

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON JANUARY 24, 2024 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN MIKE FRANCIS, VICE CHAIRMAN DAVANTE LEWIS, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER ERIC SKRMETTA, AND COMMISSIONER CRAIG GREENE.**

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<b>Exhibit</b>	<b>Docket</b>	<b>Description</b>	<b>Page</b>
<b>1</b>		<b>Announcements</b>	<b>1 - 4</b>
<b>2</b>	<b>Undocketed</b>	<b>Election of 2024 Chairman</b>	<b>5</b>
<b>3</b>	<b>Undocketed</b>	<b>Election of 2024 Vice Chairman</b>	<b>6</b>
<b>4</b>	<b>Undocketed</b>	<b>Election of OMS Representation for 2024</b>	<b>6 - 7</b>
<b>5</b>	<b>Undocketed</b>	<b>Election of ERSC Representative for 2024</b>	<b>7</b>
<b>6</b>	<b>Undocketed</b>	<b>Election of SPP Representation for 2024</b>	<b>7</b>
<b>7</b>	<b>T-36703</b>	<b>LPSC vs. Cooyon Duhon's Moving Company</b>	<b>94 - 96</b>
<b>8</b>	<b>T-36843</b>	<b>LPSC vs. 3B Group Corporation dba Que Huong Bus</b>	<b>96 - 97</b>
<b>9</b>	<b>T-36976</b>	<b>LPSC vs. CM Movers LLC</b>	<b>97 - 98</b>

10	R-31106	Louisiana Public Service Commission, ex parte. In re: Discussion and possible vote to retain an engineer for District I.	99 - 100
11	R-31106	Louisiana Public Service Commission, ex parte. In re: Discussion and possible vote to retain an engineer for District III.	100
12	R-31106	Louisiana Public Service Commission, ex parte. In re: Discussion and possible vote to retain an engineer for District IV.	100 - 101
13	R-31106	Louisiana Public Service Commission, ex parte. In re: Discussion and possible vote on Final Phase II Rules.	7 - 94
14	R-35394 R-36226 R-36227 U-36625	Louisiana Public Service Commission, ex parte.  Louisiana Public Service Commission, ex parte.  Louisiana Public Service Commission, ex parte.  Entergy Louisiana, LLC  In re: Directive regarding sequential steps for a more resilient Louisiana.	Deferred
15	R-36832	Louisiana Public Service Commission, ex parte. In re: Discussion and possible vote to retain E9 Insight.	101 - 111
16	S-36813	F. A. S. Environmental Services, LLC	111 - 112
17	U-36552	Claiborne Electric Cooperative, Inc.	112 - 121

18	U-36604	National Water Infrastructure, LLC	122
19	U-36685	Entergy Louisiana, LLC	122 - 123
20	U-36686	Louisiana Water Company, Inc.	123- 124
21	U-36716	Greater Ouachita Water Company	124 - 125
22	U-36718	Louisiana Public Service Commission, ex parte. In re: Discussion and possible vote on Joint Report and Draft Order.	125 - 126
23	U-37067	Louisiana Public Service Commission, ex parte. In re: Discussion and possible vote to retain United Professionals Company.	126
24		1) Reports 2) Resolutions 3) Discussions 4) ERSC/OMS business 5) Directives	127
25	S-36990	Cleco Power LLC	127 - 128
26	U-36190	Entergy Louisiana, LLC	128 - 129

1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**  
2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON JANUARY 24,**  
3 **2024 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN**  
4 **MIKE FRANCIS, VICE CHAIRMAN DAVANTE LEWIS,**  
5 **COMMISSIONER FOSTER CAMPBELL, COMMISSIONER ERIC**  
6 **SKRMETTA, AND COMMISSIONER CRAIG GREENE.**

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7 **CHAIRMAN FOSTER CAMPBELL:** I wish I could do my kids at home like  
8 that. That doesn't work. Thank you. As you can tell, it is really raining outside.  
9 And so my book is full of water, and I'll do the best I can do with it. Okay. The  
10 announcements.

11 **EXECUTIVE SECRETARY BRANDON FREY:** Are we doing the prayer and  
12 pledge first or?

13 **CHAIRMAN CAMPBELL:** What?

14 **SECRETARY FREY:** Prayer and pledge.

15 **CHAIRMAN CAMPBELL:** Oh, yeah, yeah. Excuse me, Brandon. I forgot all  
16 about it. Mr. Francis, you lead us in the pledge -- or the prayer first.

17 **[VICE CHAIRMAN MIKE FRANCIS LEADS IN PRAYER]**

18 **[COMMISSIONER CRAIG GREENE LEADS IN THE PLEDGE]**

19 **SECRETARY FREY:** Good morning, Commissioners. I think Kathryn has an  
20 announcement about we have, I think, a couple of dockets or at least one that's  
21 going to be deferred.

22 **CHAIRMAN CAMPBELL:** Okay.

1 **MS. KATHRYN BOWMAN:** We do. We have Exhibit 14 is being deferred  
2 today, and then under Exhibit 24, the discussion is being deferred today as well.  
3 And I believe we're moving Exhibit 13 up to the front after we handle the elections  
4 of officers this year.

5 **COMMISSIONER CRAIG GREENE:** That's great.

6 **CHAIRMAN CAMPBELL:** You have a question?

7 **COMMISSIONER GREENE:** No. Davante has an announcement.

8 **CHAIRMAN CAMPBELL:** You have something to say?

9 **COMMISSIONER DAVANTE LEWIS:** Yes, sir.

10 **CHAIRMAN CAMPBELL:** Thank you. I can't hear real well.

11 **COMMISSIONER LEWIS:** [INAUDIBLE]

12 **MS. BOWMAN:** No, you're not. Make sure the microphone is on. Foster, is his  
13 mic on?

14 **CHAIRMAN CAMPBELL:** Just a second. I'll make sure it is. It is.

15 **COMMISSIONER LEWIS:** All righty. There we go.

16 **CHAIRMAN CAMPBELL:** Is it?

17 **COMMISSIONER LEWIS:** Yes, sir. Thank you, Mr. Chairman. I just have a  
18 few announcements about the staff in District III that I wanted to make. First, I  
19 wanted to give a special recognition and thank Jared Reese who has been serving  
20 as the consumer specialist for the past year under my office, but previously served  
21 under Commissioner Boissiere as his technical assistant. Jared will be departing  
22 our office at the end of this week, and he has served tirelessly to me and to  
23 Commissioner Boissiere and to this Commission. So I wanted to make sure that

1 we went on the record to thank him for his years of service to this body and to this  
2 Commission as well as wish him, his wife, his little baby the best in his new  
3 endeavors and we hope that we cross paths with Jared once again. So Jared, I just  
4 wanted to thank you for your service to my office and for your service here at the  
5 Commission. Mr. Chairman, I also would like to ask that the Commission keep in  
6 special prayer my chief of staff and executive assistant, Charlotte. As many of you  
7 know, Charlotte has been pregnant and has gone into labor a little bit early, about  
8 seven weeks early at this point. She's currently in the hospital and expects delivery  
9 probably by the end of the week. So she -- I know she's watching, so we just  
10 wanted to say, Charlotte, I love you, we are praying for you, hope everything is safe  
11 with your delivery of Baby Landry and we can't wait to welcome you and Baby  
12 Landry back to the Commission hopefully in a few weeks. So I just wanted to have  
13 everyone just uplift Charlotte and her family in prayer as they go through this  
14 delivery. And last, I would like to introduce and welcome a new member of our  
15 staff, my enforcement agent, Cedric Anderson, Jr. Cedric is currently a 3L student  
16 at Southern Law. He formerly was a Congressional Black Caucus Institute intern  
17 and worked, actually, at Entergy in their headquarters and recently joined our staff  
18 about a month ago, so I wanted to formally recognize him and welcome him to the  
19 District III Office and to the Louisiana Public Service Commission. Thank you,  
20 Mr. Chairman.

21 **CHAIRMAN CAMPBELL:** Mr. Francis. Okay. I'm going to hit everybody's  
22 mic.

1 **VICE CHAIRMAN MIKE FRANCIS:** Thank you. Thank you, Mr. Chairman.  
2 I also have a staff change. First, I want to compliment and congratulate the patriotic  
3 work of Janice Perkins, was head of my staff, chief of staff, 24 years on the Public  
4 Service Commission Staff, served under five different Commissioners and she's --  
5 she's going to be sorely missed. But we prayed and God sent us a great  
6 replacement, a man -- Eric Duplechain. Eric, stand up, please. All right. There  
7 you go. Eric is -- he comes to us with 20 years of experience working for the state  
8 of Louisiana. He's probably given a speeding ticket to two or three of you. Eric  
9 was the captain of the State Police in Lafayette, and I think he's going to make a  
10 great assistant for our District IV. Thank you, Eric. Thank you, Mr. Chairman.  
11 **CHAIRMAN CAMPBELL:** Anybody else have anything to say?  
12 **SECRETARY FREY:** I have one Staff one. If you notice, there's a young lady  
13 sitting next to Kathryn. Emma Bonney is a third year at St. Joseph's Academy.  
14 She's shadowing me today. This is their day of shadowing, so she picked a good  
15 one. But Emma is not alone. I understand there are quite a few other St. Joseph  
16 students who are shadowing others here today. So I'd ask you all to stand, including  
17 you, Emma, so we can recognize you.  
18 **CHAIRMAN CAMPBELL:** Mr. Skrmetta.  
19 **COMMISSIONER ERIC SKRMETTA:** And a belated birthday greetings to our  
20 Executive Secretary Brandon Frey, who doesn't look a day over 78.  
21 Congratulations.  
22 **SECRETARY FREY:** Thank you for that.

1 **CHAIRMAN CAMPBELL:** We're going to take Energy Efficiency Number 1,  
2 take it first. It's a lot of people here that would like to --

3 **MS. BOWMAN:** Yes, sir. We're going to do the election of officers first and run  
4 through that.

5 **CHAIRMAN CAMPBELL:** Okay.

6 **MS. BOWMAN:** And then Energy Efficiency will be the first up after that. So  
7 moving on to Exhibit Number 2 is the election of the 2024 Chair of the Public  
8 Service Commission.

9 **COMMISSIONER GREENE:** I'd like to make a motion to nominate  
10 Commissioner Mike Francis as Chairman.

11 **COMMISSIONER SKRMETTA:** Second.

12 **COMMISSIONER GREENE:** And do we do it separately? I'd like to --

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

14 **COMMISSIONER GREENE:** Okay.

15 **SECRETARY FREY:** Yeah, we should [INAUDIBLE], yeah.

16 **MS. BOWMAN:** So motion by Commissioner Greene and seconded by  
17 Commissioner Skrmetta to nominate Commissioner Francis as Chair for 2024?

18 **COMMISSIONER GREENE:** Yes.

19 **CHAIRMAN CAMPBELL:** No objection? [NONE HEARD] Hearing none.

20 **CHAIRMAN FRANCIS:** Well, thank you. Thank you all for another opportunity  
21 to serve in 2024, and I want to thank Commissioner Campbell for a great year in  
22 2023. Thank you very much for your service.



1     **COMMISSIONER GREENE:** I want to echo that. Commissioner Campbell and  
2 I go way back. And I might get a little choked up on this because he worked with  
3 my dad, and dad's getting close, so. But I think my dad did a good job of let's just  
4 tackle issues together and it's never about a personal attack. And I think that we're  
5 up here, we should remind ourselves of that. And so I appreciate your leadership  
6 and being able to work with you. Thanks for a good job.

7     **CHAIRMAN FRANCIS:** Okay. The floor is open for the nomination for Vice  
8 Chairman. Are there any nominations?

9     **COMMISSIONER GREENE:** I nominate Commissioner Davante.

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

11    **CHAIRMAN FRANCIS:** Commissioner Greene nominates Commissioner Lewis  
12 for Vice Chairman, seconded by Commissioner Campbell. Are there any  
13 objections to that? [NONE HEARD] Hearing none. Congratulations,  
14 Commissioner Lewis, Vice Chairman. The floor is open for election of  
15 representative for the OMS, Organization of MISO States, and I'd like to nominate  
16 Commissioner Skrmetta.

17    **COMMISSIONER GREENE:** Yeah. I'd like to second that. I think  
18 Commissioner Skrmetta's got a lot of intelligence in this area. Sometimes he may  
19 be outside of the box and we may or may not agree with it, but it's -- his mind is  
20 needed there and we need him there. And so if you would consider it, that would  
21 be great.

22    **CHAIRMAN FRANCIS:** Okay. We have a nomination by the Chairman and a  
23 second by Commissioner Greene for Eric Skrmetta. Are there any other discussions

1 or any objections to this nomination? [NONE HEARD] Sounds like it's  
2 unanimous. Congratulations, Commissioner Skrmetta.

3 **COMMISSIONER SKRMETTA:** Thank you.

4 **CHAIRMAN FRANCIS:** Okay. The floor is open for ERSC Representative. Do  
5 I have any nominations? I'd like to -- the Chairman would like to nominate  
6 Commissioner Craig Greene for this position at ERSC.

7 **VICE CHAIRMAN LEWIS:** I'll second.

8 **CHAIRMAN FRANCIS:** Seconded my Commissioner Lewis. Are there any  
9 discussions or any comments? [NONE HEARD] Any objections? [NONE  
10 HEARD] Looks like it's unanimous and congratulations, Commissioner Greene.

11 **COMMISSIONER GREENE:** Thank you.

12 **CHAIRMAN FRANCIS:** The floor is open for election for SPP Representative,  
13 Southwest Power Pool. Are there any nominations?

14 **COMMISSIONER GREENE:** I'd like to nominate Commissioner Francis, our  
15 Chairman, for the SPP Representative.

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

17 **CHAIRMAN FRANCIS:** Commissioner Greene nominates Chairman Francis,  
18 seconded by Commissioner Campbell. Are there any discussions? [NONE  
19 HEARD] Any objections? [NONE HEARD] Well, thank you all for that honor,  
20 and we'll be glad to serve again at SPP. Thank you. Okay. I think we're going to  
21 turn it over to Ms. Kathryn Bowman.

22 **MS. BOWMAN:** Yes, sir. So we are moving to Exhibit Number 13, which is  
23 Docket Number R-31106. It's the Commission's rulemaking to study the possible

1 development of financial incentives for the promotion of energy efficiency by  
2 jurisdictional electric and gas utilities. It's a discussion and possible vote on Final  
3 Phase II Rules, and it was Exhibit 3 last month. This docket has had a lengthy  
4 history spanning 13 years. It was initiated by publication in the Commission's  
5 Official Bulletin with numerous parties intervening and several requesting  
6 interested party status. After several years of collaboration, the Commission  
7 approved a voluntary energy efficiency program in September of 2013, known as  
8 the Quick Start program, which included a two-phased implementation approach.  
9 From approximately November of 2013 until October of 2014, Staff and investor-  
10 owned utilities and interested parties worked through various components of the  
11 Quick Start implementation, including approval of program design, rate riders, as  
12 well as an LCFC recovery mechanism. The IOUs began implementation of energy  
13 efficiency within their respective territories and have complied with the  
14 Commission's Quick Start Order throughout the years. On November 3, 2016,  
15 Staff filed notice of Phase II Rulemaking, which was published in the  
16 Commission's Official Bulletin to allow for additional intervention. At the May  
17 17, 2023 B&E, the Commission approved a directive that directed Staff to publish  
18 proposed Phase II Rules no later than May 26, 2023 that contemplated the creation  
19 of a Commission-led statewide energy efficiency program. The directive also had  
20 a goal of approving Phase II Rules no later than the October 2023, the B&E. Since  
21 initiating those Phase II Rules, Staff has conducted two technical conferences and  
22 has issued five drafts of Phase II Rules. And since that directive, Staff has worked  
23 through numerous rounds of comments from a diverse group of stakeholders, and

1 filed the Final Phase II Rules on December 1, 2023. The Phase II Rules are based  
2 on a statewide administrative model but focuses on minimizing the amount of  
3 administrator oversight that traditional third-party administrative models typically  
4 include. Further, the Phase II Rule attempt to limit costs that customers pay, and  
5 while allowing utilities to recover direct costs incurred and a component of LCFC,  
6 the Phase II Rules do not allow for utility incentives. The proposed recovery of  
7 LCFC is limited to those losses that directly impact the utility's earnings bandwidth,  
8 and allows for recovery only after a true-up at the end of the program year cycle.  
9 Staff recommends that the Commission adopt the Final Phase II Rules filed into the  
10 record on December 1, 2023. And I have a motion by Commissioner Greene.

