCIS:** People are out of electricity, they don't care
16 where they come from.

17 **MR. CHURCHWELL:** I understand that.

18 **COMMISSIONER FRANCIS:** Why weren't they there ready to -- and I think
19 that's something if you didn't do it -- next year, and it might come next year, what
20 we're going to do different? And I look at some of the others, they had large groups
21 staged in place. So they don't have to worry about traveling over the icy roads,
22 they're in -- where the ice is going to be, where it's guesstimated. So, all right.
23 That's good. Thank you.

1 **CHAIRMAN SKRMETTA:** All right. Thank you very much. And Entergy?

2 **SECRETARY FREY:** And while they're coming up, too, you know, I said Jessica
3 was on a call. There's still those post calls that are aggregating the dollar amount,
4 which could ultimately result in that 90/10 rather than 75/25.

5 **CHAIRMAN SKRMETTA:** I understand. Plus, you know, you know,
6 unfortunately, the Stafford Act still isn't -- I mean, again, keep an eye on the
7 Stafford Act and how it's going to take care of the northeast. Because, I mean, the
8 time to start looking at maybe it's going to change for the the southwest, right? So,
9 anyway. Go ahead, please.

10 **MR. HAND:** Good afternoon, Commissioners. Larry Hand, again, on behalf of
11 Entergy Louisiana. I'm joined by Phillip May and Nyka Scott, our vice president
12 of customer service. They're going to do most of the talking, but the story you'll
13 hear is very similar to Northeast. Different parishes, different scale, so we'll try to
14 be very brief. I've placed before you a presentation. I'm not going to show on the
15 screen because I think we can go faster. I believe Ms. Bowman will publish that
16 on the Commission's website for the public if they want to see it. It does have a lot
17 of pictorial evidence of the type of vegetation damage, so. With that, I will --

18 **VICE CHAIRMAN COUSSAN:** She's confirmed that it's going to be posted.

19 **MR. HAND:** Okay. With that, I will turn it over to Nyka and Phillip.

20 **MR. PHILLIP MAY:** I'll start. And I think Jeff did a very good job describing
21 what we saw in the most devastated areas. For us, that was area Jackson Parish,
22 Ouachita, Richland, as well as East and West Carroll. And so, that, you know, two
23 steps forward, one step back was kind of consistent with what we saw. When we

1 see a hurricane, you'll get branches knocked out of trees and so forth, but they're
2 knocked out of the trees. What we saw with the ice storms is, you'll have the limbs
3 hanging up, the trees leaning over, so it's -- this is an event that continues to happen
4 and put damage on your system for days after the freezing rain has passed. So when
5 we say we had a 91,500 peak outage, we actually had to restore more than 130,000
6 customers, because it was a continuous -- you'd go out -- in fact, in West Monroe.
7 We were in some areas of West Monroe, we were restoring two and a half
8 customers in order to get that peak of one down. In other words, there were a lot
9 more damage occurring on the system as we went forward. You know, for instance,
10 you go out with your damage assessors, you see a cross arm and a service wire,
11 that's the one that runs through the -- the pole that comes out of the top of the meter.
12 When you come back the next day to actually make the repairs, you might be
13 replacing several poles and cross arms and so forth, because the damage continued
14 to happen. You know, this has been said, but half an inch of ice, 500 pounds.
15 We've saw an inch or more in that heavily devastated area. So you're -- it's a factor
16 of four increase. When you go from half a inch to an inch, it's four times heavier.
17 An oak tree is -- with an inch of ice, weighs 85,000 pounds more, and they just
18 can't sustain the weight of that. The pine trees, particularly loblolly pines, are
19 highly susceptible to ice damage. We talked about vegetation trimming and so
20 forth. We trimmed 800 miles while we had folks that were in town just before the
21 damage occurred. We kept vegetation crews for two weeks after to try to clean up,
22 because we still have a lot of hangers in trees. And this is going to be ongoing.
23 There is tree damage and those trees will continue to shed limbs or just die. But I

1 -- I think, certainly, a more aggressive vegetation would've helped. But the fact of
2 the matter is, with the kind of damage we saw to the pine canopy and so forth, I
3 don't know that you could've been aggressive to avoid the widescale damage that
4 we saw. Another point that I wanted to make, Ike Hamilton is where we placed
5 2,500 people to sleep every night. We served 3,000 meals, three times a day. That
6 is the single largest logistics site we've had in the history of the company.

7 **COMMISSIONER FRANCIS:** Ike Hamilton? What's that?

8 **MR. MAY:** Ike Hamilton. That is in --

9 **CHAIRMAN SKRMETTA:** It's in West Monroe. It's a convention center.

10 **MR. MAY:** -- West Monroe.

11 **COMMISSIONER FRANCIS:** Okay.

12 **MR. MAY:** The reason is, when we have hurricanes, we have more places we can
13 support a large logistics area like an Ike Hamilton. But in that area, as Jeff
14 mentioned, you have very limited places that you can house large scale man camps
15 and so forth.

16 **COMMISSIONER FRANCIS:** Yeah. Yeah.

17 **MR. MAY:** Meta was able to deliver 200 beds for us to help us with that. But
18 ultimately, this was a storm that created numerous challenges throughout the event.
19 And I will close it that, but I do want to answer your questions and have Nyka just
20 respond real quick. When a hurricane happens, obviously we are very attentive to
21 the effects and have empathy of effects for the people who have lights out. We
22 were dealing with conditions that are extremely dangerous, a risk of life as a result
23 of power being out. So we're doing everything we could, but knowing just the

1 scale of the damage, it was not going to be on quickly. We had essentially restored
2 on January 31, but we made specific efforts in conjunction with local leaders and
3 some of the charitable organizations to try to make sure that those people in most
4 need were addressed. And, Nyka, if you don't mind addressing.

5 **MS. NYKA SCOTT:** So it's very important to us, obviously, to communicate
6 with our customers before, during, and after storms. So we started pre-storm
7 communications with the customers leading up to landfall. And just a couple of
8 facts and some statistics about that, we had 436,000 outbound calls to customers,
9 2.7 million text messages, 117 social media posts. We did news interviews daily,
10 and as you know, we submitted updates to the Commission every evening. Once
11 we submitted that to the Commission, we sent that same information to local and
12 state elected officials so that everybody understood where we were in damage
13 assesesment, our restoration process. As Phillip talked about, it was such a
14 devastating storm and we continued to see that widespread damage even after the
15 storm had subsided. We decided that we knew that the outages were going to last
16 a little bit longer, so we quickly pivoted and set up three different customer
17 information centers in some of the most hard hit areas, which were Bastrop, West
18 Monroe, and the Lake Providence area. Those remained staffed until February 3
19 so that customers could come and get information about their specific outages, they
20 could charge their phones, they could find out about any assistance that may be
21 available. In addition to that, we preceded a fund with the Red Cross so that once
22 the storm rolled through, they were able to take a \$250,000 that we had given them
23 and help give hot meals to all the warming centers that had been established in all

1 of the parishes that were impacted. A couple of stats involving that: using our Red
2 Cross money, we were able to have 4,100 people stay in overnight shelters; we
3 served over 30,000 meals; we provided over 18,000 comfort kits, all at these
4 warming centers. In addition to that, we continued to do outreach even after we
5 had power restored. We provided \$25,000 to the Northeast Louisiana United Way
6 Family Relief Fund. We also did an additional matching \$25,000 grant. We
7 provided \$20,000 to the Northeast Louisiana Food Bank so they could -- could go
8 back and replenish their stores. And we've also -- still working on our VITA
9 program all throughout the state so that people in these impacted areas can go and
10 get their taxes done for free, and get additional money back as quickly as possible
11 to help them. And then, finally, Commissioner Lewis, you talked about LIHEAP.
12 All the winter funding for LIHEAP is available, and we're pushing that out to our
13 customers in messaging as well.

14 **COMMISSIONER FRANCIS:** Phillip, what's different about staging ahead of
15 time, a hurricane versus an ice storm? What are the -- what are the differences in
16 staging ahead?

17 **MR. MAY:** You know, for staging -- sorry about that, let me get my mic on. For
18 staging ahead, there's not a lot of differences there. I think the biggest difference
19 is along the coast of Louisiana, there is a lot more commercial lodging, there's a lot
20 more access to the areas that are damaged and so forth. So the logistical challenge,
21 and I think Jeff got it exactly right, the logistical challenge associated with this
22 storm cannot be overstated.

1 **COMMISSIONER FRANCIS:** All right. So man camp type, so that's -- I'm
2 trying to think about the smaller -- the co-ops and all. They don't have the benefit
3 of experience the massive size of Entergy and what you've learned. The next ice
4 storm, what will you do different in north Louisiana? Say that in -- at Monroe area,
5 what would you do different to get -- handle it better?

6 **MR. MAY:** You know, we do have some benefits of learning and so forth. One
7 of the things that we would definitely do different is we had some initial
8 assessments by looking at, sort of, the main roads and so forth. We could not yet
9 access the back areas and rural areas. And we made an assessment of how quickly
10 we could restore the power, and we were wrong. The damage that continued to
11 occur --

12 **COMMISSIONER FRANCIS:** Okay.

13 **MR. MAY:** -- and the damage that was in that area, I think that's the biggest
14 change we'd make. We went out and provided information to our customers
15 based upon what we saw initially that we could not commit to do. So we had to
16 come back in, have a press conference. It's not the news that we wanted to
17 deliver, but it's the news they needed to hear.

18 **COMMISSIONER FRANCIS:** PR was great compared to past hurricanes and
19 different things. So for the complaints we get, and customers -- so I compliment
20 you. Y'all have made some inroads there and that's good. What about cost
21 recovery? What you going to do about that?

22 **MR. HAND:** Larry Hand again on behalf of Entergy. We are still compiling,
23 you know, getting off system contractor invoices, compiling all of that. We'll

1 come back to the Commission and once we have a handle on the amount and the
2 method of recovery, we're trying to look at a way to recover in the least impactful
3 way for our customers. We do have about 235 to \$240 million in a pre-funded
4 storm reserve. So part of that can be used, but we also need to think about being
5 ready for the next storm as well. So, we'll get back to you as soon as we can.
6 You know, in terms of magnitude, I think this was comparable to Hurricane
7 Francine in terms of the dollars and the impact of the system. Even though it's
8 south Louisiana, that pocket was really devastated as both Phillip and Jeff talked
9 about. So we'll be getting back with y'all shortly with the actual amount and our
10 proposal to recover from customers. And obviously, anything we do will be
11 subject to a full prudence review by the Staff and the Commission.

12 **MR. MAY:** I mean, if I could just add real quick on that, I mean, we're still
13 compiling. The 1,000 poles that we put on the slide presentation is what came out
14 of those initial assessments. But we were routinely thinking we're replacing a
15 pair of poles and placing three, four, and five poles. What's been removed from
16 inventory is more than 2,000 poles. So we're still going through the accounting
17 of all that, but it's going to be -- it's significant.

18 **COMMISSIONER FRANCIS:** Probably a storm damage rider or something
19 like that?

20 **MR. MAY:** Yeah.

21 **COMMISSIONER FRANCIS:** Okay.

22 **COMMISSIONER LEWIS:** Really quickly, on that point, I know -- and I asked
23 this question to Cleco, what -- was there any percentage of the resiliency plan that

1 we passed two years ago that would be in this segment of recovery or restoration?
2 And then we can -- of course in that docket we have a follow-up prudence review,
3 but I'm just curious, did you have any equipment that has already been done in
4 that area?

5 **MR. HAND:** We are working through that to identify -- anytime there's a certain
6 number of poles lost and disqualified, we have to do a forensic accounting to
7 identify any resilience poles. So I haven't gotten the results yet. As soon as we
8 have it, we'll share it with the Commission.

9 **COMMISSIONER LEWIS:** Okay.

10 **MR. MAY:** And just in -- for full transparency, I was in the northeast quite a bit
11 of that time. There were areas where we had resilient infrastructure that survived
12 very well. But it really -- even if you have a resilient structure, if you get a large
13 pine and oak tree falling on those poles and so forth, I am aware that some of
14 those resilient poles had heavy vegetation fall on them. Those areas that didn't
15 have a vegetation problem, we saw no issues whatsoever with the fortified
16 system.

17 **COMMISSIONER LEWIS:** Okay. Great. I look forward to following up on
18 that point.

19 **CHAIRMAN SKRMETTA:** Great. Thank you very much, y'all are excused.
20 We'll move on to the next item on the docket, which is the Delta Utilities item.

21 **SECRETARY FREY:** Yeah. Exhibit 15. This is under discussion. We have a
22 discussion with Delta Utilities.

23 **CHAIRMAN SKRMETTA:** We have some yellow cards?

1 **SECRETARY FREY:** We do. I think we're going to take those up first.

2 **CHAIRMAN SKRMETTA:** Yes.

3 **SECRETARY FREY:** Commissioner Lewis was ask -- okay.

4 **CHAIRMAN SKRMETTA:** So if you could call their names out please.

5 **MS. BOWMAN:** Yes, sir. We'll start with Ms. Williams, and is it Ms. Badr?

6 **CHAIRMAN SKRMETTA:** Let's go ahead and do the in re, and we'll put --

7 we've got three chairs up here. We've got another chair over there, so you can

8 call them all up.

9 **MS. BOWMAN:** Sure.