11 **COMMISSIONER GREENE:** Yes. Can you please read it?

12 **MS. BOWMAN:** I move that we accept Staff's recommendation and adopt the  
13 Final Phase II Rules filed December 1, 2023 with Section F(4), the utility cost  
14 recovery, removed and replaced with the following: Utilities are allowed to recover  
15 their direct costs in facilitating the collection and retention of the EER through the  
16 utility's normal O&M recovery mechanism. Because Commission jurisdictional  
17 utilities predominantly utilize a formula rate plan that accounts for yearly  
18 underearnings, should they exist, and for those jurisdictional utilities not currently  
19 on an FRP similarly can seek rate treatment to account for any underearning year  
20 over year. Participating utilities would not be allowed recovery of any alleged loss  
21 contribution to fixed costs due to implementation of the Commission's energy  
22 efficiency program. Any underearnings of a utility would be addressed holistically  
23 in their respective FRP or alternative yearly ratemaking process. Furthermore,

1 nothing in this rule prohibits a utility from voluntarily implementing their own  
2 energy efficiency program for their customers. Such programs would be  
3 supplemental to the Commission's energy efficiency program and is not  
4 mandatory. Should a utility implement their own utility energy efficiency program,  
5 they may seek administrative and other program costs through normal ratemaking  
6 processes. This type of program would not be in lieu of the energy efficiency  
7 program designed herein.

8 **COMMISSIONER GREENE:** A motion to accept my motion.

9 **VICE CHAIRMAN LEWIS:** I do have a further motion that I would like to read  
10 in, if that's okay with Commissioner Greene.

11 **COMMISSIONER SKRMETTA:** Before you read Commissioner Lewis', I just  
12 want to offer opposition to the motion.

13 **COMMISSIONER GREENE:** And as such, I think I need a second for mine  
14 [INAUDIBLE] --

15 **COMMISSIONER SKRMETTA:** Yeah, I think so, too.

16 **MS. BOWMAN:** You do.

17 **VICE CHAIRMAN LEWIS:** Well, I'll second Commissioner Greene's.

18 **COMMISSIONER GREENE:** So now that we have that, do we vote on that prior  
19 to hearing to hearing his subsequent motion?

20 **COMMISSIONER SKRMETTA:** Actually, he does the substitute first and then  
21 vote.

1 **MS. BOWMAN:** I don't know if you -- Commissioner Lewis, are you looking to  
2 substitute Commissioner Greene's or are you looking to possibly [INAUDIBLE] -  
3 -  
4 **VICE CHAIRMAN LEWIS:** Mine is a completely different motion.  
5 **COMMISSIONER GREENE:** So then I think that would mean that we vote on  
6 this and then take his motion up.  
7 **VICE CHAIRMAN LEWIS:** That's fine with me.  
8 **COMMISSIONER GREENE:** Is that right?  
9 **VICE CHAIRMAN LEWIS:** That's good with me.  
10 **COMMISSIONER GREENE:** Is that Robert's Rules though, correct?  
11 **COMMISSIONER SKRMETTA:** I don't think that's the way --  
12 **MS. BOWMAN:** Yeah, well --  
13 **COMMISSIONER SKRMETTA:** If it's a different motion entirely outside the  
14 scope of the agenda item, then it could be --  
15 **SECRETARY FREY:** Yeah, so that would --  
16 **COMMISSIONER SKRMETTA:** -- subject to the next month if it's not part of  
17 this, but if it's part of this particular motion associated with the issue at hand, then  
18 it's either a substitute motion that needs to be taken first. So might have to look at  
19 it that way.  
20 **VICE CHAIRMAN LEWIS:** I hear that, and I think since mine is on a completely  
21 different topic, it's additional amendment which, therefore, means it could be taken  
22 up in procedure. But if we want to combine since you were good with mine, I'm  
23 fine.

1 **COMMISSIONER SKRMETTA:** Yeah. Because if it's a different subject and  
2 a different topic then it might be a problem under the Commission rules that has to  
3 be taken up at a -- but it would have to be then done by unanimous consent to be  
4 brought up.

5 **COMMISSIONER GREENE:** Well, in that case, I think what we should do is  
6 add his to mine.

7 **MS. BOWMAN:** Yeah. We can make it --

8 **COMMISSIONER GREENE:** Combined.

9 **MS. BOWMAN:** -- joint [INAUDIBLE] --

10 **COMMISSIONER GREENE:** One motion.

11 **COMMISSIONER SKRMETTA:** Then you'd have to have a vote to amend.

12 **SECRETARY FREY:** Yeah, so if Commissioner Lewis wants to read out his and  
13 if you want to accept those as modifications to your motion, then that will be the  
14 motion on the table.

15 **COMMISSIONER GREENE:** So just tell us what to do. He'll read it  
16 [INAUDIBLE] --

17 **VICE CHAIRMAN LEWIS:** I'll motion --

18 **SECRETARY FREY:** Then you'll accept those. If you're good with  
19 [INAUDIBLE] --

20 **COMMISSIONER GREENE:** Okay.

21 **SECRETARY FREY:** -- original motion and restate your original motion.

22 **COMMISSIONER SKRMETTA:** That's correct.

1 **VICE CHAIRMAN LEWIS:** So thank you. Commissioner Greene, I would like  
2 to move that we accept Staff's recommendation and adopt the final Phase II Rules  
3 filed December 1, 2023 with Section III.E.2 revised as follows: The EE  
4 Administrator shall ensure that 15 percent of budget spending is allocated to low-  
5 income residents as defined in the Phase II Rules. Where possible, the EE  
6 Administrator may target projects implementation/spending neighborhood-wide if  
7 a specific area is shown to have over 50 percent income-qualifying customers and  
8 the EE Administrator can identify a need for the EE projects. Measures and/or  
9 programs specifically designed for low-income customers are not required to  
10 separately pass cost-effectiveness screening, but the portfolio of all programs must  
11 be cost as -- as a whole. And the EE Administrator shall also ensure that at least  
12 10 percent of budget spending is allocated to rental properties. In program design,  
13 the administrator shall consider how best to protect renters in billing arrangements  
14 and to facilitate project execution in low-income residencies, such as apartment  
15 buildings and multi dwellings in particular.

16 **COMMISSIONER SKRMETTA:** Point of order question. Is this subject to  
17 review and vote by the Commission for approval or is this something that an  
18 administrator would have full authority to do without Commission approval?

19 **VICE CHAIRMAN LEWIS:** The Commission would be voting at this point to  
20 put it in the rules so we would be giving it authority.

21 **COMMISSIONER SKRMETTA:** So the Commission would not have authority  
22 at any future point over the actions of the administrator?



1 **COMMISSIONER GREENE:** Wouldn't it be under the third party  
2 administrator?

3 **VICE CHAIRMAN LEWIS:** It would be under the third party administrator, the  
4 same way that all of the procedures would be reviewed by the Commission. So all  
5 this amendment does is allocate 25 percent of the budget spending to low-income  
6 customers and rental properties.

7 **COMMISSIONER SKRMETTA:** But what you're saying is, and just trying to  
8 clarify, that -- and I'm trying to review because I don't have -- the problem I have  
9 is I neither received a copy of your --

10 **VICE CHAIRMAN LEWIS:** You received this yesterday. My staff emailed this  
11 to you.

12 **COMMISSIONER SKRMETTA:** Let me finish my statement, please,  
13 Commissioner. I did not receive a copy of Commissioner Greene's motion. I did  
14 receive a copy of yours. But what I'm saying is that your motion is overbroad and  
15 nonspecific about the topics other than a general statement as to -- general statement  
16 as to what the concept of what that 15 percent would be. And under the general  
17 idea of what the budget proposal would be, would be somewhere around -- I think  
18 somewhere around \$15 million for landlords and somewhere around \$27 million to  
19 low-income area projects with nonspecific statements as to what these projects are,  
20 what they would be, and now what you're saying is that the administrator would  
21 have the authority to make determination of what that spend would be on and not  
22 the Commission. And I just wanted to clarify that that's what you're saying.

23 **VICE CHAIRMAN LEWIS:** Well, that's not what I'm saying.

1 **COMMISSIONER GREENE:** Can I ask a --

2 **VICE CHAIRMAN LEWIS:** That's also incorrect. What this does is just a  
3 simple budget allocation. We still have to review an RFP from the administrator,  
4 we still have multiple other decisions. All that my motion and amendment does is  
5 that, say, when we create the budget and the administrator presents the budget, that  
6 25 percent of that budget allocation should include 15 percent to low-income  
7 customers and 10 percent to renters. We still have authority. I mean, now, if you  
8 don't want to support low-income --

9 **COMMISSIONER SKRMETTA:** No, no. Don't --

10 **VICE CHAIRMAN LEWIS:** -- customers or renters, that's on you but that's why  
11 my motion's on the table.

12 **COMMISSIONER SKRMETTA:** You can -- you can read whatever you want  
13 into it, but my question -- I'm going to ask the -- Ms. Bowman. Read back the  
14 content of the motion expressly regarding the issue associated with the authority of  
15 the administrator associated in this motion.

16 **MS. BOWMAN:** The administrator shall ensure that at least 15 percent of the  
17 budget is allocated to low-income residents. Is that what you're indicating?

18 **COMMISSIONER SKRMETTA:** Exactly as Commissioner Lewis read it into  
19 the record.

20 **MS. BOWMAN:** So that's sentence one. Sentence two is: Where possible, the  
21 EE administrator may target project implementation and spending neighborhood-  
22 wide if a specific area is shown to have over 50 percent income-qualifying  
23 customers and the EE administer can identify a need for EE projects.

1 **COMMISSIONER SKRMETTA:** So yeah. Because my question is: The  
2 administrator is to administrate. The Commission is to identify programs and  
3 projects. So the administrator is to -- from my understanding, the administrator and  
4 the manager and the concept under this yet-to-be-determined program is to review,  
5 and as Foster has put it, to grade report cards. But all authority over all projects  
6 and all issues associated with this program are to be determined by the Commission,  
7 Commission's vote because the Commission is the only one who is going to make  
8 determining factors associated with how money is placed. We're not going to put  
9 authority over money into the hands of third parties. That has been my  
10 understanding throughout the entire discussion of this process with you --

11 **MS. BOWMAN:** Correct.

12 **COMMISSIONER SKRMETTA:** -- as Staff counsel. Am I correct in that?

13 **MS. BOWMAN:** You are correct in that, Commissioner. And I do not want to  
14 put words into Commissioner Lewis' --

15 **COMMISSIONER SKRMETTA:** I'm not asking you to put words in his mouth.  
16 I'm asking you because I want to make sure that what we are talking about is  
17 maintaining the plenary authority of the Commission that the administrator is  
18 simply there to administrate. It is not there to identify. That is the -- that's the  
19 purpose of the Commission in their elected positions is to identify, discuss, direct  
20 the administrator to go and do the job. It's the same thing under the public entities  
21 portion of this program, is the Commissioners identify and tell the administrator  
22 what to do. We are not granting authority to an administrator or a public manager  
23 to go forth and identify and allocate. That's the authority of the Commission to do.

1 So they're there to, like Foster said, grade the report card that they -- that the project  
2 itself accomplished the task. And I think I'm in the adequate understanding of what  
3 this is supposed to do. Am I off base on this?

4 **MS. BOWMAN:** You are right. There's two components. The grading of the  
5 report cards comes with the EM&B contractor who ensures that the programs that  
6 were implemented, were implemented and do have savings targets. You are  
7 correct, also, the Commission retains its plenary authority over this third party  
8 administrator and over energy efficiency programs. If this passes and if we hire an  
9 administrator, they are to meet with each one of you and determine where the goals  
10 are and what programs should be implemented.

11 **COMMISSIONER SKRMETTA:** That's not what this amendment does. This  
12 amendment vitiates that authority over these particular types of problems. And the  
13 problem is, it grants the authority to the administrator to select, identify, allocate  
14 certain funds that should be limited to the Commission's authority to grant, allocate.  
15 So if this Commission determines that a portion of north Baton Rouge deserves to  
16 have certain activities done and we identify projects that need to be [INAUDIBLE]  
17 we vote on it, that's fine. If we identify areas of Rapides, Caddo, Ouachita,  
18 Jefferson, wherever it needs to go, then we do it. It's not the authority of an  
19 administrator to identify and allocate funds. It's the authority of the Commission  
20 to identify and allocate funds. Now, if the administrator, as part of this, is to identify  
21 potential projects and present them to the Commission for a vote to make a  
22 determinative element what needs to be done, then the Commission votes on it,  
23 that's one thing. But not for them to do it and then show up, this is what we did

1 and, you know, congratulations, that's what we did, if that's not what the  
2 Commission wanted to do in the first place. We are not here to turn over elected,  
3 constitutional authority to a third party contractor whose not in that authority. You  
4 know, the unelected government is not part of what we're here to do. So, you know,  
5 that's what this seems on this motion to do is to create a third-party, unelected  
6 authority to handle money that they don't have any legal authority to do unless  
7 we're looking here to grant it. And it's not what it should be. So it should be that  
8 this motion should be here to say that the administrator will review projects and  
9 present them to the Commission for a vote. And that's what my concerns are about  
10 this particular motion, not that it creates a potential for helping low-income families  
11 or low-income areas. That's one thing. The issue about the helping landlords with  
12 10 percent I think is bad medicine because all we're going to do is create a potential  
13 cause for, you know, helping landlords and landlords are heartless people and they  
14 will take and get helped and then they're going to turn around and they're going to  
15 hurt their tenants by raising rents because it's just the nature of that beast. Okay.  
16 They're going to create better facilities and they're going to say well, we deserve  
17 more money. And there's been some discussion over Blackrock and Vanguard  
18 taking advantages of these programs to -- as they move into low-income housing to  
19 take advantage of these programs to create mechanisms to access government  
20 money and then take advantage of the public through it. So I don't want to see the  
21 general public in Louisiana funding these resources for people who are landlords  
22 who don't need the money to create these successful transitions to energy  
23 efficiency. If we want to help people in communities, I think the first part of his

1 motion is correct, but I do think the second part is questionable. But I do really  
2 concern myself over an administrator's authority to identify, create, and fund when  
3 that's not their purpose under the entire previous element of the energy efficiency  
4 program, which is for them to come to the Commission and get approved for how  
5 much money that they're allowed to, you know, come and say -- that the  
6 Commission gets to say well, we want to do it, we don't want to do it, and then we  
7 vote on it. That's my problem with this.

8 **COMMISSIONER GREENE:** Mr. Chairman, all this was my starting and I just  
9 want to make sure with all the language that we have, it's my understanding that  
10 the Commission will still have oversight and authority over the third party  
11 administrator.

12 **MS. BOWMAN:** That is correct.

13 **COMMISSIONER GREENE:** Okay. That's all I needed to know.

14 **COMMISSIONER SKRMETTA:** Yeah, but not the way this is written.

15 **COMMISSIONER GREENE:** I just asked that question.

16 **COMMISSIONER SKRMETTA:** I understand. But we -- you asked a --

17 **COMMISSIONER GREENE:** You probably see it differently, but that's fine.

18 **COMMISSIONER SKRMETTA:** Well, but you asked a question, do we have  
19 oversight over the administrator? Yes, we do, but this motion is giving the  
20 administrator specific authority over this outside the original authority that we have  
21 over the administrator.

1 **COMMISSIONER GREENE:** I understand that's the way you think it is, but I  
2 just asked that question for clarification so we're probably not going to come to an  
3 agreement on it.

4 **COMMISSIONER SKRMETTA:** It's -- you've asked a very broad question and  
5 I'm just saying is, it's not what you think it is, and I'm concerned about it for the  
6 general authority of the Commission to do this. Because I do think it creates a cloud  
7 over -- a questionable authority of the Commission over this administrator. I think  
8 it's clarified by just changing the motion to say that the Commission retains full  
9 authority over the projects instead of saying that the administrator identifies and  
10 authorizes. That's the issue.

11 **COMMISSIONER GREENE:** So perhaps -- Commissioner Lewis if we added  
12 somewhere at the end --

13 **VICE CHAIRMAN LEWIS:** I would object to that. I think it's unnecessary. I  
14 think the Commissioner's point is he doesn't like an administrator, which is  
15 perfectly fine, vote against the rule. But as you mentioned and as we clarified, we  
16 still have authority. So these argumentations are, in my view, against the  
17 underlying rule, which we haven't gotten to that debate yet and we can, more than  
18 it is. I mean, I heard a long filibuster of nothing that was substantively in the rule,  
19 and so I would not allow that amendment and I would object to it if we wanted to  
20 include it.

21 **CHAIRMAN FRANCIS:** Would the Commissioners accept moving this over to  
22 the February meeting so we could clear this up, this new addition? Would the  
23 Commissioners agree to do that?

1 **VICE CHAIRMAN LEWIS:** No.

2 **CHAIRMAN FRANCIS:** Okay.

3 **VICE CHAIRMAN LEWIS:** There are people here. We have pushed this off for  
4 too long.

5 **CHAIRMAN FRANCIS:** No, we can still --

6 **VICE CHAIRMAN LEWIS:** I think we should do what the public what the  
7 public has been waiting for us to do a long time and take a vote.

8 **CHAIRMAN FRANCIS:** I think we could have the [INAUDIBLE].

9 **COMMISSIONER SKRMETTA:** And I would like to just point out one thing.  
10 Commissioner Lewis, when did you submit your motions?

11 **VICE CHAIRMAN LEWIS:** I wrote this motion for December and we --

12 **COMMISSIONER SKRMETTA:** No, no. When did you submit them to the  
13 Commissioners?

14 **VICE CHAIRMAN LEWIS:** We emailed them two days ago.

15 **COMMISSIONER SKRMETTA:** Right. So two days ago --

16 **VICE CHAIRMAN LEWIS:** That's a lot earlier than you have ever emailed  
17 motions, so let's not go there. If you want to go there --

18 **COMMISSIONER SKRMETTA:** Well, you can go there --

19 **VICE CHAIRMAN LEWIS:** -- Commissioner, I will go right there with you.

20 **CHAIRMAN FRANCIS:** Let me ask Chairman --

21 **COMMISSIONER SKRMETTA:** You know, that's a nice comment but I didn't  
22 send anything.

23 **CHAIRMAN FRANCIS:** As the Chairman, let me ask Mr. Colby --



1 **VICE CHAIRMAN LEWIS:** You don't send anything to us, so let's --

2 **VICE CHAIRMAN LEWIS:** Let's not talk about that.

3 **CHAIRMAN FRANCIS:** -- what's the proper --

4 **COMMISSIONER SKRMETTA:** Well, let's talk about two -- two days advance

5 notice of a complicated issue, you know --

6 **VICE CHAIRMAN LEWIS:** It's better than no notice like you do.

7 **COMMISSIONER SKRMETTA:** Well, you know, when was that just so I

8 know? If you want to just make statements --

9 **CHAIRMAN FRANCIS:** Okay.

10 **COMMISSIONER SKRMETTA:** -- go ahead and make good statements with

11 clarity.

12 **CHAIRMAN FRANCIS:** Come to order here.

13 **COMMISSIONER SKRMETTA:** You know, because be specific like I'm trying

14 to specific.

15 **CHAIRMAN FRANCIS:** Okay.

16 **COMMISSIONER SKRMETTA:** Because you're saying something that's not

17 true and we're talking about this.

18 **CHAIRMAN FRANCIS:** Okay. Just call the meeting to order. Mr. Colby, what

19 is the proper notice on, you know, on adding to these exhibits that we vote on? I'm

20 not necessarily for or against Commissioner Lewis' language but I or my staff did

21 not see --

22 **SECRETARY FREY:** Yeah. No. It's -- and Colby's whispering about the

23 Roberts Rules component, which is, you know, we've talked in the past, we don't

1 necessarily follow it. We use it as a guide when we -- when our rules are silent. I  
2 think the applicable rule would be if you had an item, let's say energy efficiency  
3 wasn't on the agenda and we decide to vote on it today. Well, then that triggers  
4 open meetings law requirements where you have to provide 24 hours' notice and if  
5 it's not 24 hours' notice, then you have to have unanimous vote to take up an item.  
6 I don't think that's at play here. The item is on the agenda, and the votes are all  
7 centering around that specific item. So I think we're within our rules there. It's up  
8 to you all whether you want to consider things or not, but there's no specific rule  
9 on saying that you have to have the language before or not.

10 **COMMISSIONER SKRMETTA:** I think you're right on the order. I think the  
11 question is it's a big step added to the overall program that we haven't really had a  
12 whole lot of time to discuss, other than acting on a big chunk of difference. You're  
13 asking for, effectively, 25 percent of the program to be allocated off to the  
14 administrator's sole authority under the reading of this. That takes it out of the  
15 overall program. Because, look, in energy efficiency, everybody floats on a rising  
16 tide. Okay. And, you know, we're identifying specific special interests to do this.  
17 And if they want to do it, that's fine, but we ought to be able to look at this and vote  
18 on it at each one instead of having this identify this. And that's why having an  
19 opportunity to meet with counsel, meet with the consultants on specific elements  
20 of this thing is important. Had a chance to meet with the consultant, had a chance  
21 to meet with counsel on the broad overall plan, but absolutely had no chance to  
22 meet with him on these particular additional elements to the overall plan. So, you  
23 know, it's a last minute thing, and I think that in general, I don't have a big problem

1 with the first part of it, other than the issue about how the administrator is cloaked.  
2 I do have a problem with the second one because I don't think we should be trying  
3 to help landlords. I think [INAUDIBLE] --

4 **CHAIRMAN FRANCIS:** The Chair is going to rule that we add this addition to  
5 the document.

6 **VICE CHAIRMAN LEWIS:** Can I ask a Staff question real quick, Mr.  
7 Chairman?

8 **CHAIRMAN FRANCIS:** Okay.

9 **VICE CHAIRMAN LEWIS:** Ms. Bowman, is it not correct that majority of the  
10 comments we received from utilities did mention a carveout for low income? Was  
11 that not the case? Did we not see some of those comments?

12 **MS. BOWMAN:** From my memory, they did agree,

13 **VICE CHAIRMAN LEWIS:** I believe Entergy put that comment in to have a  
14 low-income carveout. I believe SWEPCO did as well, Cleco -- if I'm mistaken on  
15 your company because I just wanted to put in the record that in the comments,  
16 which we also looked, which have been vetted and put on our system. Even the  
17 utilities said they would like to see if we move to a third-party administrator, a  
18 carveout for low-income customers. I just wanted to make sure I didn't just pull  
19 this out of my hat, right? Thank you.

20 **COMMISSIONER SKRMETTA:** I can't -- I don't believe the utilities asked for  
21 a third-party administrators because I'm pretty sure they've all opposed it.

22 **VICE CHAIRMAN LEWIS:** In their comments, if we went there -- they made  
23 comments that if we move to a third-party administrator, we should have a carveout

1 for low income. I -- we can call them to the table and ask them [INAUDIBLE]  
2 comments. But I believe I read that, and if I'm mistaken somebody can step up and  
3 tell me I misread.

4 **COMMISSIONER SKRMETTA:** Well, I'd like to hear from the utilities at the  
5 appropriate time.

6 **CHAIRMAN FRANCIS:** Well, the Chair rules, we're going to bring this before  
7 a vote. And so we have some discussion on the issue.

8 **MS. BOWMAN:** Yes, sir. We have several yellow cards. So before we take a  
9 vote, we do need to go through the individuals who asked to speak.

10 **CHAIRMAN FRANCIS:** Right. Before we vote, we will hear from these.

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

12 **CHAIRMAN FRANCIS:** We're going to limit the time of each one to about two  
13 minutes. Would that be proper?

14 **MS. BOWMAN:** I think that that's reasonable, yes, sir.

15 **CHAIRMAN FRANCIS:** [INAUDIBLE] so would you call up -- we've got two  
16 seats here. You call up the first two.

17 **COMMISSIONER SKRMETTA:** Kathryn, after the public gets a chance to  
18 speak, I'd like to hear from the utilities and also from the consultant.

19 **MS. BOWMAN:** Yes, sir. They all have yellow cards. I was just going to let the  
20 --

21 **COMMISSIONER SKRMETTA:** Okay. I didn't know which one  
22 [INAUDIBLE].

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

1 **SECRETARY FREY:** And want to clarify that, too, just Colby wants to make  
2 sure we have this on the table properly. So we have a motion from Commissioner  
3 Greene as amended by Commissioner Lewis. Commissioner Greene, you accept  
4 those amendments --

5 **COMMISSIONER GREENE:** Yes.

6 **SECRETARY FREY:** -- and you are seconding it? Got it. Okay.

7 **MS. BOWMAN:** Okay. So we have several individuals who would like to speak  
8 on behalf of Together Louisiana. They've all said they would limit to just a couple  
9 of minutes. I'll call up the first four maybe. Ms. Hansen is on there, Ms. Equiella  
10 Ivery, Mr. Daniel Walker, and Mr. Rodney Wallis, I guess, to begin, and then we  
11 can rotate from there. Just for the record, there's a little button the microphone. If  
12 you press that and the light is green, you're hot, and please introduce yourself for  
13 the record before you speak.

14 **MS. ERIN HANSEN:** Good morning. My name is Erin Hansen. I'm here with  
15 Together Louisiana. We have a number of folks here from around the state. We  
16 represent local organizations from every district, so we have selected just a few  
17 people to testify. But I want to just recognize the folks who traveled here today.  
18 So if our leaders from Together Louisiana don't mind just standing up to be  
19 recognized.

20 **COMMISSIONER GREENE:** Thank y'all for being here.

21 **MS. HANSEN:** I want to share with you all some clarity that I think we have  
22 developed around energy efficiency. We looked into why is our energy efficiency  
23 program ranked 46<sup>th</sup> out of 50 states? Why does the independent think tank, the

1 American Counsel for an Energy Efficiency Economy rank our utilities and public  
2 programs sector zero points of 15? When we started looking into it, we realized  
3 that there is a feature of the existing energy efficiency program that is perplexing  
4 at best and damaging at worst. And that feature is that we have put utility  
5 companies who make money from selling electricity in charge of running energy  
6 efficiency programs, which are supposed to reduce energy usage. We're here today  
7 to support the proposed Phase II Energy Efficiency Rules as amended. We want to  
8 thank Commissioner Greene and all the members of the Commission for their  
9 leadership on this issue. So thank you very much. I want to just, by way of  
10 illustrating how important this is to us, draw out the three major consequences that  
11 I see in the existing program that have risen out of the conflict of interest that has  
12 been a key feature of it for the last decade. The first is scale. We think the program  
13 is effective. We think the work that has been done so far is good work. It just  
14 hasn't reached nearly enough people. The existing program served about one-third  
15 of one percent of Louisiana customers in 2022. So the first problem is the scale; it  
16 needs to be bigger. The second problem is something we're calling imaginary  
17 savings. The existing program has never required that the energy savings that they  
18 claim to produce are real. They are based on measurements, best case scenario  
19 models. For instance, if you buy a lightbulb that's subsidized through Quick Start,  
20 the lightbulb is assumed to be plugged in right away and work properly and run for  
21 20 years and be used for 2.17 hours per day. Never mind if that lightbulb actually  
22 got plugged in and used. So we support -- we think the new rule allows for more  
23 concrete measurements of energy savings and cost savings using hourly meter data

1 and we look to tighten that up in the final program. And so imaginary savings, we  
2 think that's a problem. Finally, goes to recovery charges. This is the idea that we  
3 have been compensating utility companies for electricity that they never sold, that  
4 we never used as a result of the energy efficiency program. This has cost Louisiana  
5 ratepayers \$37 million over the last nine years. We support the amendment to  
6 remove ghost recovery charges from the proposed rule. With that, I thank you all  
7 for your attention, for your time, for your care in this. We look forward to working  
8 you all to design a really good energy efficiency program.

9 **CHAIRMAN FRANCIS:** Thank you, Erin. Is there someone else who'd like to  
10 speak?

11 **MS. EQUIELLA IVERY:** Good morning. My name is Equiella Ivery with  
12 Westside Sponsoring Committee and Pointe Coupee United Together. I'm a  
13 customer with Pointe Coupee Electric. Last month my energy bill was \$198. This  
14 month it's \$372. For the last ten years around the state, everyone been able to get  
15 energy efficiency assistance, which my provider did not participate in. I'm asking  
16 you today to please vote yes so I could be also be able to save. Thank you.

17 **CHAIRMAN FRANCIS:** Well, thank you.

18 **COMMISSIONER GREENE:** Can I comment on that, Mr. Chairman?

19 **CHAIRMAN FRANCIS:** Commissioner Greene.

20 **COMMISSIONER GREENE:** So I'm from Maringouin, and I went to False  
21 River.

22 **MS. IVERY:** Okay. And I live in Fordoche.

1 **COMMISSIONER GREENE:** Oh, do you? Yeah. I stayed at the Orillion's all  
2 the time.

3 **MS. IVERY:** Okay.

4 **COMMISSIONER GREENE:** But yeah, help is coming.

5 **MS. IVERY:** Okay. Thank you.

6 **COMMISSIONER GREENE:** And there are several reasons why your bill's high  
7 and we're trying to attack all of it. But this is a very big one.

8 **MS. IVERY:** And I did nothing different.

9 **COMMISSIONER GREENE:** Well, I know you didn't.

10 **MS. IVERY:** Okay. Thank you.

11 **COMMISSIONER GREENE:** But we're trying on multiple fronts to help, so  
12 help's on the way.

13 **MS. IVERY:** Thank you.

14 **COMMISSIONER GREENE:** And thank you for being here. I want to thank all  
15 of Together Louisiana. Because a lot of people come to us with problems without  
16 solutions, and I think the people closest to the problems are the ones that have the  
17 best ideas for solutions. So look at all the work that y'all've done to help come up  
18 with options for leaders, such as us, to enact on, so I want to thank y'all for all your  
19 efforts.

20 **CHAIRMAN FRANCIS:** You're on Entergy or Pointe Coupee?

21 **MS. IVERY:** Pointe Coupee Electric. That's all the --

22 **CHAIRMAN FRANCIS:** You're on Pointe Coupee, yeah.

23 **MS. IVERY:** Pointe Coupee Electric, yes.



1 **CHAIRMAN FRANCIS:** Yes. Okay. All right. Who wants to speak next? Give  
2 us your name.

3 **MR. DANNY WALKER:** Good morning, Commissioners. Thank you for the  
4 opportunity to speak this morning. My name is Danny Walker. I'm a resident of  
5 Benton in north Bossier Parish. I'm the political legislative director for the South  
6 Central Pipe Trades. I represent approximately 3,500 union plumbers, pipefitters,  
7 welders, and air conditioner technicians in our state. I'm here this morning in  
8 support of the proposal to expand the energy efficiency program. Expansion of this  
9 program would mean not only work for our members but could afford the  
10 opportunity to train new trade workers for Louisiana. In the past couple of years,  
11 extreme weather events have become more frequent. Thousands of Louisiana  
12 residents have just experienced an extreme cold weather event. Expansion of the  
13 energy efficiency program to include a weatherization program that was targeted at  
14 residential homes, especially for those individuals who currently do not have the  
15 means or access to such a program, could potentially minimize the water outages  
16 we've got currently going on. Any type of extended utility outage, water,  
17 electricity, et cetera, can endanger public health and safety. Today we have the  
18 opportunity to take the steps necessary to potentially minimize these outages. In  
19 closing, we're in support of any program that will protect the health of the citizens,  
20 generate work for the workforce and work for our members. Thank you.

21 **CHAIRMAN FRANCIS:** Thank you, Danny. You're in Commissioner  
22 Campbell's district [INAUDIBLE] --

23 **MR. WALKER:** That's right.

1 **CHAIRMAN FRANCIS:** Is there someone else who would like speak here?