10 **SECRETARY FREY:** It's just the in re -- the in re is just discussion with Delta

11 Utilities. This was -- Commissioner Lewis asked for this --

12 **CHAIRMAN SKRMETTA:** Right.

13 **SECRETARY FREY:** -- I believe last month.

14 **CHAIRMAN SKRMETTA:** Yeah. Well as long as we have the -- satisfies the

15 purpose of the agenda, then we don't need an in re? You're okay?

16 **MS. BOWMAN:** Yeah. That is the in re on the agenda, yes, sir.

17 **CHAIRMAN SKRMETTA:** Okay, good. All right. Perfect.

18 **MS. BOWMAN:** And you want me to call up the other two as well?

19 **CHAIRMAN SKRMETTA:** Yeah. Call them all up at once. Hang on one

20 second.

21 **MS. BOWMAN:** The other two are Ms. Merrick, and I believe a Ms. James.

22 **CHAIRMAN SKRMETTA:** Okay. Well, y'all just hang on one second, we'll

23 get everybody up here. Then we can just let y'all take turns.

1 **MS. BOWMAN:** Or is that a Mr. James? I'm sorry. I can't read the first name.

2 **CHAIRMAN SKRMETTA:** Try it again.

3 **MS. BOWMAN:** Either a Mr. or Ms. James representing themselves.

4 **CHAIRMAN SKRMETTA:** Is there a Mr. or Ms. James that put in a yellow

5 card on the Delta item?

6 **MS. BOWMAN:** Okay. Yeah, you may sit. Yes, ma'am.

7 **CHAIRMAN SKRMETTA:** Just come have a seat.

8 **MS. BOWMAN:** Thank you, Ms. Merrick.

9 **CHAIRMAN SKRMETTA:** Great. So again, we want -- I have a fourth card

10 up here for someone with the last name James or Janes. Okay. Well, if anybody

11 sees this discussion going on and figures they need to talk, just come up and -- if

12 they talk in the corridor, just get them up here. So why don't y'all go ahead and

13 introduce yourself, and then you can take turns and start whichever way you want.

14 You can pull it back to you. It moves all the way. Just pull it as close as you can,

15 that way it'll work better.

16 **MS. RAZAN BADR:** Is this good?

17 **CHAIRMAN SKRMETTA:** Yeah. That's great.

18 **MS. BADR:** Okay, perfect. My name is Razan Badr and I'm here representing

19 Councilmember Aimee McCarron.

20 **CHAIRMAN SKRMETTA:** Council from where?

21 **MS. BADR:** From New Orleans.

22 **CHAIRMAN SKRMETTA:** Okay.

1 **MS. RAHSHA WILLIAMS:** And my name is Rahsha Williams, I'm here
2 representing Council District 10. I'm the director at the Dr. Leo S. Butler
3 Community Center. [INAUDIBLE] payment facility for Delta.

4 **CHAIRMAN SKRMETTA:** And Council District 10 is -- Council District 10
5 for?

6 **MS. WILLIAMS:** City of Baton Rouge.

7 **CHAIRMAN SKRMETTA:** City of Baton Rouge? Okay. And you, ma'am?

8 **MS. MERRICK:** My name is Patty Merrick, and I'm representing Concord Estates
9 Subdivision, and also myself, with Delta.

10 **CHAIRMAN SKRMETTA:** And Concord Estates is where, ma'am?

11 **MS. MERRICK:** District 11. We just got changed again.

12 **CHAIRMAN SKRMETTA:** What city --

13 **MS. MERRICK:** Twahna Harris.

14 **CHAIRMAN SKRMETTA:** What city is that?

15 **MS. MERRICK:** Baton Rouge.

16 **CHAIRMAN SKRMETTA:** Baton Rouge? Okay. Great.

17 **MS. MERRICK:** Yes.

18 **CHAIRMAN SKRMETTA:** All right. Who would like to go first?

19 **MS. WILLIAMS:** I'll go first.

20 **CHAIRMAN SKRMETTA:** You can rock, paper, scissor it, or just go at it.

21 **MS. WILLIAMS:** I'll go first.

22 **CHAIRMAN SKRMETTA:** Take your turn. Go ahead.

1 **MS. WILLIAMS:** So, first of all, thank you for having me here today. I'm here,
2 not as a spokesperson for a company, I'm here as an advocate for your constituents,
3 and also as a witness to the impact of the sudden astronomical price increases that
4 are showing up in their daily lives. As I said before, I'm the director of the Leo S.
5 Butler Center in Metro Council 10, where we are an authorized Delta payment
6 facility, and we also, you know, accept Entergy and the other utilities. But every
7 day, I have to stand at a window where I see people who are hurting. I don't see
8 account numbers, but I see the real people in our district. Seniors who are on fixed
9 incomes walking in with shaking hands because their gas bill is now higher than
10 their grocery budget. I see parents who are having to choose between fuel and
11 medicine. Our retired teachers, disabled veterans. One gentleman specifically, in
12 his 80s, teared up at the payment window just last week, and he cares for a wife
13 with dementia at home, and he basically said, thank you for not judging me, because
14 I can't show these tears at home. I don't want to -- I don't want my wife to worry.
15 But these residents are confused as to why their levelized billing has disappeared.
16 And for me being the face, you know, having to be the face here of Delta Utilities
17 without having the facts of why things are the way they are has just been somewhat
18 impossible. Now, as a center, we hosted a community meeting and also -- was also
19 in partnership with the Council on Aging and some community members, and that
20 night we helped absorb some of the utility bill strain on the senior citizens. Delta
21 officials were there for them -- in attendance, and we asked for solutions. There
22 has been no relief, and we're now at an impasse again. We also house the office of
23 social services, LIHEAP, within our building at the Leo Butler Community Center,

1 and we have experienced a dramatic surge in billing increase since the takeover.
2 There's just been a flood of applications that are specifically and directly linked to
3 the Delta billing increases. And so, now what we're doing is, we have -- we're
4 using a taxpayer funded assistance to offset shocks caused by a for-profit transition.
5 And so, the concern here is the impact on our seniors. Things like loss of sleep,
6 skipped meals, inability to afford medicine. And, you know, these aren't just
7 abstract things, this is a public health impact. And our core grievances are, you
8 know, as a certified center, we can't explain why the bills have increased because
9 we don't have access to diagnostic billing tools that could clear up explanations.
10 And then we have accessibility issues. Well, there's a transparency gap before I get
11 to that. The transparency gap where, you know, we just really don't know what's
12 going on. But, the accessibility barriers, a lot of seniors, they can't use the online
13 portals, so they have to come to us. The phone lines, we wait -- the wait time is
14 just unbelievable. And so, they come to our center for help, only to be told that we
15 still don't have the answers. So I have in this hand the Delta brochure that they
16 gave out when -- at the beginning of the transition to alert and notify consumers
17 what this would be like. And it says under their about us, we -- Delta Utilities is a
18 Louisiana-born, Louisiana-based utility dedicated to delivering safe, reliable, and
19 cost-effective natural gas service. Under their core values, one is community
20 impact. We have not seen the cost-effective gas services and the community
21 impact. I don't think the impact that we've received is not the one that we had
22 hoped for. So, in this hand, I have a formal petition, and this petition was filed by
23 Councilwoman Carolyn Coleman on behalf of District 10 residents, and we're

1 requesting your help as our Louisiana Public Service Commission. We would like
2 an immediate billing audit, a full LSPC led investigation of the fuel adjustment
3 charges, the meter reading accuracy, billing calculations from July 2025 to the
4 present. Number two, we'd also like a stay on disconnections. So that means we
5 want to put a pause on all shutoffs for accounts that are currently disputing billing
6 increases until the investigation is complete. And number three, the mandatory re-
7 enrollment of levelized billing. So we're asking that you would automatically
8 restore billing -- budget billing plans for all customers age 65 and older who are --
9 who previously held the status with Entergy, unless they chose otherwise. And
10 then, finally, the utility transparency for our community centers as well. Delta
11 Utilities must supply payment sites with written billing explanations and tools we
12 can use to answer our resident questions. And so, in closing, you know, I am here
13 because at the end of the day and after this meeting, I am the person in the room
14 who's going to have to look at those seniors in their faces. And tomorrow I want
15 to be able to tell them that you deserve answers, you won't bear this alone, there is
16 accountability and fairness in the system. And so, I'm asking for that answer. Not
17 a slogan, not a promise, but a real explanation, and real relief that shows up in their
18 bills. Thank you.

19 **CHAIRMAN SKRMETTA:** Thank you. And like I said, after we get finished
20 with the witnesses, we're going to have the company come up and we'll elicit the
21 answers that you're looking for, and I think you'll be more informed. So, who'd
22 like to go next? Go ahead.

1 **MS. BADR:** I can go next. Good afternoon, Commissioners. My name is Razan
2 Badr, and I'm here on behalf of Councilmember Aimee McCarron, New Orleans.
3 She's not able to attend today due to a previously schedule council meeting, but I'm
4 here on her behalf reading a letter that she wrote, outlining what she and her
5 colleagues, as both councilmembers and utility regulators, are experiencing and
6 hearing from constituents and how these concerns are manifesting in real-time for
7 families in our city. Thank you for holding this hearing today to address the issues
8 and complaints regarding Delta Utilities that have been raised by our shared
9 constituents. As chair of the New Orleans City Council Climate and Sustainability
10 Committee, and a member of the Council's Utility Committee, these concerns that
11 ratepayers are raising are deeply important to me, both in my role as a regulator and
12 a fellow ratepayer. The sale of the gas utility took place under the previous council.
13 Since taking office in January, I have received nearly a hundred emails, phone calls,
14 and in person complaints specifically about Delta bills, not to mention the steady
15 stream of questions and concerns posted publicly on social media. The primary
16 complaint that we are hearing is that customers are told that their bills are high
17 because they are driven by high usage, yet many constituents report that their
18 lifestyle habits have not changed. We're also hearing about difficulties constituents
19 are having reaching someone in the billing department to get answers or resolve
20 disputes. This only compounds the frustration and stress. We've met with officials
21 from Delta Utilities to better understand these increases. We were told that gas
22 prices were very high last month, which is why we're all seeing this major increase
23 in bills, and the cold snap a few weeks ago led to higher usage. We understand that

1 prices fluctuate and the cold weather drives demand, but volatility is why proactive
2 solutions matter. We held a public committee meeting with Delta representatives
3 and requested two immediate improvements. First, that Delta updates their website
4 to include information about the levelized billing option clearly on the front page,
5 and second, that they revise the language that explains the cost breakdown and
6 provide a sample bill to customers in plain English. Ratepayers deserve
7 transparency. Looking ahead, Delta has indicated that it is interested in a hedging
8 portfolio. Hedging can mitigate worse case scenarios and have smooth volatility.
9 We see that as an import risk management tool, but it should not be the only
10 solution. There are additional policy approaches that both the Commission and the
11 council may want to consider, such as incentives for homeowners and businesses
12 to electrify appliances instead of using gas stoves, dryers, water tanks, and heaters,
13 investments and renewables so that we can scale back on natural gas reliance, and
14 the creation of a standing or arrearage management program paired with energy
15 smart style program for Delta customers that helps customers get back on track with
16 overdue balances and reduce their gas usage. These measures would not only
17 address immediate billing concerns, but also build long-term resilience into our
18 utility system. Thank you for your time and attention to this matter. I look forward
19 to continued collaboration between the Commission and the council to ensure that
20 our regulatory framework protects customers while strengthening Louisiana's
21 utility system.

1 **CHAIRMAN SKRMETTA:** Thank you. Thank the councilwoman for her
2 comments. Ma'am, if you'd like to go next. Just -- if you just put it on the edge of
3 the table, that's good enough.