2 Thank y'all for coming -- oh, I'm sorry. Go ahead.

3 **MR. RODNEY WALLIS:** I'm Rodney Wallis. I'm here representing the

4 Louisiana Building and Construction Trades Union. I'm a electrician by trade. You

5 will never hear anything about energy efficiency programs, I hear work for

6 plumbers, insulators, carpenters, electricians. And those are all good careers.

7 They're all paid more than the average salary of a person who have a college degree.

8 And we have apprenticeship programs throughout the state in every part of the state,

9 which people do not have to pay tuition to go to. And they're earn and learn forms

10 of education that that people who make good careers out of. You know, all we need

11 is jobs to put the people on, and y'all can help us with that. And I look forward to

12 working with all five of y'all to help put Louisiana citizens to work.

13 **CHAIRMAN FRANCIS:** Yeah, my dad was a electrician. Where is your

14 residence?

15 **MR. WALLIS:** In New Orleans.

16 **CHAIRMAN FRANCIS:** In New Orleans. Okay. Well, thank you for that.

17 **COMMISSIONER GREENE:** I'd just like to comment.

18 **CHAIRMAN FRANCIS:** And Commissioner Greene.

19 **COMMISSIONER GREENE:** You know, a lot of work went into this, and I

20 would say this is a win-win-win for everybody. And I know we'll hear from the

21 utilities, too. I think they're going to win because they're going to finally look a

22 little better in the public's eye if that's ever anything they're interested in. But it's

23 a win for jobs and work and it's a win for ratepayers and customers. And I think

1 it's just a win overall. And it makes -- if you asked a third grader which is the better  
2 way to do it, this is clearly the better way to do it so.

3 **CHAIRMAN FRANCIS:** Let me -- Commissioner Lewis has something to say.

4 **VICE CHAIRMAN LEWIS:** Yes. And thank you all for coming and I also -- I  
5 want to stop and thank all of you in the audience. I think it's extremely important  
6 that you all get involved in this process and come to these meetings. For too long  
7 -- and I said this the first meeting a year ago -- that I wanted to see this Public  
8 Service Commission get back to serving the public. And that includes you being a  
9 part of the process and being here. Too often these meetings are filled with people  
10 I admire, but are just lawyers and regulators and utilities. But the work that we do  
11 here, the work of energy efficiency, is solely about what you all talked about. It is  
12 about developing workforce and we talk about that pipeline. We talk about all of  
13 the incentives that we have seen from the Biden-Harris administration and investing  
14 back into our people. And we think about what -- you mentioned your utility bills.  
15 We get a lot of comments about rates around here. And there are some truth that  
16 our rates are low, but what we don't talk about is energy burden and energy costs  
17 and that we have too many Louisianians spending over 30 percent of their income  
18 just to turn on their AC or their heat. And it's important that we hear your voice  
19 and we see your presence to remind us that when we take votes, we are voting for  
20 you, not a utility company. And so I just wanted to thank you all for testifying but  
21 also thank all of you for showing up, emailing, staying involved in the process.  
22 And over the next five years that I have on this Commission, I'm going to look for

1 more ways to ensure that we make sure your voice is heard at this Commission.  
2 Thank you, Mr. Chairman.

3 **CHAIRMAN FRANCIS:** The Chair recognizes Commissioner Campbell.

4 **COMMISSIONER CAMPBELL:** Thank you for this, Mike. One of your  
5 number one problems is 2.6 billion people are Louisiana utility customers.

6 **MS. BOWMAN:** Commissioner, can you use your mic closer, please.

7 **COMMISSIONER CAMPBELL:** Okay.

8 **MS. BOWMAN:** Thank you.

9 **COMMISSIONER CAMPBELL:** The scale of 2.6 million customers and you're  
10 saying only .34 percent is directly served by energy efficiency. That's the problem.  
11 That is the problem, correct?

12 **MS. HANSEN:** We think that's one of the main problems that has come out of --  
13 that this conflict of interest is that the programs have stayed too small.

14 **COMMISSIONER CAMPBELL:** Yeah. Well, if the program goes into effect  
15 that you propose, how much will that increase?

16 **MS. HANSEN:** So ---

17 **COMMISSIONER CAMPBELL:** I know you don't know exactly, but how much  
18 do you think it would increase if your proposed program goes into effect?

19 **MR. HANSEN:** I wish I had a number for you. I don't know what a good target  
20 would be and I'll defer to folks in the room who are experts in that and can say  
21 what a reasonable target might be. Enough so that when we go knock on doors and  
22 ask people what their biggest concern is, it isn't paying their utility bill. It is  
23 probably the number one thing we hear from people that they're struggling to pay

1 their bills. And we'll know that an effective -- that a program is effective when that  
2 is no longer the difference between people being able to survive or not.

3 **COMMISSIONER CAMPBELL:** So you think it would go up considerably from  
4 the .34?

5 **MS. HANSEN:** That's right. One of the features of the proposed program that we  
6 really like is that it creates an increased budget for energy efficiency and sets energy  
7 savings targets. We think with targets in place, the program will be required to  
8 reach more people than it is now.

9 **COMMISSIONER CAMPBELL:** Yeah. I understand that. I just wondered if  
10 you had any kind of estimate how many people --

11 **MS. HANSEN:** I would be completely making it up if I did, so I'm not going to  
12 try.

13 **COMMISSIONER CAMPBELL:** Yeah. Okay. Thank you.

14 **CHAIRMAN FRANCIS:** Well, thank you, Erin, and thank y'all for coming. Do  
15 we have some more names over there on the yellow list?

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

17 **CHAIRMAN FRANCIS:** Can we call them up?

18 **MS. BOWMAN:** We have a couple more Together Louisiana, a Richard Horton,  
19 Jodie Manale, and I think it's Dani Moses. If I mispronounced that, I apologize.

20 **CHAIRMAN FRANCIS:** I think the Commissioners would like to know where  
21 y'all get those pretty shirts from. I'd sure like to buy one. I think they're really  
22 cute. I'm sure my wife would love one.

23 **MS. JODIE MANALE:** We can arrange that, sir.

1 **COMMISSIONER GREENE:** And he's not in an election year, so he can accept  
2 any gifts.

3 **CHAIRMAN FRANCIS:** Okay. All right. Go ahead, ladies.

4 **MS. MANALE:** Good morning, Commissioners. My name is Jodie Manale. I'm  
5 an Entergy Louisiana ratepayer, and I live in Jefferson Parish and have my small  
6 business in Jefferson Parish. I've been a member of the Alliance for Affordable  
7 Energy since 2008, and I served on their board for three years. I've also organized  
8 and led educational sessions for realtors on the Energy Smart and Energy Solutions  
9 programs over the years. That is the only reason I learned about these energy  
10 efficiency programs. Otherwise, I would have had no clue that these programs  
11 existed. There's been a sore lack of publicity over the last ten years about them,  
12 which helps explain why so few residential customers use them. They don't know  
13 they exist. As a realtor, I have asked the marketing folks at both of those programs  
14 to send me brochures and social media posts to use so I could continue educating  
15 my clients to improve the -- to have opportunities to improve the energy efficiency  
16 in their homes. If I asked, they complied. But I had to work hard to get the word  
17 out about energy efficiency programs because the utility companies have done such  
18 a poor job of publicizing them. This all made sense to me when I saw that there's  
19 a conflict of interest in letting utility companies, who make money from selling  
20 electricity, run energy efficiency in our state. The serious lack of publicity and  
21 proactive outreach to customers has been a real disservice to ratepayers across the  
22 state and points to the need to approve an energy efficiency rule that will appoint a  
23 third-party independent administrator with no conflict of interest to run the

1 statewide program. That's why I'm asking you to approve the new rule as amended  
2 before you today. Thank you.

3 **CHAIRMAN FRANCIS:** Thank you, Jodie. Thank you. Next.

4 **MR. RICHARD HORTON:** Good morning, Commissioners. My name is  
5 Richard Horton. I'm from Alexandria, Louisiana, parish of Rapides, District IV. I  
6 am a retiree from the state of Louisiana. During my years of service, I had my head  
7 down and was focused on sheltering and feeding my family. I never had a time to  
8 pay attention to issues such as this one we are discussing today and how it affect  
9 my life. A couple years ago, I received a survey asking me if I knew what the  
10 Public Service Commission does and what the energy efficiency program is. My  
11 answer was no, which compelled me to do some research. I understand now that  
12 there has to be a balance between industry that provides services to the public and  
13 the welfare of the citizens, and that is what the Public Service Commission does. I  
14 thank the Public Service Commission for protecting my family and citizens' of  
15 Louisiana interests while I was protecting the safety and security of their families  
16 and the citizens of Louisiana. We're asking to vote yes on the proposed rule as  
17 amended.

18 **COMMISSIONER GREENE:** Thank you for your work, too.

19 **CHAIRMAN FRANCIS:** Thank you, Richard.

20 **COMMISSIONER GREENE:** I know you're retired, but I know you protected  
21 us, so.

22 **CHAIRMAN FRANCIS:** Yes, ma'am.

1 **MS. DANI MOSES:** Good morning. I'm Dani Moses from LaPlace. The state's  
2 energy efficiency program is affecting a lot of people in our community, including  
3 my 70-year-old mother who's here today who's on a fixed income and only takes  
4 home less than 25,000 a year. My mother has faced repeated challenges in paying  
5 her electric bills. Despite applying for weatherization programs multiple times, she  
6 was deemed ineligible. She has drafts by her windows. She was hoping to get  
7 those windows sealed and also maybe they come in and check out her AC systems  
8 and ducts in hopes to lower her electric bill. My mother does receive utility  
9 assistance from a community program twice a year. She's only allowed to get it  
10 twice a year. When she does not receive it from them, me and my siblings have to  
11 pitch in. So one of the things is that we want our mother to be safe, comfortable,  
12 and at peace during her retirement. It is hard to see her struggling to pay her utility  
13 bills month after month, year after year. And what's more disappointing is when I  
14 found about the ghost recovery charges, that makes the problem even worse. I urge  
15 the Public Service Commission to approve this new program and also approve the  
16 amendment to remove the ghost recovery charges to help my mother and other  
17 people throughout the state of Louisiana. Thank you.

18 **CHAIRMAN FRANCIS:** Dani, where are you located? Where's your residence?

19 **MS. MOSES:** LaPlace.

20 **CHAIRMAN FRANCIS:** LaPlace. Okay. And you're a Entergy customer?

21 **MS. MOSES:** Yes.

22 **CHAIRMAN FRANCIS:** Okay. Thank you. Thank you all for coming. Do you  
23 have some more names there, ma'am?



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

2 **CHAIRMAN FRANCES:** Okay.

3 **MS. BOWMAN:** So this is the rest from Together Louisiana. We have a couple  
4 more -- I cannot see what your last name is, but there's a Ms. Robin who's  
5 representing herself, if she would like to come up and speak. Also Logan Burke,  
6 Forest Wright, and Emma Hopkins.

7 **CHAIRMAN FRANCIS:** Okay. I see Logan is a familiar face.

8 **MS. LOGAN BURKE:** Yes, sir.

9 **CHAIRMAN FRANCIS:** And ask y'all please try to keep it to two minutes.  
10 Okay. We got some more waiting to talk behind you.

11 **MR. FOREST WRIGHT:** Want to go first?

12 **CHAIRMAN FRANCIS:** Okay. Ladies first.

13 **MS. EMMA HOPKINS:** Hi, y'all. My name is Emma Hopkins. I'm a campaign  
14 representative and organizer with the Sierra Club here in Louisiana. We represent  
15 thousands of members here in Louisiana and are one of the oldest and largest  
16 environmental nonprofits in the country. I am here to support the energy efficiency  
17 rule. As Erin stated earlier, Louisiana has ranked 46 out of 50 for energy efficiency  
18 in the states. This program is long overdue as our state has one of the highest energy  
19 burdens in the country. A robust energy efficiency program will create  
20 transparency and accountability helping Louisiana to save energy and lowering our  
21 bills for keeping us comfortable, healthy, and safe in our homes. And an efficient  
22 grid is important step and adjust transmission away from fossil fuels. I want to

1 thank the Louisiana Public Service Commission for considering this rule and I hope  
2 that you vote yes. That's all.

3 **CHAIRMAN FRANCIS:** Thank you, Ms. Hopkins. Okay. Logan.

4 **MS. LOGAN BURKE:** Hi. Logan Burke.

5 **COMMISSIONER GREENE:** They wouldn't give you a shirt?

6 **MS. BURKE:** You know who I am. Logan Burke for the Alliance for Affordable  
7 Energy. I will keep this brief because after 13 years and hundreds of pages of  
8 comments urging this Commission to move on energy efficiency to improve the  
9 lives of Louisianans, I just wanted to offer our support for the two amendments that  
10 have been offered here today and a little bit of why. In 2022, 150,000 households  
11 in Louisiana struggled with utility bills and spent around 27 percent of their income  
12 just to keep the lights on, 27 percent. We've heard these numbers about what it  
13 means to be energy burdened. As I understand the proposed amendment, it allows  
14 the administrator who has expertise to look at the specific needs in those  
15 communities for those households that are struggling in those specific ways and to  
16 find the solutions and bring those solutions to the Commission for approval. And  
17 so the idea of that amendment feels to me like this Commission's plenary authority  
18 to make a decision now that there is a guarantee that the people who need these  
19 programs the very most will get them. I also want to point out that the amendment  
20 that Commissioner Greene has provided makes all the sense in the world as we  
21 have pointed out in our comments over the years. If we're going to save money,  
22 let's save money, and let's not spend money in unreasonable ways especially since  
23 we do have formula rate plans and other kinds of mechanisms. The state has an

1 opportunity to leverage these programs right now with around \$250 million that are  
2 coming down from the federal government that other agencies in the state, as you  
3 well know, are going to be managing. And having a third-party administrator that  
4 looks at this comprehensively and can work those other state agencies is vital. I  
5 want to thank this Commission. I've spoken with all of you about energy efficiency  
6 over the years and I've seen some of you come to technical conferences. I've seen  
7 some of you really sit around a table and try and consider what are the ways to best  
8 serve the people of Louisiana, and this is clearly it. Also, as we are experiencing  
9 more of this extreme cold as we have done this last couple of weeks and extreme  
10 heat, we know that energy efficiency also improves our resilience. It means not  
11 only that people's utility bills aren't going to be scary the next month. It means  
12 that the lights can stay on for everyone in a better way. So I want to thank you and  
13 hopefully we can move this forward.

14 **CHAIRMAN FRANCIS:** Logan, a question from Commissioner Lewis.

15 **VICE CHAIRMAN LEWIS:** Thank you, Ms. Burke. I just want you to reiterate  
16 why you believe it's important that there is a budget allocation for low-income  
17 customers because I want to be very clear why we're doing this.

18 **MS. BURKE:** Sure. Low-income customers are very often considered the hardest  
19 customers to reach. It takes some additional effort to identify them. It may take  
20 additional effort to identify what the specific solutions are for their housing stock.  
21 And so making sure, guaranteeing that this Commission is saying this is a priority,  
22 we are recognizing that this is one the solutions here and now, and making sure that  
23 the third party administrator, whoever they may be, understands that from the jump

1 if you will. And so recognizing that, of course, the administrator is required to  
2 listen to each of you and to, in the end, take your final directives about what the  
3 program should look like. I'm supportive of it largely because of the kinds of  
4 expertise that they will bring.

5 **VICE CHAIRMAN LEWIS:** And Ms. Burke, you mentioned that it's been 13  
6 years, and I remind everybody in the audience, 13 years ago I as a senior in high  
7 school. So this has been a very long time coming, but you have read the rule,  
8 correct, or the proposed rule?

9 **MS. BURKE:** Yes, sir.

10 **VICE CHAIRMAN LEWIS:** And I see you don't have a copy of it, but when  
11 you go back, I would like to point you to Page 13 of the proposed rule or Page 30  
12 of the full document, which reads: Once the budget allocations are set and approved  
13 by the Commission, the administrator shall present the budget cycle plan and EE  
14 program designed for Commission's approval along with an estimate of anticipated  
15 rate and impact. So based off of what's in the rule, even with my amendment,  
16 would you not agree that there are still two approval processes for this Commission  
17 before a budget cycle begins?

18 **MS. BURKE:** That's certainly my reading of the rule even with your additional  
19 amendment and again, what this means is a guarantee.

20 **VICE CHAIRMAN LEWIS:** So -- yeah. So it's not -- my amendment doesn't  
21 take the Commission's authority out because when you go to page 13 of this actual  
22 rule, the budget still has to be approved as written. What this does is says that we  
23 are telling the administrator when you present a budget before this Commission to

1 be approved, 15 percent of it needs to be allocated to low income customers and 10  
2 percent needs to be allocated towards renters; is that how you would understand it?

3 **MS. BURKE:** That's absolutely how I understand it.

4 **VICE CHAIRMAN LEWIS:** Thank you. I just wanted to clarify the record.

5 **COMMISSIONER GREENE:** Thank you.

6 **CHAIRMAN FRANCIS:** Okay. It's the gentlemen's turn.

7 **MR. ROBIN MOULDR:** Yes. My name is Robin Mouldr. I'm a retired  
8 mechanical engineer living in Baton Rouge, hence, I'm an Entergy customer. First  
9 off, as an engineer, energy efficiency is a social good, enough said. Basically, what  
10 I want to address is what's not being said. Utilities are a natural monopoly; hence,  
11 we have set up this system where you regulate their rate of return on their  
12 investment and their pass through of expenses. That is the basic social compact.  
13 This energy efficiency program, let's just say an example because engineers work  
14 this way. If electric cars sales shot through the roof and electric sales doubled, this  
15 Commission would not let Entergy's profits double. They would look at a rate case  
16 of what their actual reasonable investment was, the reasonable rate of return, and  
17 their reasonable expenses, and adjust their rates appropriately. If energy efficiency  
18 reduces their sales and their profits do not come up to the regulated, set by the  
19 Commission rate of return, you will listen to their rate case and appropriately adjust  
20 their rates to reflect that fact. Therefore, energy efficiency should not be part of  
21 their portfolio, it should be a social good. I'm an old hillbilly. I'll just tell you  
22 hillbilly style. You don't have the fox guard the henhouse.

23 **CHAIRMAN FRANCIS:** Thank you, Robin. All right. Next.

1 **COMMISSIONER GREENE:** You've got to follow that.

2 **MR. FOREST WRIGHT:** Yes. That's tough. That's tough. Well, I do want to  
3 thank you for the opportunity to speak with you today. This is a new and notable  
4 chapter for --

5 **CHAIRMAN FRANCIS:** What's the name?

6 **MR. WRIGHT:** -- energy efficiency in Louisiana. My name is Forest Bradley  
7 Wright.

8 **CHAIRMAN FRANCIS:** Okay. Forest.

9 **MR. WRIGHT:** I am the state and utility program director for the American  
10 Council for an Energy Efficient Economy. I was in this room ten years ago when  
11 the Commission initially began its Quick Start programs and in that ten years  
12 [INAUDIBLE].

13 **MS. BOWMAN:** It looks like -- yeah.

14 **MR. WRIGHT:** Thank you so much. In that ten years, savings on energy  
15 efficiency in Louisiana have stagnated relative to other states in the country, to the  
16 point that the national average for annual energy efficiency savings is six times  
17 higher than Louisiana. In neighboring jurisdictions, like New Orleans and  
18 Arkansas, savings are more than ten times higher and this is similar for states that  
19 have statewide administrators where savings are between six and ten and more  
20 times higher than energy savings have been in Louisiana. Energy efficiency is the  
21 least cost energy resource. I remember that was a very important point when the  
22 Commission established these energy efficiency rules in the first place. That means  
23 if you do not invest in energy efficiency, you're going to be paying more to provide

1 that power through building new power plants and power supply. So  
2 underinvestment in energy efficiency has consequences for Louisiana customers.  
3 According to the Energy Information Administration, Louisiana residential  
4 customers had the highest average consumption of energy compared to any other  
5 state in the country. So energy efficiency has the potential to make an extraordinary  
6 difference. The American Council for an Energy Efficient Economy is a research  
7 and technical assistance organization focused on energy efficiency. We're  
8 probably best known for our state and utility scorecards that we put out each year.  
9 You've heard mentioned a couple of times that Louisiana is ranked 46<sup>th</sup> amongst  
10 states, that comes from the American Council for an Energy Efficiency state  
11 scorecard. So today's vote is a new opportunity to create consistent statewide  
12 energy efficiency programs that will reach more customers including the 400,000  
13 plus customers served by cooperative utilities. This is a chance for you to scale  
14 your savings up. Commissioner Foster, you asked earlier how much savings  
15 Louisiana could do. Your current rules have a measured approach at the beginning,  
16 but you have the potential to set the pace going forward. So you can, and I would  
17 encourage you, should be striving to meet the energy savings that you see at the  
18 national level, that you see in your neighboring jurisdictions. And of course, energy  
19 bills eliminate energy waste, which we can ill afford, and help lower energy bills  
20 for customers. So establishing a statewide administrator model is a new direction.  
21 It turns the page on ten years of low-performing, utility-led energy efficiency  
22 programs and you put a lot of work and a lot of thought into the rules that you have  
23 before you today. And if those are approved, I can say there will be more work to

1 follow through and implement those, that this doesn't stop with today's vote, but it  
2 is a new chapter and it gives you all the potential to increase the benefits to  
3 Louisiana customers, but you are not alone in this. There are other states that have  
4 established successful statewide administrator models, as I noted before,  
5 consistently delivering six to ten times in more energy savings, which would do  
6 wonders for Louisiana, helping to lower those energy bills. And the American  
7 Council for an Energy Efficient Economy is ready and willing to provide any  
8 assistance that we might be able to, that you would desire, to assist you in  
9 establishing a successful statewide energy efficiency program administrator and  
10 programs for customers. And we also would happy to connect you with  
11 experienced individuals that had a hand in setting up statewide administration  
12 models in other states that point to the increased potential and can provide  
13 something of a road map for you and to proceed in this direction. So I encourage  
14 you to move forward, you have a foundation to build on, some good work ahead,  
15 and today's vote is a potential, significant turning point for Louisiana. Thank you.

16 **CHAIRMAN FRANCIS:** Thank you, Forest.

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

18 **CHAIRMAN FRANCIS:** Ms. Bowman, do you have any other people wanting  
19 to --

20 **MS. BOWMAN:** Two more.

21 **CHAIRMAN FRANCIS:** Two more. Okay. Call their names.

22 **MS. BOWMAN:** It's Mark Kleehammer on behalf of Cleco and Larry Hand on  
23 behalf of Entergy.



1 **CHAIRMAN FRANCIS:** Good. Okay. Chance to come up here and defend  
2 himself.

3 **COMMISSIONER GREENE:** They have two minutes each? They preach a little  
4 while sometimes, so.

5 **CHAIRMAN FRANCIS:** Yeah. Remind you guys --

6 **MS. BOWMAN:** Please adhere to the two minutes, gentlemen.

7 **CHAIRMAN FRANCIS:** Remind you guys, two attorneys is too many  
8 [INAUDIBLE]. No, no.

9 **MR. MARK KLEEHAMMER:** Thank you, Commissioners. Mark Kleehammer  
10 on behalf of Cleco Power. At Cleco, we could not be more supportive of energy  
11 efficiency programs when done correctly. Throughout the years our comments  
12 have repeatedly supported the expansion of our energy efficiency program. It's  
13 worth noting that only Cleco, Entergy, and SWEPCO have voluntarily participated  
14 in E development since inception, which is why we have repeatedly asked to be  
15 exempted from the third-party administrator concept, if possible, allowing us to  
16 maintain the momentum that we've achieved for our customers. We're very proud  
17 of our current -- at Cleco, very proud of our current Power Wise Program, the  
18 expansion improvements we've made, and the benefits that we've provided to our  
19 customers. Since 2013, Cleco's programs have expanded and improved  
20 dramatically. For example, the budget has increased over 60 percent, consistent  
21 with guidelines under the Quick Start rules, kW savings have grown by 66 percent,  
22 kWh savings have grown by roughly 50 percent, and the efficiency metrics by  
23 which we're measured have also improved. That means we're spending more on

1 incentives, that is increased from 52 to 66 percent, and the primary national metric,  
2 the TRC test for total resource cost effectiveness, has increased by 56 percent from  
3 1.76 to 2.75, meaning that for every dollar we spend, we're achieving \$2.75 in  
4 savings. In summary, we are spending more and more effectively delivering  
5 programs that provide savings and value to customers. When compared to the  
6 programs in the four very different jurisdictions that employ a third-party  
7 administrator, Louisiana's cost of 20 cents per kWh are 50 percent less than Hawaii  
8 and Wisconsin and less than a third of the cost in Vermont. I'll note that some of  
9 the comments previously have noted that Louisiana is ranked 46<sup>th</sup> out of 50 in the  
10 statewide metric by ACEEE. It is worth noting that that is exactly that, a statewide  
11 metric. It considers state government programs, building codes, transportation,  
12 appliance standards, industrial energy efficiency, and utility programs. When you  
13 consider that only three of the utilities in Louisiana -- three of the electric utilities  
14 in Louisiana participated, we have significantly expanded and provided value. We  
15 would love to expand our program under reasonable rules that allows us to maintain  
16 our connection to our customers and build on the momentum that we've achieved,  
17 while holding us accountable to transparent metrics, like kW and kWh performance  
18 goals and the total resource cost test for spending efficiency and recognizing the  
19 very real effect of programmatic revenue disruption and its effect on our ability to  
20 earn our target returns through LCFC recovery. Folks have talked about ghost  
21 charges. Our concerns about LCFC is not an academic exercise, especially given  
22 the amendment that was made. People talk about, pejoratively, about monopoly  
23 and guaranteed recovery. Over the last four years, Cleco Power has earned less

1 than 8 percent on average over those years compared to our target return on equity  
2 of 9.5 or returns on equity, which are significantly greater in surrounding states.  
3 Loss of LCFC would structurally add to our revenue requirement deficit on a  
4 prospective basis, which is inconsistent with allowing Louisiana utilities the  
5 opportunity to earn a return commensurate with similarly situated peers. Thank  
6 you.

7 **CHAIRMAN FRANCIS:** In two minutes or less, tell me how you're going to get  
8 the word out to the public. One of the criticisms we have is nobody knows about  
9 the energy efficiency programs.

10 **MR. KLEEHAMMER:** Absolutely. We have bill inserts. We have -- it's on our  
11 website. Everything about our billing at Cleco and prior with Entergy, we have  
12 advertised these to folks forever, since the inception of the program.

13 **CHAIRMAN FRANCIS:** So your opinion is that's not a fact?

14 **MR. KLEEHAMMER:** I think it's evident. I think it's very simple to find the  
15 information about our programs and they've been fully subscribed, to the extent  
16 that they've been limited. They've been limited by the size of the program allowed.

17 **CHAIRMAN FRANCIS:** Okay. Well, that's Hammer, let's listen to Hand then.

18 **MR. LARRY HAND:** Good morning, Commissioners. Larry Hand on behalf of  
19 Entergy Louisiana. First on the advertising awareness point, I would want to point  
20 out that, you know, we do advertise these energy efficiency programs for Entergy,  
21 it's Entergy Solutions. We've won multiple awards actually for the advertising  
22 we've done in that space, but I do think we can all do more collectively to, you  
23 know, raise the public awareness of these programs. I heard earlier someone talking

1 about the value of energy efficiency, that it's the lowest cost resource we have and  
2 I think for the Louisiana programs that's a very true statement. No one talked about  
3 the other metrics in the ACEEE study. Yes, Louisiana as a state was ranked pretty  
4 poorly, but in terms of the dollar per kWh for energy efficiency measures, Louisiana  
5 was ranked 14<sup>th</sup> out of 51. On average, for ELL at least, the cost for a kilowatt hour  
6 of savings is about -- or megawatts is probably easier to speak of, it's on a lifetime  
7 basis for every energy efficiency measure we do, it costs about \$10.50 a megawatt  
8 over the lifetime. And so if you think about what an LMP is running for us, our  
9 fuel rate this month was about \$25 a megawatt hour, so we can spend, you know,  
10 \$10.50 a megawatt hour to avoid that \$25 fuel. So we, you know, categorically  
11 believe we need to do more energy efficiency as a state. We have supported this  
12 since 2014 in terms of participating in the voluntary Quick Start program. I know  
13 sitting in 2024 referring to it as Quick Start doesn't feel like the right name, but  
14 over those years we've grown it and we're to the point for Entergy Louisiana's  
15 program that we max out at the Commission's cap under the Quick Start rules at  
16 one percent, so our 2024 budget is maxed out. We're very proud of the work that's  
17 been done in that space to get us to where we are, but certainly acknowledge we  
18 have a lot more to do. We can do a lot more as a group. And I'm not going to get  
19 into -- Mr. Kleehammer covered a lot of the points I won't get into, but I do want  
20 to make it clear that the programs we have done over time, they've been very cost  
21 beneficial, very effective for customers. Our total resource costs performance in  
22 the most recent report was 3.11, so that means for every dollar we spent on energy  
23 efficiency, we got 3.11 of savings for customers, so very beneficial programs. The

1 real issue is we need to do more of it and figure out how to do more and collaborate  
2 on how to do it. And, Commissioner Greene, on your motion, you and I have had  
3 discussions on the LCFC. I'm not going to get into that, but as I -- and I want to  
4 go back and reflect on the motion. It seemed like you were suggesting that we  
5 would eliminate EE riders and recover the direct program costs through whatever  
6 the normal rate mechanism is, FRP, RSP, rate case. And if that is the intent, I  
7 certainly want to understand it more, but it can have very significant ramifications  
8 on how we set rates. And Mr. Wright talked about the regulatory, you know, just  
9 the balance of rate making and such, and those shifts can have very significant  
10 impacts. As long we take those into account --

11 **CHAIRMAN FRANCIS:** Yeah, we will.

12 **COMMISSIONER GREENE:** We will.

13 **MR. HAND:** -- in the rate making, [INAUDIBLE] rate case FRP.

14 **COMMISSIONER GREENE:** And we'd like your input on that too. The ghost  
15 recovery is a real thing we want to -- we don't mind y'all earning for work you  
16 actually do, but I don't think it's right to pay for things you don't actually do.

17 **MR. HAND:** Yeah. And I don't agree with the term ghost recovery, but I  
18 understand your point very well.

19 **COMMISSIONER GREENE:** Sure.

20 **MR. HAND:** And I think for me, if we do energy efficiency the right way and do  
21 more of it, there will be known and measurable savings in terms of kilowatt hours  
22 not sold and those sorts of costs, capacity costs. And reflecting those known and  
23 measurable changes as we set rates, it balances the interest of energy efficiency

1 programs, but also makes sure that the Commission's, you know, responsibility as  
2 a constitutional agency to provide a cost-based business and a reasonable  
3 opportunity to recover. I think we can balance all of those and I look forward to  
4 more collaboration as we go into this to figure out how to do it best for our  
5 customers and your constituents.

6 **COMMISSIONER GREENE:** I want to thank you too because I think we've  
7 come to an agreement that even if this isn't y'all's optimal way of doing it, it still  
8 can be a win I think for y'all and everyone else because there's going to be a lot of  
9 work in this space for utilities to do still.

10 **MR. HAND:** And I look forward to working with you and your Staff to do that.

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

12 **CHAIRMAN FRANCIS:** Mr. Skrmetta, you have something to say?

13 **COMMISSIONER SKRMETTA:** Yeah, I've got a few questions.

14 **MS. BOWMAN:** Commissioner, your mic please.

15 **COMMISSIONER SKRMETTA:** I'm sorry. Yeah, I've got a few questions. I  
16 guess I'll start with Mr. Hand. So what were the states that the Commission's  
17 consultant identified to do the analysis on comparison between Louisiana and those  
18 states?

19 **MR. HAND:** You're referring to the states that utilized a statewide administrator  
20 model?

21 **COMMISSIONER SKRMETTA:** Yes. Yes.

22 **MR. HAND:** I believe it was Hawaii, Vermont --

23 **MR. KLEEHAMMER:** Wisconsin and Oregon.

1 **COMMISSIONER SKRMETTA:** Oregon? And so looking at those states, what  
2 were their electricity rate costs compared to Louisiana?