4 **MS. MERRICK:** Okay. Thank you. Yes, I would. I told you I represent myself
5 today and also Concord Estates. I would like to say I have not missed a Delta
6 meeting that has been scheduled. Commissioner Davante can tell you that. I have
7 been there and Delta has been there. Delta also had us to line up, or if you had to
8 want your bill analyzed, to do this. They spoke about levelizing billing and told
9 you everything they possibly could do. That's for the people that attended the
10 meetings that was called by Delta. My problem is that we're still experiencing high
11 bills. As I told you, I speak for myself. I wrote this down before I came up here
12 because my bills are automatically deducted from my account, so I don't receive a
13 bill. As of 12 month -- the 12-month, \$202.39 went up from 34, 217.27, 281.01. I
14 was looking through my phone a few minutes ago before coming up here, my bill
15 has escalated to \$555.92. Now, that's a difference of \$274.91 with one person
16 living in a house with one hot water heater. That's all I have that is consumed by
17 Delta. Now, there's a problem. Council of Aging paid for several people at our
18 meetings that went to the meetings for their utility bills. We have people who are
19 out helping. We have people who -- the churches and everything have been
20 involved trying to help people. Now, I haven't been on the help list yet, but I need
21 to be on one, because if I get another statement from Delta increasing more than
22 \$555, I mean, I still have other bills to pay. This is what everyone is saying. There
23 is no way you can do a comparison to Delta to Entergy. We had Entergy for years,

1 why didn't I have a bill \$555 when everything was included with Entergy? Delta
2 is just one bill that I have for heat. I still have an electric bill that have to be paid.
3 This is what's affecting people. The seniors are at their wits end. I'm also a senior.
4 I just don't happen to have grandkids that I have to keep, that I have to try to feed,
5 that I have to keep home. These seniors, what are they doing to get money? Now,
6 Delta did announce that they would not cut off anyone's utilities because of these
7 high bills. Now, they did not give us a date or a time to say how long this would
8 go on. Well, I just read you out my own bill. That's three consecutive billings that
9 I have had, just for me. The people in my subdivision are complaining about this
10 same thing. No one knows what to do. Because of attending the meetings, they
11 are answering the phone now. It is passing on information, but you still don't see
12 the Delta trucks, maybe one or two or so forth. If you live in a subdivision and
13 everyone is ranging just about in this amount, where are the people that's going to
14 help us? New meters were put in by Entergy to our homes while they were still
15 Entergy. Now Entergy sold off to Delta, that's all fine, but someone with the
16 knowledge of what's going on and when check your meter it doesn't end up to be
17 the same thing that Delta is saying your meter is. There's a problem,
18 Commissioners. There is a serious problem here with Delta and the people that
19 they service. I am one of them. I'm speaking for all of us with a problem.
20 Something must be done. What are they going to do? Keep escalating where
21 everyone will be where they can't pay their bills? I don't work. I help with the
22 education system. My IEP and the state -- I meet with for education meeting. I do
23 it for free because that's what your taught with education when you retire. Try to

1 help someone. You help them while you're working. We don't get paid enough
2 for this. But to go around and help other people, I feel it's a must, to speak of up
3 the people that cannot come, will not come. We sat here -- it was sent information
4 to us today that this was a Delta meeting. See, a lot of it is misread and
5 misconfused. And we sat here the whole time not realizing there was going to be a
6 meeting for Commissioners to do your meeting and then get to the very end with
7 Delta. That's not what was advertised, and it came through social media. But I'm
8 glad you gave us an opportunity and we had the bravery to stay here long enough
9 for us to be called up. We're asking you, honestly, there's no other way to put it,
10 please look into the Delta billing. Please analyze it. Look at it. Some of you have
11 had to have bill increase. Feel sorry for us, have compassion for us, if you don't
12 feel sorry for us. We're not able to pay these bills. Sooner or later, I'm going to
13 be up here begging for some money because this is absolutely ridiculous. Thank
14 you.

15 **CHAIRMAN SKRMETTA:** Thank you. And look, we appreciate it very much.
16 I think the best thing we can do is get the Delta people up here. And, you know,
17 just so you know, the Commissioners, all of us, have been engaged with Delta
18 talking about issues about the levelized building, how we get it done, and issues
19 about how we spread these -- some of these accounts out for recovery. So I'd like
20 to -- let's make some space at the table, y'all can go ahead and [INAUDIBLE]

21 **MS. MERRICK:** Yes. And I have levelized.

22 **COMMISSIONER LEWIS:** Mr. Chairman, before they leave, I have some
23 comments for them really quickly.

1 **CHAIRMAN SKRMETTA:** Go ahead. The sooner we get to Delta, the better
2 for --

3 **COMMISSIONER LEWIS:** Yes, sir. I just want to --

4 **CHAIRMAN SKRMETTA:** We might be losing Commissioner Coussan, so I
5 want to make sure we get him involved.

6 **COMMISSIONER LEWIS:** I understand, but my --

7 **VICE CHAIRMAN COUSSAN:** I've got plenty of time.

8 **CHAIRMAN SKRMETTA:** Okay.

9 **COMMISSIONER LEWIS:** Okay. Because these are my constituents and
10 they've contacted me. So, yeah.

11 **CHAIRMAN SKRMETTA:** I got you.

12 **UNIDENTIFIED SPEAKER:** I have a question.

13 **CHAIRMAN SKRMETTA:** Wait. Who's --

14 **MR. CHRIS HANNAMAN:** Who okays the rates that y'all allow and that y'all
15 [INAUDIBLE]

16 **CHAIRMAN SKRMETTA:** I'm sorry --

17 **COMMISSIONER LEWIS:** Sir, well, if you fill out a yellow, we can answer
18 your question.

19 **CHAIRMAN SKRMETTA:** You need to fill out a yellow card for questions.

20 **COMMISSIONER LEWIS:** First of all, Ms. Williams, Ms. Merrick, Razan,
21 thank you for coming. As you know, all of you are residents of District 3. We have
22 had a lot of conversations and engagement. Ms. Williams, as you know, I will
23 come, and I have been to the Leo Butler Center. I am a resident of District 3. I see

1 my councilwoman here, Councilwoman Coleman, so I want to thank you for your
2 advocacy. I didn't want you to walk away and no one actually thank you for --
3 especially from me as your representative up here. As I committed to you, I'm
4 going to ask Delta some of the tough questions that we have heard at the townhalls
5 that we have hosted across East Baton Rouge. The townhalls and meetings we've
6 have in New Orleans. Ms. Merrick, as you know, I'm going to call you and we're
7 going to look at that bill like we did every meeting. And so, I didn't want you to
8 walk away with me not actually acknowledging your presence, acknowledging that
9 you stayed here throughout the meeting, which is timely and consuming. And so,
10 I just wanted to publicly thank you before we let you walk away.

11 **MS. WILLIAMS:** And I say thank you for that, I appreciate your engagement and
12 your willingness to listen, specifically because this has -- it's transition -- it's no
13 longer a bill transition, it's on its way transitioning to a public health crisis. And
14 so, to know that you take it seriously is somewhat comforting, and I just want you
15 to know that your efforts and whatever you can do for our people and the
16 constituents is greatly appreciated.

17 **CHAIRMAN SKRMETTA:** All right. Thank y'all for comments. Much
18 appreciated. And we'll go ahead and continue this. We'll get the -- do we have a
19 yellow card for someone else in the audience who just made a comment? Did you
20 want to fill out a yellow card, sir? Okay. All right.

21 **MR. HANNAMAN:** [INAUDIBLE]

22 **CHAIRMAN SKRMETTA:** I'm sorry, did he --

23 **MS. BOWMAN:** They're right there.

1 **CHAIRMAN SKRMETTA:** No, but we had someone wanted to ask a question
2 but you have to fill out a yellow card for it. You okay?

3 **MS. BOWMAN:** Yeah. Sir, if you'd like to come to the table and ask your
4 question, you can do that.

5 **CHAIRMAN SKRMETTA:** Yeah. But you just have to fill out a yellow card.

6 **MS. BOWMAN:** But you -- and there's a yellow card right there that you'd just
7 fill out as well, and just turn that into me when you --

8 **CHAIRMAN SKRMETTA:** It's just -- it's part of the requirements.

9 **MR. HANNAMAN:** Got you.

10 **CHAIRMAN SKRMETTA:** So you can fill it out while you ask your question,
11 and we'll just move it along. So go ahead and state your name and ask your
12 question, and we'll get to you.

13 **MR. HANNAMAN:** My name is Chris Hannaman.

14 **CHAIRMAN SKRMETTA:** Uh-huh.

15 **MR. HANNAMAN:** I'm here today to find out who okayed the charges for Delta.

16 **CHAIRMAN SKRMETTA:** Well, the Commission does. It's just that simple.
17 The Commission approves a rate structure, and the rate structure is supplemented
18 by the fuel cost that come in from the marketplace.

19 **MR. HANNAMAN:** So y'all allowed a .444 average of an adjusted fuel charge
20 for the last three or four years --

21 **CHAIRMAN SKRMETTA:** Yes.

22 **MR. HANNAMAN:** -- to go to .8499?

23 **CHAIRMAN SKRMETTA:** This Commission approves all rate structures --

1 **MR. HANNAMAN:** That's where the difference in everybody's bills are.

2 **CHAIRMAN SKRMETTA:** Well, --

3 **MR. HANNAMAN:** Y'all have doubled the rate of a gas adjustment charge.

4 **CHAIRMAN SKRMETTA:** Well, the Staff is there to talk to you, but also the

5 price of gas also double for --

6 **MR. HANNAMAN:** No, it has not. Natural gas charges -- I mean, prices have

7 actually gone down.

8 **CHAIRMAN SKRMETTA:** Well, December it was over \$8, and in the fall, it

9 was \$4. So it did double, and also it's had some heavy spikes. But anyway, he has

10 --

11 **SECRETARY FREY:** No, and I was just going to say the gas adjustments charge

12 is what we refer to as the purchase gas adjustment. That is a flow-through of the

13 cost to purchase natural gas. Utility earns no profit, but we audit those every two

14 years. So if the prices they pay weren't accurate, then that goes through the audit.

15 So that is audited for every utility forever under our rules.

16 **VICE CHAIRMAN COUSSAN:** When is the next audit in this situation?

17 **SECRETARY FREY:** The next PJM -- I would have to get with Staff to see

18 where we are on that.

19 **MS. BOWMAN:** Yeah. So we right now have the last audit when it was Entergy

20 gas, so because they -- so because Delta just purchased them, the audit would not

21 be for two years. We can obviously do one as -- after one years' worth, I would

22 recommend. I wouldn't recommend or starting one right now, because we don't

23 have a full years' worth of data.

1 **CHAIRMAN SKRMETTA:** Right. Okay. But that's the answer.

2 **MR. HANNAMAN:** Yeah. Well, the dilemma that I have with this --

3 **CHAIRMAN SKRMETTA:** Uh-huh.

4 **MR. HANNAMAN:** -- is that the increases have been every month for the last

5 four months.

6 **CHAIRMAN SKRMETTA:** Right.

7 **MR. HANNAMAN:** And it's almost double, and I don't understand why y'all

8 haven't said something about it.

9 **CHAIRMAN SKRMETTA:** Well, --

10 **MR. HANNAMAN:** Or haven't gone to them and said this is wrong.

11 **CHAIRMAN SKRMETTA:** The issue, as I understand it, has been that when

12 Entergy sold to Delta that because it's a new company, that the public was not well

13 informed that they needed to engage with Delta to ask for their bill to be levelized.

14 Okay? And so, that's the primary issue, that because it's a new company, they

15 couldn't just assume the obligation that it was set up like Entergy did. So that's

16 one step. So, bill levelization is one of the key things to help make sure that these

17 heavy winter bills are levelized over the summer and the shoulder months. That's

18 one thing for sure. But the issue about the cost of fuel is an issue that we audit, and

19 we have to look at the fact that there has been market shift over the last six months.

20 **MR. HANNAMAN:** Just the gas adjustment for my bill from -- I got my bill two

21 days ago --

22 **CHAIRMAN SKRMETTA:** Right.

1 **MR. HANNAMAN:** Delta has 600,000 plus customers. That .8599943 equates
2 to \$515,000. That's more than half a million in one month. And you're going to
3 tell me nothing has gone up 100%? I've gone from 40 -- .4111 to point --
4 **CHAIRMAN SKRMETTA:** Actually, the price of natural gas in December went
5 up 100%.
6 **MR. HANNAMAN:** The problem is, if they're not negotiating with a gas company
7 and saying we're going to more in the next three months. I don't know what
8 business anybody's in, but if a customer says I'm going to buy 50 this month and
9 I'm going to buy 300 next month, I'm going to give them a better price.
10 **CHAIRMAN SKRMETTA:** I appreciate that.
11 **MR. HANNAMAN:** Well, y'all need to negotiate that better. Y'all need to -- for
12 some reason I don't think y'all are saying no to the gas companies, and I think you
13 should.
14 **CHAIRMAN SKRMETTA:** I appreciate that. Thank you, sir.
15 **MR. HANNAMAN:** You still need this copy?
16 **MS. BOWMAN:** Yes, sir.
17 **CHAIRMAN SKRMETTA:** Yeah. Thank you. All right. We'll get the Delta
18 people up here. Y'all have cards to fill out? Are y'all getting it done?
19 **MS. BOWMAN:** They already have.
20 **CHAIRMAN SKRMETTA:** They already turned them in? Okay. Got it. All
21 right. Who's going to carry the primary on this? Is it going to be you, or?
22 **MR. TIM POCHE:** I'll start, Commissioner.

1 **CHAIRMAN SKRMETTA:** Okay. All right. Well, you've heard the comments
2 from the public, but you also know that the Commission itself has been watching
3 this issue mostly because of our concerns about how they -- there was no sort of
4 continuum from the people already had levelized billing under Entergy, and it
5 wasn't automatic over to Delta.

6 **MR. HANNAMAN:** [INAUDIBLE]

7 **CHAIRMAN SKRMETTA:** I'm sorry, sir? Okay. Well, let's have order in the
8 room, please, while we're going ahead and doing this. So the issue about the
9 continuation of levelized billing. Well, let's start with that issue and then we'll
10 move over to the issue of the cost of the natural gas issues. So why don't we start
11 there?

12 **MR. POCHE:** Sure. Commissioner, I'm Tim Poche. I'm the CEO of Delta
13 Utilities, and joining me today is Ryan King, Jim Dicharry, and Sara Porteous from
14 Delta Utilities. From a levelized billing perspective, the customers that were
15 historically Entergy customers in New Orleans and Baton Rouge have historically
16 received a combined electric and gas bill, and when we took over the operations of
17 the business, obviously they're receiving a sperate bill from us and a separate bill
18 for Entergy from electricity. During the winter months, as usage goes up, and
19 generally that corresponds with increases in gas prices, bills have gone up. That's
20 no doubt. That is a fact. That is historically, for those customers, generally
21 corresponded with a decrease in electric usage. Now that the gas -- now that bills
22 are split up separately, that self levelizing concept is not as evident. From the
23 beginning of our transition, we asked customers to do a few things. One, to sign

1 up for a new online account; two, to enroll in levelized billing; three, to consider
2 paperless billing; and four, to consider autopayment.