3 **MR. HAND:** I don't have that number. Mr. Kleehammer might.

4 **MR. KLEEHAMMER:** Yeah, I don't know either. I mean, I can identify --

5 **COMMISSIONER SKRMETTA:** I know Hawaii's got to be the -- Hawaii's the  
6 highest cost.

7 **MR. KLEEHAMMER:** -- that Hawaii has always been three times higher than  
8 anybody else in the country.

9 **COMMISSIONER SKRMETTA:** Right. Right.

10 **MR. KLEEHAMMER:** But knowing where Louisiana has fallen out the last five,  
11 six years, they're all higher compared to that.

12 **COMMISSIONER SKRMETTA:** I mean they're all higher. So my question is,  
13 do you think that the analysis provided by the consultant in selecting from  
14 Louisiana, which is in questionably the three lowest states in the country, and  
15 looking at energy efficiency against three of the highest-cost utility costs in the  
16 country, is it a reasonable analysis in the first place? Shouldn't there have been a  
17 comparative against states and their energy efficiency program that are more  
18 comparable against Louisiana rate structures? I mean, either -- y'all can either take  
19 the turns.

20 **MR. KLEEHAMMER:** Commissioner, I would say the third-party administrator  
21 is unique to four jurisdictions and they are significantly different than Louisiana.

22 **COMMISSIONER SKRMETTA:** How many other states have third-party  
23 administrators besides these four states?

1 **MR. KLEEHAMMER:** I am only aware of these four.

2 **COMMISSIONER SKRMETTA:** Okay. So the reason why these -- would it be  
3 reasonable to say that the reason the analysis of these four states took place is  
4 because it's the only four states in the country that have third-party administrators?  
5 Do you know why the other, you know, remainder of the states don't use third-  
6 party administrators in their energy efficiency programs?

7 **MR. KLEEHAMMER:** I do not. We filed comments at every opportunity and  
8 requested technical conferences [INAUDIBLE] follow through the rule making and  
9 am not aware of why that decision was made.

10 **COMMISSIONER SKRMETTA:** Did you get any answers to your questions  
11 when you presented them?

12 **MR. KLEEHAMMER:** I did not.

13 **COMMISSIONER SKRMETTA:** Why not? Did you submit them in the form  
14 of an interrogatory, or?

15 **MR. KLEEHAMMER:** No. I mean, we've just commented on the unique nature  
16 of the third-party program.

17 **COMMISSIONER SKRMETTA:** Okay. Well, question to Staff. You received  
18 these questions asking why none of the remaining states used third-party  
19 administrators?

20 **MS. BOWMAN:** I don't believe it was phrased as a question to us. I may be  
21 wrong on that, but it was just part of their comments in the stakeholder process and  
22 they just pointed out that these four states, as Mark just mentioned, were different  
23 from Louisiana in usage and cost.



1 **COMMISSIONER SKRMETTA:** Well, I'll give our consultant just a heads up,  
2 when I call them up, we're going to ask them the same questions. So you be  
3 thinking about this, Mr. Hayet, so when we do get to you, you'll know that these  
4 questions are coming. So, you know, one of my questions about energy efficiency  
5 in other states is, you know, Louisiana -- 50 percent of the power consumed in the  
6 state of Louisiana is consumed by the industrial community. In these other states,  
7 which I imagine that Hawaii and Vermont aren't big, heavy, industrial states, so  
8 virtually -- I would say that predominantly most of the power consumed in those  
9 states is through residential and commercial; is that a reasonable assertion?

10 **MR. KLEEHAMMER:** Yes.

11 **COMMISSIONER SKRMETTA:** Okay. So do you know what the total kilowatt  
12 consumption is in those states?

13 **MR. HAND:** I do not.

14 **COMMISSIONER SKRMETTA:** Okay. Well, Phil, that'll be another question  
15 for you because I want to understand that. And I'd imagine Wisconsin has  
16 industrial capacity of some kind and I'd like to know if Wisconsin has industrial  
17 capacity and if it participates in the energy efficiency program because my concerns  
18 are is that we are going into a state that for the production of 100 percent of  
19 electricity, we're looking at 50 percent of the production of electricity and only  
20 looking at the participation of 50 percent of the ratepayers in paying for 100 percent  
21 of the energy efficiency program under a construct that the industrial say, well, we  
22 got this. I mean, that's effectively what they say and I think that this is largely lost  
23 on the Commissioners, it's largely lost on the public. That being the case, the cost

1 of this would be much lower than it is because I think this is excessive. I think it's  
2 an expensive program. So, you know, you've heard earlier statements by some of  
3 the Commissioners that y'all are good with a public administrator. I mean, Mr.  
4 Kleehammer, how does your company feel about a public administrator program  
5 versus the current program that the Commission has that does not have a public  
6 administrator?

7 **MR. KLEEHAMMER:** In all of our comments we've pointed out that we  
8 appreciate the connection to our customers, the ability to provide tailored programs  
9 for our customers, and have commented on our voluntary participation since  
10 inception, expansion, modification of the programs and desire to continue to do the  
11 same.

12 **COMMISSIONER SKRMETTA:** Does that mean you want to have a public  
13 administrator program or do not?

14 **MR. KLEEHAMMER:** Our comments have asked for an exemption from the  
15 public administrator program because we actually have real programs in place right  
16 now.

17 **COMMISSIONER SKRMETTA:** How many employees do you have that work  
18 to keep up to the standard by the Commission to keep up with reporting to us about  
19 the program as of right now?

20 **MR. KLEEHAMMER:** At Cleco we have six internal employees and then  
21 multiple trade allies and partners that do a majority of the low income and other  
22 weatherization work.

1 **COMMISSIONER SKRMETTA:** Do you anticipate any loss of these employees  
2 if we transition into a different program?

3 **MR. KLEEHAMMER:** I think that their duties will definitely change and we will  
4 redeploy them.

5 **COMMISSIONER SKRMETTA:** Okay. Is redeploy a fancy word for adios?

6 **MR. KLEEHAMMER:** I certainly hope not. Generally speaking, we have  
7 attrition, we have a runway here, and we're very pleased with our employees to  
8 date, so we hope to find a place for them.

9 **COMMISSIONER SKRMETTA:** Is attrition and runway another word for  
10 adios? I mean, are people going to get fired and lose their jobs?

11 **CHAIRMAN FRANCIS:** Okay. Skrmetta's wore out his two minutes. Okay.

12 **COMMISSIONER SKRMETTA:** Oh, I don't got two minutes on me. They got  
13 two minutes. I've had some real questions on this.

14 **MR. KLEEHAMMER:** The program as it exists will not have those jobs, as I  
15 understand it.

16 **COMMISSIONER SKRMETTA:** Okay. So those jobs are going to go away,  
17 right? Okay. You can be more direct in your answers and we can save time on this  
18 and same question for you, Mr. Hand.

19 **MR. HAND:** Yes, sir. We have one manager of energy efficiency who's spoken  
20 before you before. We rely more heavily on a third-party implementer, which is a  
21 Louisiana-based company to provide some of the other administrative services, and  
22 like Cleco, we have a number of trade allies and supply houses that we partnered  
23 with. And so if this program were to shift to a statewide administrator, certainly

1 there can be disruptions and that's one of the concerns, is that we have momentum  
2 and we want to get bigger, but the way to do that, in our view, for more continuity,  
3 is just to grow what we have. Which is why, at least, Cleco and Entergy have said  
4 if you want the third-party administrator, maybe start with the entities that don't  
5 currently have energy efficiency programs and let those with established programs,  
6 you know, grow them under the Commission's supervision.

7 **COMMISSIONER SKRMETTA:** Are you talking about the cooperatives?

8 **MR. HAND:** Yes. And it's my understanding it also would apply to gas  
9 companies.

10 **COMMISSIONER SKRMETTA:** Right. Well, the gas companies are already  
11 in the program. They've been in the program now for -- the current program for  
12 about -- is it two years, two and a half years, something like that. Yeah. Because  
13 I think that the public needs to understand that the public entity program that we've  
14 been conducting under the Public Service Commission, each Commissioner is  
15 probably authorized in excess of \$20 million a piece into public entity programs to  
16 assist local governments in their district to reduce energy consumption through  
17 street lighting, school lightning, park lighting, and it has been an effective program  
18 that has been administrated at the total cost of \$125,000. Where this program now  
19 that we're talking about in the initial report that was presented to me by our  
20 consultant indicated a fee to the administrator and public manager of somewhere  
21 between \$3 and \$5 million. And to indicate the reason why I'm concerned about  
22 this is, and a lot of people talking about wanting to weatherize homes, which I'm  
23 all in favor of, is that amount of money into that administrator and that public entity

1 manager if we just kept the things the way we are, we could divide that amongst  
2 the Public Service Commissioner Districts and 100 homes per year could each get  
3 a \$10,000 weatherization credit and we could be making excessively good  
4 movement towards moving our folks and our families towards getting fixed. In  
5 fact, we had the discussion last spring with some of the Commissioners about doing  
6 this and making it to where folks who are low income homeowners, 65 and older,  
7 fixed income folks, finding a criteria and getting them this money. Okay. And to  
8 where we could get people who could get -- they could get their attics filled. In  
9 fact, one of Commissioner Campbell's former executive assistant under the  
10 program we have now got his attic reinsulated and he was happy with the program.  
11 In fact, he blabbed about it on Facebook and loved it. We could do more, we could  
12 get windows, we could get air conditioners, we could get heaters, we could get  
13 insulation, we could get air stripping. All of that could take place under the existing  
14 program without having to make the expenses under the administrator. Now, I  
15 digress. What is Entergy's position on the administrator? We've heard of Cleco's.  
16 **MR. HAND:** You know, we would prefer to grow the utility led program we have,  
17 expand on that under the Commission's oversight and authority to audit to make  
18 sure we're delivering the results. From our prospective, the third-party  
19 administrator model seems to be in the minority of jurisdictions and there's a lot of  
20 questions that seem to be -- we need to work through if we move in that direction,  
21 so we're unsure exactly how it'll work. There's a lot to be worked through and  
22 that's a concern.

1 **COMMISSIONER SKRMETTA:** Right. Yeah. Because 46 states do not have  
2 an administrator program, correct?

3 **MR. HAND:** From my understanding.

4 **COMMISSIONER SKRMETTA:** Okay. Hang on one second. I think I've  
5 gotten the questions that I wanted to get out of you guys. Hang on one second.

6 **COMMISSIONER GREENE:** While you're looking, may I clarify something?

7 **COMMISSIONER SKRMETTA:** Yeah, go ahead.

8 **COMMISSIONER GREENE:** I understand Arkansas did have a third-party  
9 administrator and I also understand this, that y'all will still be able to hire and fire  
10 the third-party administrator or who you have to work for the third-party  
11 administrator. It's just going to be with much more robust regulatory oversight, so  
12 it's not like we're stripping y'all from having input into energy efficiency; is that  
13 your understanding?

14 **MR. HAND:** Well, the statewide administrator I think is selected by the  
15 Commission as I understand it.

16 **COMMISSIONER GREENE:** That's right, but it's going to rely heavily on the  
17 information y'all provide to them. It's not like you're not having any input.

18 **MR. HAND:** Yeah. And I'm not as -- those are details that we collectively need  
19 to work through.

20 **COMMISSIONER GREENE:** Okay.

21 **COMMISSIONER SKRMETTA:** And to clarify this, and I think that the public  
22 needs to understand this, this vote is not to create the program. This vote is to create  
23 the authorization to then go forward to create the RFP to hire the administrator,

1 which should take place over the next six to nine months, who then the  
2 administrator will then create the program. Is that an accurate assessment of why  
3 you interpret this program to function?

4 **MR. HAND:** It is my understanding, but I would defer to your consultant for the  
5 details.

6 **COMMISSIONER SKRMETTA:** Well, I'll ask him that.

7 **COMMISSIONER GREENE:** [INAUDIBLE] I'll clarify, the point of all this is  
8 to create accountability.

9 **COMMISSIONER SKRMETTA:** Well, no. I'm asking about the step-by-step,  
10 not the accountability.

11 **COMMISSIONER GREENE:** Are you okay with accountability?

12 **COMMISSIONER SKRMETTA:** Well, you're going to ask me silly questions,  
13 you're going to get a silly answer in about thirty seconds.

14 **COMMISSIONER GREENE:** I don't think accountability is silly.

15 **COMMISSIONER SKRMETTA:** Accountability is what we all want and which  
16 is why you should be wanting to know why we don't need to hire an administrator,  
17 because if you want to waste \$5 million of the public's money to be spent on  
18 patronage, then you need to start talking about accountability. All right. Because  
19 accountability is going to be something you're going to be talking about a lot. All  
20 right.

21 **COMMISSIONER GREENE:** I want to talk about it right now. Why don't you  
22 answer it?

23 **COMMISSIONER SKRMETTA:** Well, let's go. You want to do it?

1 **COMMISSIONER GREENE:** Yeah.

2 **COMMISSIONER SKRMETTA:** Is this really [INAUDIBLE]?

3 **COMMISSIONER GREENE:** What problem do you have with accountability of  
4 the program?

5 **COMMISSIONER SKRMETTA:** I don't have any problem with the  
6 accountability of the program now. I have a problem with --

7 **CHAIRMAN FRANCIS:** The Chairman says let's come to order here. We're  
8 getting off track. Where is --

9 **COMMISSIONER SKRMETTA:** Well, I wanted to talk to SWEPCO.

10 **CHAIRMAN FRANCIS:** -- SWEPCO? Where is SWEPCO's representative  
11 here?

12 **COMMISSIONER SKRMETTA:** They can come and join you at the table.

13 **CHAIRMAN FRANCIS:** SWEPCO also has a [INAUDIBLE] --

14 **VICE CHAIRMAN LEWIS:** Mr. Chairman, before we go to SWEPCO, could I  
15 ask them two questions?

16 **CHAIRMAN FRANCIS:** Yes. [INAUDIBLE].

17 **COMMISSIONER SKRMETTA:** I'm not done with you guys yet, so.

18 **CHAIRMAN FRANCIS:** Commissioner Lewis, go ahead.

19 **VICE CHAIRMAN LEWIS:** Yes. Thank you. Got to catch my breath there for  
20 a second. I'm sorry. A lot happening in here. I just want to also make mention,  
21 there is a fifth state. I know we only said four, there is a fifth state. There is Maine  
22 that ranks number nine, so I just wanted to put that in the record. And I know, Mr.  
23 Kleehammer, we were just talking about rates, but is it not true that Louisiana



1 residential electricity customers have the highest per capita consumption rate in the  
2 United States?

3 **MR. KLEEHAMMER:** I would have to speculate. I have not seen that this year.  
4 Typically, Louisiana has in the top five. It's usually shared with Texas, Alabama,  
5 Florida, and Tennessee. I don't know where we fall out, but I would stipulate that  
6 we're in the top five.

7 **VICE CHAIRMAN LEWIS:** Yeah. Depending on the study it's different, but  
8 the point is that Louisiana's, while we may talk about rates, when we talk about bill  
9 impact and I know we talked about six jobs, we talked about the jobs at Entergy,  
10 I'm talking about the nearly 19 percent of Louisianans who are considered poor.  
11 The second poorest state in the nation. One-third of all of our children are born  
12 into poverty. That rate comparison that we are focusing on can't be the only metric  
13 that we use, especially when we are looking at the energy burden and the bill  
14 impact. So should we not, as Louisiana, take that into account and not just use a  
15 rate comparison?

16 **MR. KLEEHAMMER:** And, Commissioner, if I may, I would like to go back  
17 and correct. I thought you were talking about electric usage. When you're talking  
18 about energy burden and people include heating, oil, and natural gas, it's a very,  
19 very different answer because you have a lot of the northern states have significant  
20 burden up there as well.