3 **CHAIRMAN SKRMETTA:** How did you ask them to do this?

4 **MR. POCHE:** Through billing inserts, through communications that we've sent
5 them directly, letters that we'd sent before the transition and after the transition.

6 **CHAIRMAN SKRMETTA:** Okay.

7 **MR. POCHE:** We've increased those efforts dramatically over the last few
8 months, and since July -- I mean, since the beginning of January, we have enrolled,
9 I think, over 2.7 times as many people in levelized billing than were previously in.
10 Where it were 6,000 levelized billing customers in New Orleans and the Baton
11 Rouge markets.

12 **CHAIRMAN SKRMETTA:** How many were there before in levelized billing
13 and how many are there now?

14 **MR. POCHE:** 38,000 originally.

15 **CHAIRMAN SKRMETTA:** Okay. And so -- and there were 38,000 originally
16 under the Entergy system?

17 **MR. POCHE:** Yes.

18 **CHAIRMAN SKRMETTA:** And how many are there now engaged with you?

19 **MR. POCHE:** Just over 6,000. So about 6,300.

20 **CHAIRMAN SKRMETTA:** So the issue is really how do we get the message out
21 to the people who were in the Entergy levelized program and get them involved in
22 the levelized program. You know, is there a mechanism where you can
23 automatically do this, or is it something that is required? Some sort of privity?

1 **MR. POCHE:** So we are -- we're redoubling our efforts in terms of reaching out
2 to them and asking them and saying you were previously a levelized billing
3 customer, if you would like to reenroll, please reenroll. When they contact us,
4 we're not only reenrolling them in levelized billing, but we're also putting their
5 current balance on a deferred payment plan such that the effect of it is if they were
6 in the levelized billing from the beginning of the process.

7 **CHAIRMAN SKRMETTA:** Okay. Well, I think that kind of is the -- I mean, I'll
8 save a lot of questions for everybody else, but that kind of gets the basics of this
9 issue of the levelized billing plans. But you've heard a lot of people talking about
10 the price of natural gas, and the cost of the issue, and the rise of this. I'd really like
11 you to focus on, you know, where we were. Let's start saying, like in August,
12 September, price of natural gas, how the price of gas has shifted. We know it's a
13 passthrough because when we look at this, we look at infrastructure like your car,
14 and we look at the price of gas is just putting gas in the car, that the gases are
15 passthrough that you don't make profit on it. So let's look at the differential on this
16 and tell me what -- or tell the Commission what's been going that has been driving
17 the price of gas to change what it is and how that's been impacting the consumers?

18 **MR. POCHE:** So you've shared a slide that's put up now that shows gas prices,
19 the NYMEX Henry Hub monthly gas settlement price from July through February.
20 And you can see that has increased by more than two times over that period. Now,
21 one of the things that I think that, you know, while it is true that we do not profit
22 off gas, that that is a complete passthrough to our customers, we do exercise a
23 significant amount of strategy in order to defer and eliminate the volatility of that

1 gas price. And a lot of the contracts that we're currently buying gas on were -- are
2 still the same contracts that we inherited. They were long-term contracts that we
3 inherited from Entergy, and they're working well in CenterPoint from that
4 perspective. But the gas prices that we're incurring are different in all the three
5 utilities that we have because there are different procurements points, there are
6 different transmission costs, and there's different amounts of storage in each of
7 these utilities. In general, we target between 85 and 90% of the gas that we deliver
8 and the cost of our gas to be not subject to the volatile daily pricing.

9 **CHAIRMAN SKRMETTA:** Would you -- you mentioned something just now,
10 would you cover not only the market price of gas, but the storage price of gas?

11 **MR. POCHE:** Yeah. So we have a significant amount of storage throughout our
12 system that we inject gas in the summer months. So in this particular chart you'll
13 see, like in July, for example, when gas is \$3.25. In the spring and in the summer
14 seasons, we are injecting gas into storage caverns that we lease capacity on. And
15 during the winter heating months, we're able to withdraw that gas that, for instance,
16 in this example, we would've injected at 3.25 and we're being able to deliver it to
17 the customers at that price.

18 **CHAIRMAN SKRMETTA:** What's the cost differential to putting in storage?
19 Because we've seen historically that sometimes the cost of storage exceeds the
20 price of gas. Is that the case with what you're doing, or do y'all have your own
21 storage long-term, or? What's the --

22 **MR. POCHE:** We have long-term storage agreements, and it is there much more
23 economical than relying upon the volatility of a daily [INAUDIBLE].

1 **CHAIRMAN SKRMETTA:** It's a difference from hedging -- so it's a lower cost
2 than hedging?

3 **MR. POCHE:** Yes.

4 **CHAIRMAN SKRMETTA:** Okay.

5 **MR. POCHE:** So we endeavor to have between 85 and 90% of our gas cost not
6 subject to the daily spot market. And in the recent Winter Storm Fern event that
7 we were just discussing, you know, daily gas peaked and priced at between 25 and
8 \$35 in MMBtu, but only approximately 11% of the gas volume that we delivered
9 during that time period was subject to daily spot market volatility.

10 **CHAIRMAN SKRMETTA:** Right. Well, I mean, you heard some comments
11 from some of the people who came up, the consumers, you know. How do you
12 address their issues?

13 **MR. POCHE:** Well, we certainly, you know, we take all of the questions and
14 concerns that we have very seriously. We've tried to reach out to the customers
15 where they are, whether it's at the community centers or pop-up events that we've
16 had, and to meet with them one on one to talk about the bills that they receive for
17 us and we've been able to show them their historical usage and their historical
18 prices and understand how they've generally been very favorable comparisons. We
19 walk them through that, and I think in most instances we've come through a very
20 good understanding with customers when we're able to do that on a one on one
21 basis. We've also offered them, as we've discussed, to be able to, if they so choose,
22 to reenroll or to enroll in a levelized billing program and to also go into a deferred
23 payment program that allows them to pay their existing balance over a longer period

1 of time. We're working with LIHEAP, and we're working with a program that
2 we've established that was similar to the Energy Power to Care program, but we
3 call it DU Cares, where we make contributions, \$250,000 of contributions, to the
4 United Way that they're administering and paying and distributing to -- for low-
5 income assistance for natural gas bills.

6 **CHAIRMAN SKRMETTA:** Do you have any problem with, you know, the
7 normal audit process is every two-year cycle, do you have any problem with a one-
8 year cycle since -- because of this sort of anomaly?

9 **MR. POCHE:** No, sir.

10 **CHAIRMAN SKRMETTA:** So you'd be all right with one year from your
11 original takeover? When was your first year -- when did you takeover the
12 operations of the Entergy system? I know it was differential between the Baton
13 Rouge and the Orleans Parish. I'm sorry, I know it was different between the
14 Orleans and Baton Rouge. What were the two days?

15 **MR. POCHE:** So July of 2025 we took over both the Entergy system as whole.
16 Baton Rouge and New Orleans.

17 **CHAIRMAN SKRMETTA:** Okay. So, July? So we could basically let a one
18 year audit take place as of July.

19 **MR. POCHE:** Right.

20 **CHAIRMAN SKRMETTA:** So Staff can go ahead and issue an RFP --

21 **MS. BOWMAN:** No problem.

22 **CHAIRMAN SKRMETTA:** -- for the -- put it out on the July agenda. Oh, right.
23 We don't have a July --

1 **SECRETARY FREY:** We'll do it on the June agenda.

2 **CHAIRMAN SKRMETTA:** We could do June.

3 **SECRETARY FREY:** We'll do it on the June agenda.

4 **CHAIRMAN SKRMETTA:** Right. Do it in June so we can hire someone to
5 come in and do an audit on the one-year cycle and we can figure this out. So I'm
6 finished with the --

7 **SECRETARY FREY:** And that would be -- do we want it -- just to clarify,
8 because I'm assuming they're going to file the PGA separate for the legacy
9 CenterPoint and the legacy Entergy. Do we want to do those for both?

10 **MR. POCHE:** Yes.

11 **CHAIRMAN SKRMETTA:** You're okay with all of it?

12 **MR. POCHE:** Yes. We acquired the --

13 **CHAIRMAN SKRMETTA:** Yeah. Do it all, and you can separate them into the
14 appropriate columns so we understand what's what.

15 **SECRETARY FREY:** Got it. We got [INAUDIBLE].

16 **CHAIRMAN SKRMETTA:** All right. I'm done with my questions, and why
17 don't you go ahead, Commissioner Lewis, and we'll move down the line.

18 **COMMISSIONER LEWIS:** Thank you, Mr. Chairman, and thank you Delta for
19 being here today and accepting my invitation. As you know, majority of what has
20 happened has been my district here in Baton Rouge and New Orleans, and I invited
21 you here today because the people that I represent I believe deserved clarity,
22 accountability, and also some relief. And so, I thank to you for meeting with me
23 earlier today. I know the -- our Chairman has covered some of the questions that I

1 had for you, but I want to go through some questions that I've received from
2 constituents and that we've talked about. Can you describe specifically what billing
3 changes were implemented immediately following the transition?

4 **MR. RYAN KING:** Yeah. This is Ryan King on behalf of Delta Utilities. Delta,
5 at the time of closing, assumed the existing rate schedules, tariffs, and riders of the
6 legacy utilities. There were three separate utilities. Each of those utilities that are
7 regulated by the PSC, each of those utilities had their own sets of rate schedules
8 and riders. We've continued those Commission approved systems as if the
9 transactions had not occurred. As far as individual billing items, we did
10 purposefully break it -- the gas services items and take out two fees that were
11 initially included in it, that was the infrastructure replacement rider as well as the
12 metering surcharge. Those items appear new on the Delta, but in fact, they were
13 just consolidated in the gas services item in the Entergy bill.

14 **COMMISSIONER LEWIS:** Okay. So you broke those two out, but they were
15 previously under Entergy in the gas services. There's been a lot of questions from
16 constituents, and you've heard it, about billing accuracy. Have you internally done
17 any type of audit to ensure that the meter readings are correct, that the billing
18 processes are correct, and if not so, could you commit to looking internally and
19 providing that information to my office on that?

20 **MR. POCHE:** Yeah. So, every day, Commissioner, that when we issue bills, we
21 go through a very standard, a very robust process to understand any outliers in
22 billing metrics, and evaluate the usage and the result of those bills before they're
23 released on a daily basis. We're issuing bills -- about 98% of the bills that we issue

1 are timely because of that. The ones that we don't issue are still under audit and
2 under review, and we don't issue a bill until we are comfortable with that.

3 **COMMISSIONER LEWIS:** Okay. Great. Thank you. As we talk about gas
4 purchasing and supply, that's been a topic of magnitude of my constituents, and we
5 heard the gentleman bring it up today. So I want to know what is the current length
6 and pricing structure of your current purchasing agreements for gas supply?

7 **MR. POCHE:** So they differ between each of the utilities. We have long term
8 asset management arrangements with companies that assist us in optimizing gas on
9 a daily basis. We buy -- in some of the jurisdictions, we're buying gas in the spring
10 and summer time for delivery in the winter season months, and then we also enter
11 into pricing contracts on the first of the month for our anticipated demand later in
12 the month. And we also enter it into at the same time contracts that allow us to call
13 gas at the first of the month prices, again, to eliminate any volatility from a daily
14 perspective.

15 **COMMISSIONER LEWIS:** So since your acquisition, you have not changed any
16 gas suppliers, you're still under the contracts that Entergy had?

17 **MR. POCHE:** For the most part, that's correct. We've attempted to increase to
18 diversify the supply, and we always are attempting to get the best price. But for the
19 most part, yes, the same contracts.

20 **COMMISSIONER LEWIS:** So since those agreements are traditionally the
21 same, what percent or cost increase have you seen in those contracts from last year
22 to this year? Or do you have that information?

23 **MR. POCHE:** Well, generally, it's reflective of the market pricing.

1 **COMMISSIONER LEWIS:** Just the market -- just price?

2 **MR. POCHE:** Yes.

3 **COMMISSIONER LEWIS:** We talk a lot about gas hedging and ensuring that
4 we can protect consumers from this volatility. Are you in any hedging strategies,
5 any proposals to hedge further, any looking at different ways? And in combination
6 with that question, are your gas reserves sufficient to handle the peak? I mean, as
7 we saw, the winter here in Louisiana is getting traditionally colder than what we've
8 seen prior, which means we may need to look and adjust what you are averaging as
9 your peak demand in your gas supply and your gas reserves. So what conversations
10 internally have you had around that?

11 **MR. POCHE:** We have done a few more -- a little bit more hedging in terms of -
12 - the hedging I referred is first of the month call options, where we have a certain
13 amount of usage that we have the right on a given day within the month to call gas
14 at the beginning of the month price instead of the daily price. So if the beginning
15 of the month price was \$4 MMBtu, but today gas was closing at \$25, just for
16 example, we can call that gas at that original \$4. There's a price associated with
17 having that optionality, but we've done that and that was -- been pretty successful
18 in helping us mitigate that. I would say hedge -- storage is another hedging
19 component, right? We're paying some amount, as Commissioner Skrmetta pointed
20 out, we're paying some amount to store gas, but the combination of the storage fees
21 and the fees for injecting and withdrawing are still much less and allow us the
22 flexibility to withdraw that gas. We look at that as a component of hedging.

1 **COMMISSIONER LEWIS:** Okay. Thank you. I'm going to move on to a
2 portion that my office has heard a lot about, which is your customer service. We
3 have had a magnitude of complaints and calls that service requests aren't being
4 addressed, that when they speak to a representative about their billing, they are not
5 getting adequate information. And I know we discussed this this week in my office.
6 Can you assure me that you will be looking at this and ensuring that all those who
7 are working as customer service reps have the information to provide, especially to
8 the seniors in my district about what they are seeing on their bills? Because they
9 feel frustrated that they call, and no one can give them an answer, and that is leading
10 to confusion, it's leading to distrust, and dissatisfaction. And so, I want to know
11 what recourse do you plan to do on that measure?

12 **MR. POCHE:** So, we are constantly evaluated our call center. Let me just give
13 you a little bit of statistics around that to start with. Since we acquired the
14 businesses in July through to date, we've answered about 550,000 calls with billing
15 inquiries, starting, stopping of service. And across all of our entities from the
16 inception, the average speed to answer those calls is 23 seconds. And in fact, we
17 answered 94% of those calls within 30 seconds. Only about 1.5% of the calls that
18 are presented to us are abandoned by the customer before we have the ability to
19 answer. Those are all statistics that we, you know, point to and look at. Are we
20 performing well in order to provide the conduit to communicate with the
21 customers? Obviously, with the increase in questions that we've gotten in inquiries,
22 the average handle time of our calls, the amount of time that we spend from
23 inception to the end of the call, when hopefully that the problem is resolved, has

1 increased. But still, that average handle time is still right around 6 minutes. We
2 ask customers to evaluate us at the end of each call, and the ones that do, they
3 evaluate us on a scale of one to five, with five being the highest. Our average
4 customer satisfaction score is 4.29. So all that means is, I think we're providing a
5 conduit for communication. The question that you have is still very legitimate. We
6 have to be able to answer the question, so we're constantly doing after action reports
7 to understand what are the types of questions that we have, are we evaluating, are
8 we equipping our customer service agents with the right information to be able to
9 evaluate calls, and we're following up with customers as we can and as we need to
10 try to ensure that we have addressed their issues.

11 **COMMISSIONER LEWIS:** I would request that you make that a top priority.
12 That has been one of the challenges that I believe is that the consumers do not feel
13 they're getting the adequate answers from you about their historical usage, about
14 their data, about their billing. And so, I know that you have been working with
15 Entergy to get more information. Can you commit that now on your website or in
16 their portal that you can provide that historical usage data as well as their bill
17 amount data? Because I think right now what we have done, which I understand
18 has been challenging for seniors and all of the constituents, is you got to go down
19 on your Entergy system and you can't do it on your mobile app, you have to go on
20 a computer and pull your information to compare. And so, I would encourage you,
21 and I'll give you an opportunity to respond to that, but to also work with Entergy
22 to see if we can provide that information easily attainable in your system for your
23 now new customers.

1 **MS. SARAH PORTEUS:** Good afternoon, Commissioners. Sarah Porteus on
2 behalf of Delta Utilities. As you've mentioned, as Tim has mentioned, we've been
3 participating in townhalls and other weatherization events in Baton Rouge because
4 we recognize that it's important to be able to have one on one conversations with
5 our customers, and posting customer care pop-up events. We've done some
6 recently at the MLK and Jewel Newman community centers. And I think those
7 events are critical because they allow us to hear directly from customers. They
8 allow us to answer the questions about their individual service. Everybody's bill is
9 different, everybody's experience is different. But they allow us to build
10 relationships with customers they think are critically important at this particular
11 time. I do want to mention we're going to continue doing pop-ups. Our next pop-
12 up we're going to be participating in the District 2, Councilman -- member
13 Kenney's townhall, that's going to be on Monday, March 9 at Mount Pilgrim
14 Baptist Church. We're also preparing to schedule another round of customer care
15 pop-ups, and we'll continue to do those as needed to be able to respond to
16 customers. We're in the process of training Baton Rouge-based customer service
17 representatives, because we want to be here, we want them to be engaged in those
18 events so that we can continue to help customers and make sure that they
19 understand that we are here to help, and that we can connect them with resources
20 that can help them to get through this.

21 **COMMISSIONER LEWIS:** Thank you. And my final section of -- a few
22 questions is about corrective action and community support, so I thank you for that.
23 One of the things that we have heard, particularly, is it's very difficult for payment

1 options. I know in New Orleans there are some places. Can we commit that we
2 will ensure that physical locations where individuals can pay and also ask questions
3 are around? I'm not asking you to go build offices, but places within the community
4 where they have the opportunity to be face to face with billing questions, payment
5 questions. I know there are some in my district in New Orleans, but not truly some
6 here in Baton Rouge yet, but I know that those are part of your pop-ups, but wanted
7 to specifically ask, on that narrow focus, that in your pop-ups you look at items of
8 that sort.

9 **MS. PORTEUS:** Absolutely. And we'll continue -- we will certainly provide any
10 pop-ups that we schedule to you, to the Commission, so that you can get them out
11 broadly and make sure that everybody is aware of them. And that is part of why
12 we're training additional customer service reps here in Baton Rouge.

13 **COMMISSIONER LEWIS:** Thank you. A few last questions. I know that
14 you've mentioned your energy efficiency program in the formal launch. Can you
15 explain when that will be? And secondly, since that is a requirement here of the
16 LPSC for my residents in the Orleans Parish of my district, which is under the city
17 council, I'm not sure what their requirements are off the top of my head as for
18 energy efficiency, but will your program be similar, or are you planning also a
19 program there if there's not a requirement as it is here in the PSC jurisdiction for
20 energy efficiency?

21 **MR. JIM DICHARRY:** Jim Dicharry, for Delta Utilities. I can speak on the
22 energy efficiency programs we have in place in Louisiana under your jurisdiction.
23 There's program in existence for north Louisiana and south Louisiana, those were

1 started by CenterPoint, we've continued those and those are being expanded right
2 now with the new rules. Baton Rouge's program is very -- getting very close to
3 getting launched. We're starting that program from scratch. There was no program
4 for energy efficiency for the gas side here in Baton Rouge. So we're starting that.
5 Part of that program does include a weatherization component, home energy audits,
6 there's air sealing so it'll go in there, make sure that the home keeps the warm air
7 in the winter. Duct sealing as well, with the ultimate goal there is to reduce usage
8 for the customers. And those are being ruled out as speak, very close in Baton
9 Rouge, but we are starting a brand-new program there.

10 **COMMISSIONER LEWIS:** Okay. Great. Thank you. And, I mean, I'll
11 conclude with this. I mean, since the transition we have had -- my office has just
12 heard, a multitude of things. And I think that they have questions about charges,
13 they have questions about billing accuracy, they have questions about rising costs,
14 they have questions about customer service, and so, at the end of the day, this is
15 about the people and I think we need to be more transparent. I think it's about
16 looking at the fixed charges, and they also want to hear solutions. I mean, I think
17 that is the utmost thing. And so, I do want to engage with you on the petition that
18 my councilwoman has introduced. I hope that you will meet majority of those
19 requests, especially the request on disconnections. I think it is important that we
20 protect people in this service and what we do. And I believe that at this point and
21 time, you have the opportunity to demonstrate that you can operate in transparency,
22 fairness, and accountability, and I hope you answer that call.

1 **CHAIRMAN SKRMETTA:** All right. So, Commissioner Campbell, you have a
2 question?

3 **COMMISSIONER CAMPBELL:** Yes, sir. Do you know the price of natural
4 gas today?

5 **MR. POCHE:** It's closer to \$3.

6 **COMMISSIONER CAMPBELL:** \$2 and something.

7 **CHAIRMAN SKRMETTA:** 2.90

8 **COMMISSIONER CAMPBELL:** 2.90?

9 **MR. POCHE:** Uh-huh.

10 **COMMISSIONER CAMPBELL:** Well, how long does it take that 2.90 to reflect
11 on the bill? Now, I understand the bills went to \$7.46 on your graph. How long
12 did it go from -- how long it take to go from 4.69 to 7.46? And how long is it going
13 to be able to show from 7.46 down to 2.90? That's what people --

14 **MR. KING:** I'll take that one, Commissioner.

15 **COMMISSIONER CAMPBELL:** That's what the people want to know. They
16 know that when it went up, you charged them, but when it comes down, how does
17 that work?

18 **MR. KING:** So the PGA sets forth, which it's still up on the screen up here, but
19 the NYMEX monthly settlement price is effectively what the contracts for the
20 following month set the gas price at. When that number starts to fall down -- and
21 folks have looked at this, and if you would pull up the daily market price, it doesn't
22 always match the settlement price at the end of the month. The settlement price is
23 what's used in the PGA. Right now, if we're seeing that price fall below \$3, it

1 actually closes today at 2 o'clock. If it closes in that range, the next set of bills
2 going out in March will have -- will reflect that new PGA price.

3 **COMMISSIONER CAMPBELL:** I can -- you can see where bills from 4.69 to
4 7.46 is astronomical to people, but they would like to see the same drop from 7.46
5 to 2.88 or whatever it is today. What is? About 2.90 or something like that today?

6 **MR. POCHE:** Yeah. It is.

7 **COMMISSIONER CAMPBELL:** How long does it take you to get to 2.90? Is
8 it proportionally the same as it did from 4.69 to 7.46?

9 **MR. KING:** It effectively -- whatever that number closes at today at 2 o'clock,
10 sets forth what will appear in the PGA for the March bills. So it could go down to
11 2.90, but it's a basis of the month of contracts for gas to be sold in March. We have
12 no control over that number, it's the broader Henry Hub NYMEX market price.

13 **CHAIRMAN SKRMETTA:** Anymore questions?

14 **COMMISSIONER CAMPBELL:** I live in north Louisiana, in the middle of
15 Haynesville Shale, and to help anybody's feelings, there's more drilling going on
16 now than we've ever seen since they had the explosion of Haynesville Shale. Right
17 around my house, not at my house, but right around my house, there's probably 15
18 active rigs going, so it's a great hope for people that we're producing a lot of natural
19 gas. And hopefully, the more you produce, the cheaper the price gets for people.
20 So the only good news to tell people is that north Louisiana is busting wide open
21 from really Shreveport to down to Mansfield, all around Toledo Bend, I've never
22 seen it like this. Three or four rigs running everywhere. And a lot of people are
23 working, but that doesn't help people's feelings paying the bill.

1 **MR. KING:** Yeah. And just a little bit of context, that spike occurred -- it was the
2 pricing set at the end of January, right in the middle of Winter Storm Fern, and that
3 had a significant impact. That's the docketed item today is addressing that impact
4 and how to spread those costs over a longer period. That is pervasive amongst
5 everybody who uses gas, whether it's the electrics or the gas utilities. But that's
6 that market price right in the middle of the Fern event is a lot of the cause for that
7 significant increase for February.

8 **COMMISSIONER CAMPBELL:** Commissioner Skrmetta made a statement a
9 while ago, and he was right, it's not just cold weather here, but cold weather all
10 over the United States. Last year we didn't have that spike because the weather
11 was sort of normal. I guess normal, whatever normal means. This year we've had
12 extremely cold weather through the Midwest right on up to New England. Colder
13 than we've had, so that's a price -- that increases the price of natural gas. But that
14 doesn't help people in Baton Rouge, Louisiana, or other places, Shreveport, when
15 they see their bills go up two or 300%. That's hard to explain. You can't explain
16 it.

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

18 **COMMISSIONER CAMPBELL:** Y'all have to do the best job you can to try to
19 make sure this doesn't happen. And I know that y'all are hedging?

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

21 **COMMISSIONER CAMPBELL:** We talked about hedging a lot three or four
22 years ago at the Public Service Commission and require y'all have a new hedge
23 now. What's your hedging price today?

1 **MR. POCHE:** Well, a lot of the hedging that we do is based upon the first of the
2 month call. So we're trying to avoid the daily volatility associated with gas prices.
3 So we're trying to avoid the 25, \$35 spike. And so, we're hedging gas costs, like
4 today, when gas closes, assuming it closes at \$3 MMBtu, we'll have the ability to
5 call gas at \$3 and avoid large spikes during the middle of next month.

6 **CHAIRMAN SKRMETTA:** All right.

7 **MR. KING:** Commissioner, if I can -- we've talked about two -- the two primary
8 issues that customers are experiencing with high bills, it's usage and it's the cost of
9 gas. A lot of customers, particularly in the Baton Rouge area, their first Delta bill
10 was a middle of the summer bill. You're looking at the lowest price you'll pay for
11 gas all year long. Over the course of summer to December, our customers, on
12 average, a residential customer uses between three to seven times as much gas in
13 December as they do in July. So before you even consider the cost of gas increases,
14 the bills are going up multiples just by the additional usage. When you add in the
15 fact that from September to February, the cost of gas went up 2.5 times, now you
16 have a compounding effect. And that's really what we're experiencing today. It's
17 the combination of multiples of usage and multiples of that cost of that usage on
18 top of each other. Now, we do want to spread the message, there is -- we expect
19 relief coming. As warmer winter approaches, people will use less gas. We're
20 already seeing the cost of gas normalize to a much lower than what it closed at for
21 that February pricing. That will close today, and we're hopeful that that also sends
22 some relief in those March bills going out with the lower cost of gas. But I will,
23 you know, second, we do not make any profit on the cost of gas. That's a monthly

1 filing, it's pursuant to the PGA orders of the Commission. It's audited, and clearly,
2 we're going to do an audit of that initial year period. But the PGA also includes a
3 true up mechanism. It naturally has an over-under balance that is included already
4 in the way it's filed. So if the company did over-recover or under-recover, it
5 automatically sends that over- or under-recovery back into the process so that
6 customers ultimately never pay any sort of profit to the company.