21 **VICE CHAIRMAN LEWIS:** Correct. Yes. Thank you. And I just want to  
22 mention, I know we were talking about the vagueness of some of these rules, but if  
23 it's not my understanding, this was purposefully left open for some flexibility in

1 the bidding process program design stage after the administrator is chosen. I'll be  
2 very clear on the record, I wanted to develop the program in the rule. However,  
3 there were other Commissioners who wanted to have the rule have some  
4 Commission authority. And so I find it a little hypocritical on one end to complain  
5 about the vagueness of the rule, on the other hand, when we ask for the vagueness  
6 in the rule. But the last point that I would like to talk to you all about is when we  
7 looked through, and I read all of your comments, all of your comments, it has been  
8 very clear that there was, if not a majority, a working majority, towards a third-  
9 party administrator and majority of your comments ignored that process. You  
10 constantly filed comments about you didn't want it and that is acceptable, but I'm  
11 having a hard time accepting this notion about not working when we have a  
12 comment period to say, yes, I may not like this, but this is how if you're going to  
13 do it, places that you consider. I do want to think some of the companies that came  
14 back in this last round, Entergy for example, for filing substantive comments about  
15 a third-party administrator, but I can't be remiss to say that when we talk about this  
16 process, all of you at this table, when we had the comments last time, you submitted  
17 a document that redlined, not the current version that we were talking about, a  
18 version from 2019. And so I said then I found that to be very disrespectful and I  
19 still do because if I am to take your comments and your objections seriously, I want  
20 to work with you. As you all know I've never turned down a single meeting with  
21 any of you and so I'm taken a little back when we start talking in that sense, when  
22 we have had a line of communication, I've indicated specifically that I was  
23 probably going to vote for a third-party administrator, and wanted to hear

1 substantive comments back. And so as we move forward, wherever we move  
2 forward today in this process, if there is a question, just like there was the comments  
3 about questions that you posed, when we pose questions about how to make a third-  
4 party administrator or something else, I would appreciate if you respond in that  
5 way, too. And so I just wanted to put that on the record. Thank you, Mr. Chairman.

6 **MR. KLEEHAMMER:** Commissioner, I appreciate your comments and we did  
7 in our supplemental filing, did have substantive comments as well.

8 **VICE CHAIRMAN LEWIS:** Yes. I didn't mean to exclude you from that. Sorry  
9 about that.

10 **CHAIRMAN FRANCIS:** SWEPCO representative, SWEPCO two minutes.

11 **COMMISSIONER SKRMETTA:** Actually, Mr. Chairman, I was in the middle  
12 of a question, if you don't mind, if I could complete it.

13 **CHAIRMAN FRANCIS:** Go ahead.

14 **COMMISSIONER SKRMETTA:** Okay. Quick question and actually Staff  
15 could answer this because Commissioner Lewis brought this up. When we look at  
16 the consumption of consumers in the rate of like the highest rate of consumption,  
17 do the overall consumption, does that include industrials when we do the kilowatts  
18 per -- do we include the industrials and their consumption in that analysis?

19 **SECRETARY FREY:** There's both. In fact, while y'all are talking, I'm  
20 researching both your questions and Commissioner Lewis'. I think I'll have those  
21 very quickly if you get back to me.

22 **COMMISSIONER SKRMETTA:** Okay. I'm going to let you look at that and by  
23 the way, just to get back to you, Commissioner, just so the public understands this,

1 all we do is audit these companies over and over and over again. So in the world  
2 of accountability, that's all this Commission is actually tasked with, is we audit  
3 these companies. So in everything they do, in everything they've done, we audit  
4 them. Audited them to the point where we have excluded executive compensation,  
5 we've excluded their airplanes, we've excluded their stock options. So all we do  
6 is audit them and accountability is prime one, so we don't need another layer of  
7 accountability by hiring somebody to do this. Now, anyway, why don't you go  
8 ahead, Bobby, and do your two minutes and then I'm going to get back to you with  
9 similar questions.

10 **MR. BOBBY GILLIAM:** And this is Mr. Paul Pratt to my far right. He is from  
11 SWEPCO and he's in charge of -- director of regulatory and customers.

12 **MR. PAUL PRATT:** Customer services and marketing.

13 **MR. GILLIAM:** And he's been directly involved in this process from day one.  
14 We've been at it a long time. Now, I have some important points to make for all,  
15 considering everything, just like you asked, that's fair questions.

16 **MS. BOWMAN:** Hey, Bobby, can you speak closer to your mic, please? Thank  
17 you.

18 **MR. GILLIAM:** I'll try.

19 **COMMISSIONER SKRMETTA:** You can just move the microphone, Bobby.

20 **MR. GILLIAM:** Yeah. I'm going to have to move it around kind of to sit this  
21 way. We have been through an administrative process. We've used one. We had  
22 one back in 2015. We had an administrator, a third-party administrator, that we  
23 brought in to hire and we worked with them and, ultimately, we decided we could

1 do better ourselves and we got rid of the contract. So we went through that process  
2 and what we saw was rate increase, a cost increase, that could be handled better and  
3 I want to let you know these are real people, they're here. Like two of them in the  
4 back, Ms. Miller, can you raise your hand? And, Steve, can you raise your hand?  
5 Those two are examples of two that do this work on a daily basis and they've done  
6 an excellent job. We've got their report card. I mean, it's an A plus, I can't give  
7 them any better grade. We got 52,000 customers served through this program now.  
8 By the way, somebody brought up union employees and all that, we have 36  
9 companies vetted and working for us, 33 right there in the local area. We take all  
10 companies, but some are union, some may not be, but they're union. SWEPCO is  
11 a union company. We're a IBEW company, so we address all of that. The costs  
12 we think are going to go up. They're going to go up 113 percent, if we're going to  
13 give you a number. Can that be off some? We're not, you know, no way is going  
14 to guarantee it, but that is our best estimate and we've seen it before with an  
15 administrator. This isn't something we're just guessing at.

16 **COMMISSIONER SKRMETTA:** Bobby, let me ask you a quick question, and  
17 refresh my memory because I want to make sure I get this accurate. The previous  
18 contractor you're talking about was Clear Result, right?

19 **MR. GILLIAM:** Correct.

20 **COMMISSIONER SKRMETTA:** Okay. And they actually ran it for all the  
21 investor-owned utilities at that time I think. Yeah.

22 **MR. PRATT:** Commissioner Skrmetta, that is correct.

1 **COMMISSIONER SKRMETTA:** Okay. And they charged, statewide, \$14  
2 million, if I'm correct. Statewide, that was their administrative fee to run the energy  
3 efficiency program?

4 **MR. GILLIAM:** I think that's about correct.

5 **MR. PRATT:** That's correct.

6 **COMMISSIONER SKRMETTA:** Okay. And what year was that? Was it about  
7 seven years ago?

8 **MR. GILLIAM:** 2015, I'm sure it was that year, may have carried over into  
9 another year.

10 **COMMISSIONER SKRMETTA:** Okay. So seven, eight years ago?

11 **MR. GILLIAM:** Right.

12 **COMMISSIONER SKRMETTA:** So my point about this, and this is important  
13 for the Commissioners and the public to understand this, that was an administrator  
14 of an energy efficiency program and what we did with that is we had them cancel  
15 the administrator. They went to their own internal mechanism, but the Commission  
16 took that money and instead of letting them have a public administrator, we  
17 converted that into the public entity program and that since then, \$100 million has  
18 been spent on the public entity program through the five Commission Districts on  
19 helping local governments improve the quality of life for students and families in  
20 Louisiana. And that's money that wasn't wasted on a public administrator because  
21 of the absolute ridiculousness of paying that much money to a public administrator  
22 when the companies themselves were better suited to administrate. And that same  
23 amount of money, the Public Service Commission administrates that whole

1 program, like I said before, for \$125,000 including the \$25,000 each Commissioner  
2 has to pay an engineer to go out and double check projects. So we're not against  
3 spending money. My dear departed mother taught me that get the value for money  
4 and I guarantee you my mother was buried with the first penny she ever made. And  
5 she taught me how to be very close and very effective with spending money. But  
6 what you're talking about, Bobby, is the money that we saved on a public  
7 administrator in Clear Result, is money that paid for every community that affected  
8 every person in this room that have a better quality of life. And that's my problem  
9 with this public administrator program, but I'll digress. I just wanted to make that  
10 point while you were making this particular point about your administrator.

11 **MR. GILLIAM:** And if I can, if I can give you all just some specifics because  
12 that's what you all need, you need specifics. And SWEPCO is, by the way, very  
13 much supportive of this program. That's why we're trying to give you how we  
14 spun the program and made it work, but the costs are pretty big. The delivery cost  
15 from with the administrator, we decreased from 52 percent of the total budget in  
16 2015 to 16 percent of the total budget in 2023. So for us it was a budget increase  
17 and we have, I think, seven people working on this pretty much all the time. It's  
18 what they do, they do this. Also, we do have different programs and we do have a  
19 -- here's a residential low-income program and we have been serving those  
20 customers for quite some time. 4,394 or 12 percent qualified as low income back,  
21 I guess, last year. So that's part of our program overall. We do select the best  
22 locally based contractors. You don't just go get on a list. You kind of try to cull  
23 them and they spent quite some time doing it. So these are all different ways to do

1 them. We're not saying exactly what's right, exactly what's wrong, but this way  
2 has worked for us and our customers and we think has brought a benefit to them  
3 and there are more to come. Lots of other stats, like last year we did 1,604 projects  
4 in 2023 alone, so it's a very active, vibrant program that is working for us. And,  
5 you know, I think all of you have a local input is important to what occurs, it's  
6 really important. Got the big public projects that we do, but we also have the other  
7 and I think it's set up where we take guidance really not from an administrator, and  
8 we certainly are listening to our experts, but from each of you and that's what we  
9 want to do. It's a Public Service Commission driven project. That's the way we  
10 view it and so that's how we're trying to make it work.

11 **CHAIRMAN FRANCIS:** Thank you all for coming.

12 **COMMISSIONER SKRMETTA:** Actually, I have a question for Mr. Gilliam.

13 **SECRETARY FREY:** You want me to -- I have the answers for both of y'all.

14 **COMMISSIONER SKRMETTA:** Go ahead and answer.

15 **SECRETARY FREY:** Okay. So the four states you talked about, this is from  
16 EIA data, eia.gov. I encourage everyone to go to that website. I love it. There's a  
17 lot of great information there and it's pretty easy to search on your phone. So  
18 October 2023 would be the most recent kilowatt hour and this is residential, all  
19 these numbers I'm going to give you are residential. Louisiana was 11.92 cents;  
20 Oregon was 13.24; Wisconsin, 17.05; Vermont, 22.11; and Hawaii 42.69. That's  
21 cents per kilowatt hour. To Commissioner Lewis' question, the most recent annual  
22 data on usage is 2022, 2023 is not final. Louisiana was 1,231 kWh per customer,  
23 that was the highest. There were 8 states with over 1,100 average and 21 with over



1 1,000. The regional average is east central with 1,163 and west central, where  
2 Louisiana is located, is 1,177, so that's okay.

3 **COMMISSIONER SKRMETTA:** Are they averaging the industrials into that?

4 **SECRETARY FREY:** No. That's straight up residential.

5 **COMMISSIONER SKRMETTA:** So straight up residential.

6 **SECRETARY FREY:** So I figured since were talking residential, y'all wanted  
7 residential numbers. And I just did math because I like doing it. Foster, I know  
8 that'll make you happy.

9 **COMMISSIONER SKRMETTA:** Yeah, Foster is happy about that.

10 **SECRETARY FREY:** But if you multiply the average kilowatt hour sales times  
11 average usage of the average customer's bill in Louisiana, it would be 146.73;  
12 Vermont, 130; Wisconsin, 116.62; Hawaii, 219.85; and Oregon, 125.25.

13 **VICE CHAIRMAN LEWIS:** So Louisiana would be one of the highest?

14 **SECRETARY FREY:** Out of the states with administrators, correct.

15 **VICE CHAIRMAN LEWIS:** Thank you.

16 **CHAIRMAN FRANCIS:** Well, we can --

17 **SECRETARY FREY:** Hawaii would be the highest, but it's --

18 **MR. KLEEHAMMER:** And, Brandon, if I may say one thing. One point that I  
19 was trying to clarify was when you were talking about electric usage, that's correct,  
20 but you also have energy usage [INAUDIBLE].

21 **SECRETARY FREY:** Yeah. This is all [INAUDIBLE] this is electric. This is  
22 kilowatt hour per customer and kilowatt hour averages.

1 **COMMISSIONER SKRMETTA:** Right. But how does it look against states that  
2 don't have administrators? That's my real question.

3 **SECRETARY FREY:** Well, I can --

4 **COMMISSIONER SKRMETTA:** You go back on that again. All right. Because  
5 I mean, that's what -- I mean, we've got to --

6 **SECRETARY FREY:** I mean, I can give you the regional, I can give you every  
7 state.

8 **COMMISSIONER SKRMETTA:** Well, I understand.

9 **SECRETARY FREY:** So in the Southeast region, West South Central, where  
10 Louisiana is located, we're the lowest, 11.92; Arkansas is 12.71; Oklahoma, 13.27;  
11 Texas, 14.71. And then East Central, Kentucky is the lowest there, 12.99;  
12 Mississippi, 13.67; I'm sorry, Tennessee was lower, 12.57; and Alabama, 15.02.

13 **COMMISSIONER SKRMETTA:** So we're still the lowest in the areas without  
14 administrators?

15 **SECRETARY FREY:** I think we're like fifth lowest in October.

16 **COMMISSIONER SKRMETTA:** Right. But those are old numbers. That's  
17 2022, right?

18 **SECRETARY FREY:** No, this is October 2023.

19 **COMMISSIONER SKRMETTA:** That's the new one? Okay.

20 **SECRETARY FREY:** [INAUDIBLE] that's the most recent data they've got.

21 **COMMISSIONER SKRMETTA:** So my point is I don't want to compare us  
22 against, you know, incorrect comparisons, that's all. I wanted to look at it because  
23 if we were going to look at us for where we are without administrators, but we have

1 our own program and we're successful at it because that's the real question, you  
2 know. And my question to you, Bobby, is, and really, I'm going to go through it  
3 with y'all. Do you feel that since changing from the Clear Result model that we  
4 had some years ago, do you feel that the program is a success that we've gone to  
5 the current model? And do you think -- part B to that question, do you think that  
6 the problem could become more successful just by budget increase and  
7 Commission driven new projects?

8 **MR. PRATT:** Commissioner Skrmetta --

9 **MR. GILLIAM:** Well, I'm going to let Mr. Pratt [INAUDIBLE] --

10 **COMMISSIONER SKRMETTA:** Yeah, go ahead.

11 **MR. GILLIAM:** -- but is it a success? Yes, and that's what all of these measures  
12 indicate from that group that they've achieved back there through hard work and  
13 following up, being innovative as well.

14 **COMMISSIONER SKRMETTA:** Right. And go ahead, sir.

15 **MR. PRATT:** Yeah. Thank you, Commissioner Skrmetta. What I was going to  
16 talk about is since we've taken these programs in-house, you know, participation  
17 has been discussed here a lot today and I commend the folks in the room for their  
18 focus and being engaged in the process. It's what we need, and for us, that is what  
19 we're doing. We're trying to engage as many customers in our jurisdiction as  
20 possible and we have these high layers of administrative costs, those are dollars that  
21 can't go directly to the customer that needs it the most. And so our task since taking  
22 this in-house is to have the lowest possible administrative cost that we can have, so  
23 that more customers can participate, so that more low-income customers can

1 participate, so that local contractors who we are trade allies with, 33 local HVAC  
2 and insulating contractors, they build these programs into their model over years of  
3 work and fine tuning. By saying yes to this, we're going to eliminate all that and  
4 you're going to be starting from scratch in areas that it's not necessary. The utilities  
5 have already been down this road. I understand we want to increase participation  
6 rates across the state and we're fully supportive of that, but to tear down what the  
7 utilities have already built and fine tune just doesn't make financial sense. I can't  
8 find a positive in that.

9 **COMMISSIONER SKRMETTA:** Right. Well, have you given some thought to  
10 the potential employment loss associated with this, shifting from a non-  
11 administrated to a public administrated program?

12 **MR. PRATT:** Right. As Mr. Kleehammer has kind of indicated, we have a little  
13 bit of a road here to redeploy resources and what I'm more worried about are those  
14 local business that have incorporated and adapted and taken these programs to,  
15 again, build into their business model.