7 **CHAIRMAN SKRMETTA:** All right. Commissioner Coussan, you had a
8 question?

9 **VICE CHAIRMAN COUSSAN:** I have -- I'm going to be honest --

10 **CHAIRMAN SKRMETTA:** How many?

11 **VICE CHAIRMAN COUSSAN:** Five.

12 **CHAIRMAN SKRMETTA:** Good.

13 **VICE CHAIRMAN COUSSAN:** Let me just say one for now and I'll get --

14 **CHAIRMAN SKRMETTA:** Say one and get to five.

15 **VICE CHAIRMAN COUSSAN:** And you've answered many of these questions,
16 so to the extent that you've already done so, just be concise and reiterate it, because
17 again, we're talking to the public in addition to talking to us. I know every
18 Commissioner here has been fully engaged on this issue with each of you as a
19 Commissioner representing our people, even though we only meet once a month
20 publicly. So that's one of the kind of issues that -- I know that Commissioner Lewis
21 has had townhalls, we met individually, you've traveled around the state meeting
22 with all of us, and we've come over here to meet with you. A few questions for
23 you. Are you acting outside of the rate structure that we have approved in years

1 past? Are you acting outside of it purposefully that would've increased your ability
2 to make a profit that has not been approved for by this Commission?

3 **MR. POCHE:** No.

4 **MR. KING:** No.

5 **VICE CHAIRMAN COUSSAN:** The rate structures that are in place, Mr.
6 Chairman mentioned earlier that we're the ones that approve it, but technically, this
7 Commission hasn't approved it. It's been -- the rate structures are put in place for
8 how many years? And how many rate structures have you inherited from your
9 various purchases?

10 **MR. KING:** Yeah. So, each of three utilities have their own tariffs --

11 **VICE CHAIRMAN COUSSAN:** You say three utilities, you require three
12 separate companies?

13 **MR. KING:** Three Louisiana PSC jurisdictional utilities.

14 **VICE CHAIRMAN COUSSAN:** Okay. Go ahead.

15 **MR. KING:** Each of those have a separate rate structure, and that's multiple tariffs,
16 riders. It's the formulas and the filings to effectively pass the actual cost of
17 supplying that service and the rates. We assumed all of those from the existing
18 utilities and continue under those same rate schedules, tariffs, and riders that existed
19 prior to the transaction.

20 **VICE CHAIRMAN COUSSAN:** And how many years are each of those different
21 structures in place for, and what year are we in for each of them?

22 **MR. KING:** The CenterPoint legacy utilities was approved in a 2005 rate case, I
23 believe. So those have been in effect for about 20 years.

1 **VICE CHAIRMAN COUSSAN:** Okay. So that's CenterPoint, so let's move onto
2 Entergy.

3 **MR. KING:** Entergy Baton Rouge, I believe, is also about a decade old.

4 **VICE CHAIRMAN COUSSAN:** And then New Orleans Entergy?

5 **MR. KING:** New Orleans had a rate filing in 2018.

6 **VICE CHAIRMAN COUSSAN:** So is there a goal, a corporate goal, to bring all
7 of those different tariffs under one tent so that we can all speak the same language
8 when we're talking to you and talking to our customers about what might be
9 affecting each of their bills? Because I know it's different, because we've talked
10 about it. I cover two of your different utilities. Many of us cover two of your
11 different utilities. So is there a long-term goal to bring that all under the same tariff?

12 **MR. KING:** Not exactly under the same tariff. We'd love to merge utilities, if at
13 some point that becomes an option.

14 **VICE CHAIRMAN COUSSAN:** Awesome. Yeah.

15 **MR. KING:** But we do plan over the next couple of years, as we start our own
16 filings, to start to create uniformity across the platform. And we experience it the
17 same way the way you experience it. Our call center can get calls from customers
18 from three different utilities, and they -- we try to segregate and keep people on
19 different scripts so they can answer those questions independently. But when we
20 go in front of the Commission or we go in front of the city council and we make
21 comments that get picked up in the media, a customer in north Louisiana may see
22 that broadcast, and it doesn't exactly apply to them the same way it may apply to
23 the Delta Capital Gas Utility or the Delta New Orleans Utility. So over time, we

1 are absolutely incentivized, for the same reason you are, to really create uniformity
2 across the tariffs and across the platform.

3 **MR. POCHE:** So there's a timeline that we put forth when you approve the
4 transaction when we would come back in for a new rate case. Our goal with it --
5 with those three utilities that are operating here is to get as much consistency across
6 those utilities as possible, and their tariffs, and schedules, and rate structure.

7 **VICE CHAIRMAN COUSSAN:** That's going to help us tremendously and our
8 Staff as we receive phone calls to explain to them the tariff that we're using, and
9 that we're able to analyze. Because we want to help our constituents understand it
10 as well if, for whatever reason, they have not gotten what they perceive as the
11 answer that they would like from you. So the testimony is that you have not acted
12 outside of your rate structures, and we've agreed that we're going to be doing an
13 audit, basically at a first year audit, and then we're going to be able to check that.
14 Okay? I mean, I think that is a positive step forward. You just mentioned about
15 the call centers you're getting, you know, calls from all different utilities that you
16 have under one line. Have you made additional call center investments? Have you
17 hired -- have you put more people on the phones in this uptick of calls? Can you
18 testify to that?

19 **MR. POCHE:** Yes. We've hired a significant amount of new people in New
20 Orleans primarily, some additional people in Shreveport. We've hired over 25 to
21 30 people and we're continually hiring different classes and new classes. And I
22 think what we've done is we've got a very quality group of individuals. We've got
23 an excellent training program, but we're constantly looking to expand the

1 capabilities and limit turnover within that group as possible. It's a very important
2 part of our company.

3 **VICE CHAIRMAN COUSSAN:** And relative to those calls, it was initially or at
4 some point it was difficult to look at historical data because you inherited a lot of
5 these customers. Is it accurate to say you now have access to all of your
6 predecessor's data and can utilize that in looking at the historical usage of
7 customers? Is that something that y'all are doing?

8 **MR. POCHE:** That is correct. We've gotten additional information, not only
9 usage, but bill amounts that go back further than we originally had, the original 12
10 months. And so now we can share that information with the customers. A lot of
11 the billing questions that we have are alleviated by sharing that and we're preparing
12 an energy usage report that can go out to a broader group of our customers so that
13 they can understand that without having to call us.

14 **VICE CHAIRMAN COUSSAN:** And I think that's a huge issue for those calls
15 that you're trying to wrap up within six minutes to say, hey, you know, it's a new
16 bill, you've never seen Delta, but in fact, we're looking at your bill from a year ago
17 and the usage was x, y, or z, maybe similar, maybe more. But you can now answer
18 those questions?

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

20 **VICE CHAIRMAN COUSSAN:** Okay. I think that's a positive step. The
21 exposure that you've kind of identified on the hedging and the long-term contracts,
22 you said that you try to protect yourself 85 to 90% of -- so you're not subject to the
23 volatility of the market. Is there a way to close the 10 -- remaining 10 to 15%?

1 What is the prohibition or what is the reason why you can't close it all the way up
2 to 100 to be fully, you know, hedged against any market conditions?

3 **MR. POCHE:** Well, inherently, you're chasing a number what you expect, right?
4 What's the normal? What's the expected amount of gas that you're going to
5 deliver? So the difference in weather on a daily basis can make that go from 95 to
6 85. And so, we are constantly looking at what are the ways that we can enter into
7 addition financial derivatives and hedge to get us a little bit closer. There's a cost
8 associated with that, and you have to look at what's the cost tradeoff between do
9 you hit the norms that we expect?

10 **VICE CHAIRMAN COUSSAN:** And speaking of cost, you know, you can also
11 increase your storage, but there's some limitation on what you can -- what access
12 you have to storage in some of your geographic areas; is that correct?

13 **MR. POCHE:** That's correct. And in the Baton Rouge utility specifically, it's
14 very tight storage market, and we're constantly looking at the new opportunities to
15 contract with developers and service providers for storage, but we would -- we're
16 very interested in being able to procure more storage.

17 **VICE CHAIRMAN COUSSAN:** Well, I really invite you to do that and urge you
18 to do that, and I invite, particularly for the Baton Rouge community, and although
19 it will have a upfront expense, it may have a long-term impact, you know, to help
20 us protect, again, from some of these volatile gas markets. Lastly, even if
21 everything that we have said up here and that you've testified to is correct, you
22 know, we've got -- we still have a creditability issue, and it comes back on us as a
23 political issue, to you it's really do people believe what you say is true whenever

1 you're speaking to them from the customer service standpoint. Like you said,
2 you've got that vehicle to be able to communicate, but then you got to answer it,
3 and they have to agree or -- and you have to get it right. I agree with Commissioner
4 Lewis, or actually some of the witnesses up here, that, you know, we need more
5 community engagement in all of our communities. And I think that's a huge part
6 of the credibility that you can grow. You know, over in my area we have, you
7 know, different gas company, you know, we know who they are, I know my bill,
8 and I'm pretty certain what it's going to be, and that could be the same for you in
9 10 or 20 years, but right now you're brand new and they don't know that. So the
10 community engagement aspect is something that is hard work, I mean, it takes
11 commitment, it takes -- it's apart of your mission to read it. It's -- you know, so
12 it's time we execute on that, and in each of our districts I think its important that --
13 kind of, you know, we see that happening as well. So we look forward to, as
14 Commissioners, working with you on that community involvement aspect to help
15 you build the credibility because in turn, that helps us to be able to talk to our
16 constituents with some credibility and trust.

17 **CHAIRMAN SKRMETTA:** All right. Well, before you go, I will tell after sitting
18 here looking at your graph, you should look into the history of how the Commission
19 dealt with the ELL EGSL issue and the value proposition that the merger brought
20 with how we looked at, you know, stabilizing the rates, looking at -- there was a
21 little less confusion about how we allocated storm costs, how we did everything.
22 Because, you know, looking at what Delta South is, you know, my Delta South
23 customers pay less now than the Delta north and the Delta Capital people. And the

1 issue is, you're still one company, I mean, even though you're like, sectioning it off,
2 but there's a value proposition in going through the merger and unifying. So you
3 might want to look into or report back to the Commission on how you would see
4 the merger take place and what value that could provide back to the consumers by
5 unifying. And if you see there's a value proposition, talk to the Staff about it and
6 see if that presents itself. If you see there's other things out there based on how you
7 did your investment, how you did your acquisition that prevent that, then tell the,
8 you know, the Staff and let them know that it wont help. But there seems to be a
9 better sort of [INAUDIBLE] of all these aspects to where it might be better to
10 accelerate the merger and bring a little more equalization of how you can act as a
11 company. So I'd appreciate that. I want to thank y'all for being here. I want you
12 to take heart to what the testimonies from the witnesses and also focus on what the
13 Commission has asked you to do and work with the Staff, and let's get back to this
14 as soon as you can. Okay. Thank you very much.

15 **MR. POCHE:** Thank you.

16 **MR. KING:** Thank you.

17 **CHAIRMAN SKRMETTA:** We have one more case? Yup. No problem. Okay.

18 One more case. We have the SLEMCO matter?

19 **MS. BOWMAN:** Yeah. So we have Exhibit Number 16, which is also
20 undocketed. It's a report from Southwest Louisiana Electric Membership
21 Corporation regarding increasing rates, and this is at the request of Vice Chairman
22 Coussan. So if the representatives could come up.

1 **CHAIRMAN SKRMETTA:** Good afternoon. Thank you all for being patient
2 through the day. I know the folks that came here for the gas case thought they were
3 the last one, but they weren't. So y'all are here. So, we -- Commissioner Coussan
4 asked you to come here today, I'm going to let him begin, and we'll go from there

5 **MS. KATHERINE DOMINGUE:** Sure.

6 **VICE CHAIRMAN COUSSAN:** Good morning, guys. Good to see you.

7 **MS. DOMINGUE:** Good afternoon.

8 **MR. GLENN EDWARDS:** Good afternoon.

9 **VICE CHAIRMAN COUSSAN:** Oh. Whatever we [INAUDIBLE]. So, one of
10 the reasons that we're here today is because, in an effort to be transparent, which I
11 think is a noble goal, you notified your customers that there was going to be an
12 increase in their bills; is that accurate?

13 **MS. DOMINGUE:** Yes. That is accurate. Accurate. Ms. Katherine Domingue
14 from SLEMCO. CEO of SLEMCO.

15 **VICE CHAIRMAN COUSSAN:** So my first question is, did the -- is that increase
16 as a result of any rate increase that the Public Service Commission has voted on?

17 **MS. DOMINGUE:** No, it is not. It is purely power cost to increase.

18 **VICE CHAIRMAN COUSSAN:** The Commission has not undertaken any rate
19 case -- I mean, that might not even apply to you based upon the deal that we have
20 approved in the past that y'all are under, correct?

21 **MS. DOMINGUE:** Correct.

22 **VICE CHAIRMAN COUSSAN:** Okay. So we haven't had a rate increase?

1 **MS. DOMINGUE:** We had a rate increase, actually, that went into effect January
2 of last year, but that's been in effect and that was approved by the Commission.

3 **VICE CHAIRMAN COUSSAN:** It didn't have an impact on the announcement?

4 **MS. DOMINGUE:** No. Not on -- no, no.

5 **VICE CHAIRMAN COUSSAN:** Okay. Can you tell us what was the -- so, what
6 do you believe is the reason for the increases in your bills?

7 **MS. DOMINGUE:** So the reason we feel the increase in our bill is due to our
8 capacity cost increasing with our current contract that we are under.

9 **VICE CHAIRMAN COUSSAN:** Okay.

10 **MR. EDWARDS:** So just for a little --

11 **VICE CHAIRMAN COUSSAN:** Please introduce yourself.

12 **MR. EDWARDS:** Glenn Edwards, Commissioner. General counsel for
13 SLEMCO. I'm also joined by my partner at the table, Chris Piasecki. As the
14 Commission knows, we entered into a contract with NextEra Energy Marketing to
15 be our power supplier, which began in April of 2025. So the bills that our customers
16 receive have two primary components. One is the base cost for SLEMCO's charges
17 for distributing the power that we buy, and those are rates that are governed by and
18 controlled by the Commission. And so, when Katherine referred to the last rate
19 increase, that was over a year ago. That was an increase in SLEMCO's base rates,
20 okay, which was fully vetted and approved by the Commission, as was the contract
21 with NextEra. So the contract with NextEra requires us to flow through our cost of
22 power to our customers on a monthly basis. Under our prior contract with our prior
23 providers, we actually flowed through that cost of power, and it theoretically

1 adjusted every month depending on fuel cost primarily. There was a fuel cost
2 adjustment and there was a power cost adjustment under our other contract. The
3 contract that we now have with NextEra only has, basically, an annual adjustment.
4 So NextEra engages on our behalf in a systematic hedging program where we buy
5 capacity and energy throughout the year, and we determine at the end of every year
6 what the cost of power is going to be for the coming year. And that is sent to the
7 Commission, filed with the Commission, and it becomes an identical charge every
8 month, okay, for the customers for the next year. And then the following year we
9 know what price the hedging program has produced, and we adjust our power cost
10 again. All of that is per the contract that was approved by the Commission. So the
11 information that Katherine was conveying to the consumers at the time is based our
12 power buys for the coming year, this is going to the cost of power from the market.
13 **VICE CHAIRMAN COUSSAN:** And based upon that contract, you know, you
14 don't have any -- you don't own any generation?
15 **MR. EDWARDS:** That's correct.
16 **VICE CHAIRMAN COUSSAN:** SLEMCO does not own any generation.
17 **MR. EDWARDS:** You are correct. We do not.
18 **VICE CHAIRMAN COUSSAN:** And NextEra's generation is from out of state;
19 is that accurate?
20 **MR. EDWARDS:** That's not necessarily accurate. I mean, NextEra buys power
21 from on the market, okay, for us, okay? As is indicated in the reports that we file
22 with the Commission, both the MCO report as well as our power cost reporting,
23 where, you know, our hedging program information is provided to the Commission,

1 which is confidential, and I don't want to get into where we buy, what the prices
2 are, etcetera. But there -- a vast majority of the capacity and energy that we
3 purchased is ultimately acquired from Louisiana generators.

4 **VICE CHAIRMAN COUSSAN:** Let me ask one question -- one final question
5 before I turn it over. The social media post referenced that these -- some of the
6 price fluctuations that you'll be -- the customers will be dealing with, your
7 membership will be dealing with, has to do with datacenters. Did that have to do
8 anything with the generation that we approved for the Louisiana data center?

9 **MR. EDWARDS:** No, it did not.

10 **MS. DOMINGUE:** No.

11 **MR. EDWARDS:** And, I mean, I think as we indicated to you when we met with
12 you, we had no reason to believe that it did or that it does. We were -- the intent of
13 the statement was to generally convey to our consumers the increase for demand
14 for electric energy across the country, it's driving prices. And as we indicated to
15 you and we indicate here today to the extent that that message with the use of
16 reference to data center caused some confusion or misrepresented any facts as they
17 relate to the Louisiana data center, or what the Commission approved for the
18 Louisiana data center, we apologize for that. That was not our intentions.

19 **VICE CHAIRMAN COUSSAN:** And I appreciate the apology, and I really do.
20 And the reason why it's important is because I don't want our constituents to get
21 the wrong impression that somehow we missed the mark on a process that we went
22 through pretty extensively with our generation deal following, you know, the
23 analysis and our expert opinion that it wasn't -- the deal that we are approving is

1 not effecting the ratepayer for that particular utility, but when a general statement
2 is made, much like we mentioned earlier in the meeting, you know, most people
3 just think that it applies to them when they see national news about data centers,
4 when in truth and fact, Louisiana is different.

5 **MS. DOMINGUE:** Agreed.

6 **MR. EDWARDS:** Yeah. And for the record, we were here for that statement this
7 morning. We heard everything that the Entergy folks said. We heard everything
8 that the -- that was talked about, about the data center, the way it was approved.
9 We have no reason to believe that any of that was inaccurate.

10 **CHAIRMAN SKRMETTA:** It was so long ago.

11 **MR. EDWARDS:** What's that?

12 **CHAIRMAN SKRMETTA:** It was so long ago.

13 **MR. EDWARDS:** Exactly. Okay. But the point is, we have no reason to believe
14 that's inaccurate. The intent of our statement was to -- not to indict that project,
15 that data center, and again, to --

16 **VICE CHAIRMAN COUSSAN:** For future data centers.

17 **MS. DOMINGUE:** And it was not meant to cause any issues with you or
18 Commissioners, or the Commission Staff. It clearly was -- caught us by surprise,
19 you know? We've been trying to work through this over the last several weeks to
20 make sure that you all have the information you needed to, you know, -- our
21 decision to do this was simply just to be transparent to our members, let them know
22 their bills were going to be increasing so that they could plan appropriately and not
23 get caught off guard.

1 **VICE CHAIRMAN COUSSAN:** I appreciate that. I'll turn it over to the other
2 Commissioners. I thank you. You are one of the shining stars of the utilities in the
3 state, and I want to -- and relative to the customer service that we just talked about,
4 I can't find a single constituent that has ever said anything negative to me about the
5 way that you respond to constituents, to your membership during storms and
6 outages and every, you know, every other type of issue. You guys are right at the
7 top of the heap as far as what your membership thinks about their co-op. So, I
8 appreciate it. I'll turn it over to the rest of them.

9 **MS. DOMINGUE:** Thank you. I appreciate that.

10 **CHAIRMAN SKRMETTA:** Commissioner Francis, you have any questions for
11 these folks?

12 **COMMISSIONER FRANCIS:** Yeah. [INAUDIBLE]

13 **CHAIRMAN SKRMETTA:** Well, I'll let you go first.

14 **COMMISSIONER FRANCIS:** Okay. Well I'm served by SLEMCO. They do
15 a great job, but I still have a hard time answering my constituents since I'm on the
16 Public Service Commission. And you said that you have a price increase because
17 of AI centers, and everybody knows about the one up at Rayville. And they say,
18 why did y'all approve building that facility at Rayville, because my SLEMCO bill
19 is going up. So, what should I -- what can I tell them? I need some help there from
20 SLEMCO.

21 **MR. EDWARDS:** Well I think as we indicated, Commissioner, it was not our
22 intention to indict the Rayville AI data center that we -- the comment was much
23 more general and to try to -- for the constituents to understand that on a nationwide

1 basis, there's an increase demand for utility. I think it was mentioned in the meeting
2 earlier today. A lot of other states and locations have experienced that problem.
3 The problem because they haven't handled --

4 **COMMISSIONER FRANCIS:** Well I know, Glenn, but this -- it's not any other
5 state. It's Louisiana and it's localized SLEMCO, you know, and --

6 **MR. EDWARDS:** Understand. And as we indicated, to the extent that that's how
7 the message was received by some of the constituents, all we can do is apologize
8 for that.

9 **COMMISSIONER FRANCIS:** The power you buy from NextEra, it's here -- it's
10 basically Louisiana generated power on the grid. And so, at this time, there's no
11 grid influence by the AI center at this time on the cost of electricity, is it? The
12 answer is no? No?

13 **MR. EDWARDS:** As far as we know, there's no cost influence from a Louisiana
14 data center on the electricity on the grid. Yes, sir. That's correct.

15 **COMMISSIONER FRANCIS:** Do you plan to correct that statement or explain
16 it anymore to the public?

17 **MS. DOMINGUE:** We did provide Mr. Coussan's office with an explanation that
18 may help you. We can also send it to your office as well, and that may help you
19 with the cost.

20 **COMMISSIONER FRANCIS:** I need it to get out to the public, I already know
21 it's not true, but I need -- the public needs to know that it's not true. So can you do
22 something to put it in the newspaper in Lafayette or something, or is it on tv?

23 **MR. EDWARDS:** Well it was --

1 **COMMISSIONER FRANCIS:** You put it on your webpage, didn't you?

2 **MR. EDWARDS:** It was on -- the video that is being discussed was on the -- was

3 on our Facebook page. Okay?

4 **COMMISSIONER FRANCIS:** Can you correct that on your Facebook page?

5 **MS. DOMINGUE:** We can pull it and pull it down.

6 **MR. EDWARDS:** I mean, I will say this, just --

7 **CHAIRMAN SKRMETTA:** Well, I mean, you were forthright enough to say that

8 was the cause. It would seem that you would be forthright enough to say we were

9 wrong and that's not the cause.

10 **MR. EDWARDS:** Well, I mean, I think --

11 **CHAIRMAN SKRMETTA:** I mean, if the cause is either transmission and fuel,

12 it's not data centers because they don't exist. I mean, it's pretty straightforward.

13 **MR. EDWARDS:** Understand. I guess I would look -- we can certainly discuss

14 with the Staff, you know, a possible solution. I guess the concern I have -- the

15 overarching concern I have is that if you look at the -- if you look at the statement

16 and the reaction we got from our Facebook page, you know, we --

17 **CHAIRMAN SKRMETTA:** Well, you know, I asked folks that came to my

18 office, not you Gerald, you weren't there, but, I asked them who wrote this? And

19 there was no clear answer on who wrote it.

20 **MR. EDWARDS:** Well it was prepared by our PR consultant who is here today.

21 You had asked us to bring him, and he's here, Mr. Bob Holbrook, and he is here.

22 **CHAIRMAN SKRMETTA:** Yeah. Who is it?

1 **COMMISSIONER FRANCIS:** But you were the one that approved it and you
2 want them to pay the bill.

3 **CHAIRMAN SKRMETTA:** But my question is, is why did they say it? I mean,
4 you might've approved it, but why did they say it? Are they here?

5 **MR. EDWARDS:** They're here.

6 **CHAIRMAN SKRMETTA:** Well, they can come up.

7 **MR. EDWARDS:** You asked us to bring him and -- sure.

8 **CHAIRMAN SKRMETTA:** They can come up. They can come up, and I'll just
9 ask them why they said it. You know, it's just a quick question because, you know,
10 I just got two or three quick questions, and I got -- I actually have a lot of questions,
11 but I'm just going to have the Staff mail it to you. So we're going to get out of here
12 quick. Yes, sir. What's your name?

13 **MR. BOB HOLBROOK:** My name is Bob.

14 **CHAIRMAN SKRMETTA:** I'm sorry?

15 **MR. HOLBROOK:** Excuse me. My name is Bob Holbrook.

16 **CHAIRMAN SKRMETTA:** Bob Hope?

17 **MR. HOLBROOK:** Holbrook.

18 **CHAIRMAN SKRMETTA:** Oh. Holbrook. Okay. I was wondering. I thought
19 we were going to play golf. You wrote that then, correct? You crafted it?

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

21 **CHAIRMAN SKRMETTA:** Nobody on your staff did it? You did it personally?

22 **MR. HOLBROOK:** I did it personally.

1 **CHAIRMAN SKRMETTA:** Okay. So why did you say that? Did you research
2 that?

3 **MR. HOLBROOK:** First off, thank y'all for allowing me to come in and address
4 this concern.

5 **CHAIRMAN SKRMETTA:** Sure.

6 **MR. HOLBROOK:** And before anything, I want to make it -- make sure, because
7 some things have been said, that both my company, Holbrook Multimedia, and
8 SLEMCO are totally in favor and support the building of AI data centers.

9 **CHAIRMAN SKRMETTA:** You got a funny way of saying it, but --

10 **MR. HOLBROOK:** Well, okay. But --

11 **CHAIRMAN SKRMETTA:** But my question really is, why did that when you
12 wrote it in that form? That's my real question.

13 **MR. HOLBROOK:** Number one, the frame of reference, this was written before
14 there was almost any talk about a Louisiana data center. So our research showed
15 that this was written in November.

16 **CHAIRMAN SKRMETTA:** Yeah, yeah. Okay. But it showed up recently. So
17 we still didn't have data centers.

18 **MR. HOLBROOK:** Correct.

19 **CHAIRMAN SKRMETTA:** So, but you still blamed the price on data centers.

20 **MR. HOLBROOK:** No. The research that we could find from Pugh from the --
21 from research of Congress, from the DOE, everything not only did point to data
22 centers, but it also quoted that the increase or lack of supply is going to become --
23 is the fault of data centers.

1 **CHAIRMAN SKRMETTA:** Yeah.

2 **MR. HOLBROOK:** So that's why it was put in there.

3 **CHAIRMAN SKRMETTA:** I would admonish you on the lack of sophistication
4 in your research, because Louisiana requires data centers to not impact ratepayers.
5 What you looked at was the PJM interconnect of the RTOs, where they have open
6 market access and they are driving the price of electricity up because they don't
7 have regulated states like Louisiana. And you took a fact about a place not like
8 Louisiana and applied it like to Louisiana. So, for me, for the fact that you guys
9 rubber stamped it, of information that's incorrect, is a statement against what is the
10 greatest economic element of prosperity in Louisiana in the last 20 or 30 years.
11 Because we have developed the mechanism that the federal government is
12 adopting, requiring data centers to pay all the cost of integrating systems and to
13 require no impact on the ratepayers. And then therefore to blame the cost of what
14 you want for money on data centers, when they're not going to impact. So, you
15 could've blamed it on transmission costs, you could've blamed it on fuel costs, you
16 could've blamed it on a lot of things but the single thing you couldn't've blamed it
17 on was the integration of data centers into the program, and doing it when we are
18 knocking it out of the park on being the leader in the country with data center
19 integration. Where you heard today, I don't know if you were here today for the
20 Entergy presentation or you just showed up late, I'm not sure, but they came here
21 and said that -- showed how Meta is paying for on the go through the -- what they
22 call CIAC, but they cash in advanced, paying as we go to pay for everything that
23 the ratepayers are going to be engaging in on this. So zero impact, full protection.

1 Our Staff has worked this as an element. We are working directly with the federal
2 government through their national power dominance office. We're working with
3 the FERC, showing them how we did this. The president states in the state of the
4 union speech last night about he's moving towards requiring data centers to provide
5 their own power, which is basically a rephrasing of what Louisiana has done, and
6 you're going to basically look at Pugh and other research, which is focused on PJM,
7 and apply it to Louisiana when it doesn't apply. And it impacts how people look
8 at Louisiana, it scares people in the SLEMCO district, and it presents false
9 information.

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

11 **CHAIRMAN SKRMETTA:** So I think that it's a problem, and I think that what
12 Commissioner Francis is saying, you owe more, not to just the SLEMCO people,
13 but you owe more to the state of Louisiana to correct yourself and make a
14 presentation on why you were wrong. So that's number one. So I'm just going to
15 let you know how it is. But I will tell you, I don't want to get between a person and
16 their porkchop at this point, it's been a long day, but I will tell you that I do have a
17 couple of questions. I am going to send you some questions that are going to be
18 extensive. So you can take your time answering back, but if you can get them back
19 in a month or so, that'd be great, and maybe we'll get you back in here. But
20 question, and this is for you Katherine, you know --

21 **MS. DOMINGUE:** Sure.

1 **CHAIRMAN SKRMETTA:** It could be for -- but, you know, when you were
2 doing your program, which is 100% market, correct? Your plan is 100% market-
3 based. You have no generation.

4 **MS. DOMINGUE:** Yes.

5 **MR. EDWARDS:** Yes.

6 **CHAIRMAN SKRMETTA:** So when you were aware that the MCO Order was
7 adopted specifically to address the risk of overreliance on 100% market-based
8 power purchases in the face of potential of wholesale price volatility, fuel cost
9 spikes, transmission congestion, and new large loads. Are you aware of that? If
10 you could, say -- voice --

11 **MS. DOMINGUE:** Yes. Yes.

12 **MR. EDWARDS:** Yes. Yes.

13 **CHAIRMAN SKRMETTA:** Okay. So, but do you consider the MCO Order or
14 its findings at any point while drafting or revising the Facebook post? Did you
15 consider it while the Facebook post was being created?

16 **MR. EDWARDS:** Well we -- we actually -- the Facebook post actually refers to
17 the fact that we buy our power four years in advance to make sure that we had
18 adequate power for our consumers, and they should consider -- view it as an
19 insurance policy.

20 **CHAIRMAN SKRMETTA:** We're reading it -- we're reading it way different.
21 But did you consider the MCO Order when you wrote it?

22 **MR. EDWARDS:** I'm not sure I follow your question, Commissioner.

1 **CHAIRMAN SKRMETTA:** Well, the MC Order talks about addressing the risks
2 about all this, but the risks that you applied are risks that don't accurately identify
3 a risk that exist in the state of Louisiana. So I was wondering how you really looked
4 at the risks, and if you looked at the risks and associative element with the MCO
5 Order? That's the answer. I mean that's the question. Excuse me.

6 **MR. EDWARDS:** I can't say that we did, if that's the question.

7 **CHAIRMAN SKRMETTA:** Okay. So, but SLEMCO operates at 100% market-
8 based purchase arrangement with LaGen, NRG, you know. It owns no generation
9 assets. It holds no long-term fixed price power contracts. But did you recognize
10 this exact structure and this type of exposure that the LPSC MCO Order was
11 designed to mitigate or prevent?

12 **MR. EDWARDS:** Well, let me say this. It's not completely accurate to say we
13 have no long-term acquisition as part of this contract, because we do have 30% of
14 our base capacity is purchased at the signing of the contract for the full 10 years of
15 the contract at a fixed price. So it's a --

16 **CHAIRMAN SKRMETTA:** So what is -- and what is that?

17 **MR. EDWARDS:** I would prefer not to discuss prices at --

18 **CHAIRMAN SKRMETTA:** Identify the item, not the price.

19 **MR. EDWARDS:** It's our baseload capacity.

20 **CHAIRMAN SKRMETTA:** And what is --

21 **MR. EDWARDS:** It's 200 megawatts of -- part of our baseload capacity. 200
22 megawatts of capacity.

1 **CHAIRMAN SKRMETTA:** What is your identified baseload capacity? What
2 type of device is it?

3 **MR. EDWARDS:** It is -- it is a contract, a financial transaction within MISO.

4 **CHAIRMAN SKRMETTA:** So it's a financial transaction, it is not an actual
5 baseload device.

6 **MR. EDWARDS:** Right. And it is a transaction that was --

7 **CHAIRMAN SKRMETTA:** It's a contract.

8 **MR. EDWARDS:** -- approved by -- yes. Approved by or acceptable to MISO at
9 the time we signed our contract.

10 **CHAIRMAN SKRMETTA:** So it's a MISO based contract, right?

11 **MR. EDWARDS:** Yes.

12 **CHAIRMAN SKRMETTA:** It's not a device. It's a contract of access, right?

13 **MR. EDWARDS:** Right.

14 **CHAIRMAN SKRMETTA:** Yeah. So, but, you know, but even if owning like
15 20 to 30% of your capacity through baseload resources, not contracts, like either
16 natural gas combined cycle, nuclear long-term PPAs, or even fixed or hedge
17 pricing. Are you looking at your long term 20 or 30% of what you got? Does it fit
18 within that description, or is it just a MISO contract?

19 **MR. EDWARDS:** Well, it is a MISO contract for ZRCs in which we have since
20 the advent of the MCO Order as, again, as is reflected in the data that we filed in
21 response to the MCO Order. We have secured additional products to cover that and
22 bring that baseload within the definition of the MCO Order.

1 **CHAIRMAN SKRMETTA:** Well, I've only got a couple more questions and
2 we're going to get out of here. So, but you're talking about baseload as a concept
3 versus baseload as a reality, right? Baseload power is the ownership of a device.
4 Like other co-ops, like 1803 owns a half of the Kindle plant, which is a device that's
5 in the place that obfuscates the potential market volatility in what they have because
6 they got something. It's a thing. What you have is a concept, right? You have a
7 contract which is susceptible to variability on market influences, right?

8 **MR. EDWARDS:** Yes, we do.

9 **CHAIRMAN SKRMETTA:** Okay. So do you actually have -- well, have you
10 looked at how the ownership of a fixed asset, or even a fixed asset that could
11 provide 20 to 30% of your power needs that it would've prevented or material
12 reduced your need for this 20% -- \$20 -- 15, \$20 increase if you would've had a
13 similar, like ownership interest, like 1803 has?

14 **MR. EDWARDS:** At the time that we put out an RFP for proposals to serve our
15 load, we looked at over 67 proposals, okay? Some of them were for very small
16 facilities and generators, some of them were from market, you know, power
17 marketers, some of them were from local companies within Louisiana. We
18 evaluated all of those proposals, we had them vetted by our experts, they were part
19 of the -- the facts were part of the certification docket considered by the
20 Commission's proposals. We determined through that process that at the time, with
21 what we had on the table that was offered, the least risk for the best price for our
22 customers for the next ten years was the proposal that was offered by NextEra. And
23 look, I might add that even with the recent increase in market prices, our power cost

1 is still less than it was on the last day of our previous contract with the Cleco Cajun
2 contract.

3 **CHAIRMAN SKRMETTA:** Before or after the \$20?

4 **MR. EDWARDS:** Even after --

5 **CHAIRMAN SKRMETTA:** Okay.

6 **MR. EDWARDS:** -- it's still less than it was at the end of our last contract.

7 **CHAIRMAN SKRMETTA:** Okay. That's fine. Well, let's get back to the real
8 rub on this, which is this misstatement. And I want to tell, number one, especially
9 after hearing sort of the developed process of the statement, I think you owe a lot
10 of people an apology because it's the same analysis saying that, you know, your
11 price increases due to the use of snowmobiles in New England, and that can --
12 affects Louisiana. Because none of those things are here. Those things are in
13 Virginia and New -- New Jersey and everywhere else, but they're not here. And
14 that power is not sold here. And even if a trickle that comes out of TVA into MISO
15 north, it's zero impact here. Unless you made a deal with MISO that they were
16 going to hand you that as part of your 30% deal with MISO, which I can't see you
17 doing. So, you, by your actions, provide fodder to the people who short markets
18 and say naysayers about Louisiana and people who come out and bring actions
19 against the Commissions to say -- to the Commission here and say, well, we
20 shouldn't have AI centers because look, SLEMCO says it's driving their prices up.
21 So you give fodder to organizations to come in and say, well, you shouldn't have
22 data centers, and you should have different associations, and you should stop this,
23 and you should create new rules. When we've -- I think as perfect as perfect gets

1 in being a guiding principle for the country, you know, you know, you've slipped,
2 and slipped without reasonable researcher to apply reasonable facts to a statement.
3 And to be honest with you, beyond SLEMCO members, which you owe an apology
4 to, you owe an apology to the state. So other than that, that's it.

5 **MR. HOLBROOK:** And I do apologize.

6 **CHAIRMAN SKRMETTA:** No, no. You don't owe an apology to me.

7 **MR. HOLBROOK:** I do.

8 **CHAIRMAN SKRMETTA:** No. The only person owes an apology to me don't
9 talk to me no more, so. But I can tell you this, you know, the fact is, it's bad and
10 it's bad medicine for the state, it's bad medicine for SLEMCO, so. All right. That's
11 it. Anybody else or you want to go --

12 **COMMISSIONER LEWIS:** Really quickly Mr. --

13 **COMMISSIONER FRANCIS:** [INAUDIBLE]? All right.

14 **COMMISSIONER LEWIS:** Just -- I have one statement. I want to thank you for
15 meeting with me. I understand the capacity and I'll keep it brief. I disagree with
16 some of the comments, but we can discuss those later.

17 **MS. DOMINGUE:** Thank you.

18 **CHAIRMAN SKRMETTA:** Commissioner Francis?

19 **COMMISSIONER FRANCIS:** To SLEMCO, I'll say this, that majority of this
20 Public Service Commission is very pro on AI centers. We're very proud of where
21 we're at so far. And a statement like that is -- it's negative [INAUDIBLE] trying
22 to promote AI centers. Do y'all understand that? How I feel about it? Can you fix

1 that? Would you try to fix it? It's not a true statement. It is not a true statement in
2 my opinion. And so, now you know how I feel about it, huh?

3 **MS. BOWMAN:** Commissioner, the mic.

4 **CHAIRMAN SKRMETTA:** You've got to use your microphone. Sorry, sir.

5 **COMMISSIONER FRANCIS:** Sorry. Did y'all -- could y'all not hear what I just
6 said? Okay. All right.

7 **CHAIRMAN SKRMETTA:** All right. You're done?

8 **COMMISSIONER FRANCIS:** I'm through.

9 **CHAIRMAN SKRMETTA:** Done?

10 **MS. DOMINGUE:** Thank you.

11 **CHAIRMAN SKRMETTA:** Chair moves to adjourn.

12 **COMMISSIONER LEWIS:** Second.

13 **CHAIRMAN SKRMETTA:** Matter of second. Any objection? [NONE
14 HEARD] Meeting is adjourned. Thank you very much. Y'all go eat lunch.

15

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

17

1 I certify that the foregoing pages 1 through 189 are true and correct to the best
2 of my knowledge of the Open Session of the Business and Executive Meeting
3 held on February 25, 2026 in Baton Rouge, Louisiana.

4 *****

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