16 **COMMISSIONER SKRMETTA:** Right. Yeah. Well, again, you know, because  
17 I don't -- there's nobody here that doesn't want to do an energy efficiency program.  
18 Okay. I think that's a universal concept that -- but to even the companies, the  
19 Commissioners, the general public, everybody wants to do something. And it's  
20 about efficiencies, and it's about not being wasteful, and it's about being  
21 economically driven. Okay. But there's a lot of people that are out there going,  
22 ooh, we're going to get an administrator and we're going to have lots of extra  
23 money and we could all put our hand out. So it's not the general public who are

1 going to benefit. I want a program where it's 100 percent the general public benefits  
2 and there's not special interests who are going to come in and go, I want to do this  
3 and I want to do that and I want to be paid this and I want to be paid that. And with  
4 administrative fees and public manager fees, there's already people out there  
5 clamoring around the blood in the water on this. And it's largely unnecessary  
6 because if you tell me that the public -- you're telling me right now the program as  
7 it exists now works and if we had more money, we could do more energy efficiency,  
8 but the program and the methodology works.

9 **MR. PRATT:** Yes, Commissioner Skrmetta. As a matter of a fact, we have a  
10 waiting list waiting for the budget to renew from year to year.

11 **COMMISSIONER SKRMETTA:** Okay. So that's it. Mr. Hand, what about you  
12 guys? Does the program as it works and if we had more money, can we get more  
13 economy?

14 **MR. HAND:** I would say for ELL, our utility-led program has been very  
15 successful. Moving toward a higher budget, more permanent, sustainable program  
16 will allow it to become more successful.

17 **COMMISSIONER SKRMETTA:** Okay. Mr. Kleehammer?

18 **MR. KLEEHAMMER:** I agree with both of those comments. Same thing for  
19 Cleco.

20 **COMMISSIONER SKRMETTA:** Okay. And what about you, Mr. Gilliam?

21 **MR. GILLIAM:** Yes, we do and I'll give you one other number that I think helps.  
22 This means for every dollar spent on the programs, the programs as they now stand,  
23 it results in over \$4.60 in energy savings benefits, so it's working.

1 **COMMISSIONER SKRMETTA:** Okay. So you're good with the fact that the  
2 program as it exists now, if it just had more money in the budget, we could be  
3 accomplishing more?

4 **MR. GILLIAM:** What I'm saying is, is the dollars we have now go to what can  
5 achieve the most. There's nothing in between to go. They're going to go to the  
6 individual who's trying to achieve these energy savings, low income or otherwise,  
7 that's what we're trying to do.

8 **COMMISSIONER SKRMETTA:** Well, let me ask the question again. So you're  
9 happy with the system, but you see if we had more money in the budget, we could  
10 be accomplishing more value and more accomplishment?

11 **MR. GILLIAM:** Correct.

12 **MR. PRATT:** That's correct, Commissioner Skrmetta.

13 **COMMISSIONER SKRMETTA:** Okay. All right.

14 **MR. GILLIAM:** It could serve more [INAUDIBLE].

15 **COMMISSIONER SKRMETTA:** Well, I'm done. I'd like to speak to our  
16 consultant.

17 **CHAIRMAN FRANCIS:** Okay. Thank you, guys, for coming.

18 **MS. BOWMAN:** We do have one more individual constituent who would like to  
19 speak.

20 **COMMISSIONER SKRMETTA:** Yeah, I can wait until after that.

21 **MS. BOWMAN:** Is that okay? Yeah.

22 **COMMISSIONER SKRMETTA:** Yeah.

23 **MR. KLEEHAMMER:** Thank you for the opportunity.

1    **CHAIRMAN FRANCIS:** Okay. We got one more. Who's that?

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

3    **CHAIRMAN FRANCIS:** Is that Harlan?

4    **MS. BOWMAN:** Yes.

5    **MR. JAMES HARLAN:** Yeah. I'm --

6    **CHAIRMAN FRANCIS:** Sorry we put you off so late.

7    **MR. HARLAN:** I am James Harlan. I'm from Covington, Louisiana. I'm a

8    chemical engineer with a doctorate in public policy. I've worked in energy policy

9    in the past, not recently, but I had been an energy businessman in the storage field,

10   natural gas storage. What impresses me about this conversation is that the real

11   problem with enabling consumers in Louisiana, many of whom are poor, as

12   Commissioner Lewis points out, is that they don't have the capital to implement

13   energy efficiency. The problem is getting capital to people to do sensible things

14   that will save everybody money and if the budget is limited and it is allocated out

15   of some program that's by the legislator or required of the utilities as part of the

16   social contract that the gentleman mentioned, basically, the utilities have a

17   monopoly. They do things in exchange for the monopoly. They also have better

18   access to capital, so every time I've heard this and I haven't studied this, there are

19   people that live and breathe this stuff. I just came to this meeting because I knew

20   this was on the agenda. Is there a possibility -- and I don't want to slow down

21   whatever -- I wouldn't want to do anything to slow down adopting something that

22   has taken 13 years to get up to a decision point. And the arguments here have been

1 who's guarding the henhouse. The problem is getting capital into the hands of  
2 people who don't have capital.

3 **COMMISSIONER SKRMETTA:** Can I answer your question? I think I have  
4 an answer for you.

5 **MS. BOWMAN:** Commissioner, mic.

6 **COMMISSIONER SKRMETTA:** I just want to -- I'm sorry. I'll let you finish.

7 **MR. HARLAN:** So if the utility companies are in charge of the process with their  
8 own capital and are able to recover the money that they have to invest to help people  
9 save energy, then that's a direction that is needed. I don't think that's addressed by  
10 what you've been talking about here.

11 **COMMISSIONER SKRMETTA:** Let me explain to you and I think this will  
12 help you with understanding what we do in the public entity portion, which is a big  
13 -- half of this program is going to be public entity. And when we created the public  
14 entity program, what the Commission does is it allows independent contractors to  
15 go out to the state, to go to governmental agencies, and say the Commission has a  
16 program and the Commission says we can change out old technology for new  
17 technology. Lighting, predominantly lighting, or sometimes they could do air  
18 conditioning, things that help improve energy consumption. Right. And the  
19 government says I'm going to sign a contract with you to do it. The contractor puts  
20 up the money, he does the job, we approve it as Commissioners, we say you get a  
21 letter from us saying you can do it, the contractor does the job, the job gets  
22 completed, the consumer puts up no money, and when it's over the government  
23 signs off on it, the contractor signs off on it, the engineer that we all have on our



1 Staff signs off on it, and the utility pays the contractor. So the money does not have  
2 to come from the government. The program that I suggested for the weatherization  
3 program for the Commission was to do the same thing, but with a \$10,000 credit to  
4 low income homes to where contractors could go to low income folks, and the way  
5 I suggested a parameter was 65 and over, fixed income folks that are homeowners  
6 that they could go do that, and the contractors could meet with them, they could  
7 offer them what they could do, they could do the \$10,000 credit. If they wanted to  
8 do more, they could do more. If they want to do less, they could do less, but the  
9 contractor bears the burden of the \$10,000. Our engineer goes out and checks it  
10 and then the utility pays the \$10,000 to the contractor. The contractor shoulders  
11 the burden, so the homeowner does not have to do it, and that program has worked  
12 for eight years. So that same program is what I have suggested and it has been  
13 rejected on the concept, let's hire an administrator and just spend a lot of money.  
14 That's what my argument has been about this whole thing is we can take money and  
15 put it to work for the public and help, literally, 500 homes a year get fixed, 100 in  
16 each district, for the cost of an administrator. And I hope that shows how we could  
17 do that.

18 **MR. HARLAN:** Well, I get the point about administrative efficiency, but that's a  
19 drop in the bucket relevant to the scope of the problem.

20 **COMMISSIONER SKRMETTA:** If we had done this -- but that's 500 homes a  
21 year, every year that gets done. It doesn't take long, let me tell you, time flies when  
22 you're getting old hoss. Let me explain, but it doesn't take long in a  
23 Commissioner's cycle that's 3,000 homes. I mean, you're talking about a lot of

1 homes get done very quickly when you're talking about doing it on a regular basis,  
2 you get this done, and you accomplish a task. You can't say well, we're going to  
3 wipe out energy loss in five minutes. You've got to have a plan and you have to  
4 take the old statement of a journey of 1,000 miles begins with 1 step. If you go to  
5 an energy efficiency program through a government administrator, he's going to be  
6 sitting around, figuring out what he's going to do. And, you know, you're an  
7 engineer, you said?

8 **MR. HARLAN:** And a public policy expert.

9 **COMMISSIONER SKRMETTA:** But you were an engineer first?

10 **MR. HARLAN:** Yes.

11 **COMMISSIONER SKRMETTA:** Yeah. You know what they used to say about  
12 engineers, you could talk about the extrovert engineer is the guy who looks at the  
13 other guy's shoelaces. Right. Because, you know, these guys are going to talk  
14 about it, but we've got a living example of what works on the concept of home  
15 weatherization because we can apply the public entity program to do home  
16 weatherization. There's been a lot of discussion about the federal money that was  
17 going to come in, this \$220 something million, but that's all over at the state  
18 Department of Natural Resources and the Commission is not going to have  
19 anything to do with it, I can tell you that right now. We're having to do this with  
20 our own concept of what we can do and we can build that into our program. But  
21 you've got to find the money to do it and my theory is I just don't want to waste  
22 money and I don't want to waste this administrative cost. That's all, but I'm like  
23 you. I'm like you. I want to do this, but I want to do it and hit the ground running.

1 **MR. HARLAN:** The energy business, the utilities have the capital, they know how  
2 to deploy capital, and they can provide the capital to low income consumers if the  
3 system is set up to do that, and they can earn money on the capital. The  
4 conversation's here about who guards the henhouse.

5 **COMMISSIONER SKRMETTA:** Well, they can't --

6 **MR. HARLAN:** And it's the utilities monies, they should be guarding their own  
7 [INAUDIBLE] --

8 **COMMISSIONER SKRMETTA:** Right. Well, they've got shareholder --

9 **MR. HARLAN:** They have the customer relationships.

10 **COMMISSIONER SKRMETTA:** No, no, I understand it. They've got  
11 shareholder responsibility and they've got issues, but we can accomplish stuff if we  
12 don't force them to take too big a bite. But if we approach this and say instead of  
13 spending \$5 million on an administrator and we take that \$5 million and put it to  
14 work, we show how it works now and we look at it in a year. There's always things  
15 we could do to change it. Right. Because we're looking at now we've got a \$30  
16 million budget on public entities. What we're talking about now is going to \$150  
17 million budget on -- excuse me, on energy efficiency statewide is \$30 million.  
18 We're talking about going to \$150 million. We're talking about doing a lot more  
19 work and getting a lot more accomplished, so we have real opportunity. So I just  
20 wanted to let you know, what you're talking about is right. There are ways we have  
21 shown that it can be done and we have to be very conscious of the fact that we just  
22 can't go to a private company and say we're taking all your money and we're going  
23 to do this. We have to do this in a meaningful way and a legal way and I think that

1 the appropriate way for us to do this is look at, instead of spending money in this  
2 pile, we take and spend it this way that we can all agree on and we can move it  
3 forward to affect and impact the lives of people immediately. That's all. Because  
4 otherwise we're going to be fooling around until we get towards October with this  
5 and nothing will happen between now and October and even after that -- and I'll  
6 give you an example of this --

7 **MR. BRODERICK BAGERT:** Commissioners, pardon me --

8 **COMMISSIONER SKRMETTA:** No, I'm not finished. I'm going to give you  
9 an example of this, a quick example.

10 **[AUDIENCE CHANTING VOTE]**

11 **COMMISSIONER SKRMETTA:** No, just stop this please. Control yourself.  
12 We're not done. We're not done. No, we've got more stuff to do.

13 **CHAIRMAN FRANCIS:** [INAUDIBLE] order.

14 **COMMISSIONER SKRMETTA:** We've got to do -- look, behave yourself.  
15 We've got one more person we've got to interview. Look, we're in this issue right  
16 now. Okay. All right. But we've got to understand that you're right, there's ways  
17 to achieve this goal. Okay. But we can't accomplish this the way you're talking  
18 about, about just going in, like, scooping. Right. The problem that I have with this,  
19 okay, is we're going to vote on this, and I already know it's going to pass, so y'all  
20 can relax. That it's going -- all right.

21 **[AUDIENCE CHANTING VOTE]**

22 **COMMISSIONER SKRMETTA:** All right. Well, you're just making it last  
23 longer. All right. This is going to be something that is not going to be started even

1 to the point where we look at an administrator maybe until October. Okay. And  
2 then that administrator's got to develop the plan, so this is going to be spooling  
3 around in the universe. But what also happens, and y'all have not read this plan  
4 that they've put into place, is that for the first four years of this administrative cycle,  
5 he gets to take the energy efficiency success of the utilities and take credit for that  
6 and in the fourth year, because he's got in his contract, he's got to achieve 0.5  
7 percent increase in energy efficiency to show that he's accomplished his goal, but  
8 he gets to take credit for the 0.4 percent that the utilities make in the first four years.  
9 So he only has to show an increase of 0.1 percent. So he gets to effectively copy  
10 the homework of the utilities for the first four years. So he gets to get a four year  
11 contract for \$5 million and not accomplish anything. There is a lot in this that takes  
12 fine magnifying glasses to read and understand what this is about and I'm just telling  
13 you, my concerns are, I don't want to see the public scalped, I want us to get value.  
14 So I want you to know, what you want is right, but there's a way to get it done and  
15 I don't see it being this way. So thank you.

16 **CHAIRMAN FRANCIS:** Do we have another card or another gentleman to  
17 speak?

18 **MS. BOWMAN:** This gentleman indicated he'd like to speak.

19 **MR. BAGERT:** I just wanted to say that we have 80 people --

20 **MS. BOWMAN:** Please -- I'm sorry. Wait, I'm sorry. Please introduce yourself  
21 for the record.

22 **MR. BAGERT:** My name is Broderick Bagert. I'm with Together Louisiana. We  
23 have 80 people who have taken off of work, who have gotten childcare, who've

1 studied this issue to make the effort to be here, and part of the conversation is taking  
2 on the quality of a filibuster that appears an attempt to just drag this out in  
3 perpetuity.

4 **COMMISSIONER SKRMETTA:** Mr. Bagert, we've had --

5 **MR. BAGERT:** And I would just ask the Commission to respect the time of the  
6 people who are making a sacrifice to be here. Thank you.

7 **COMMISSIONER SKRMETTA:** Mr. Bagert, we've had meetings that have  
8 gone eight hours on other issues, so this is not taking that long.

9 **VICE CHAIRMAN LEWIS:** Thank you, Mr. Bagert. And I also want to say I  
10 believe people have read this rule, so to say that people don't know what's in the  
11 rule is highly offensive to the public that is standing here today.

12 **CHAIRMAN FRANCIS:** Okay. The Chair is going to call for a vote on Exhibit  
13 Number 13.

14 **COMMISSIONER SKRMETTA:** Actually, I've got to talk to the consultant.

15 **VICE CHAIRMAN LEWIS:** I motion to move to previous question.

16 **CHAIRMAN FRANCIS:** The consultants?

17 **COMMISSIONER SKRMETTA:** Yeah, the Kennedy and Associates who did  
18 the work on the actual deal.

19 **CHAIRMAN FRANCIS:** Okay.

20 **COMMISSIONER SKRMETTA:** Just a few questions.

21 **VICE CHAIRMAN LEWIS:** Mr. Chairman, I believe it is an acceptable motion  
22 under our rules. I move to previous question and ask a second to take a vote.

1 **COMMISSIONER SKRMETTA:** Well, I think that you're trying not to hear the  
2 truth from the consultant. You're trying to like slide this in and if you're afraid of  
3 the truth, you're afraid of the truth, Commissioner.

4 **CHAIRMAN FRANCIS:** Let me ask, is there a card for a consultant?

5 **COMMISSIONER SKRMETTA:** He works for us.

6 **MS. BOWMAN:** Mr. Hayet and his associate, Ms. Wellborn are here. They have  
7 filled out a card if there were questions of the Commissioners.

8 **CHAIRMAN FRANCIS:** Okay. Well, I had asked if anyone who's filled out a  
9 card is welcome to speak. Let them come up.

10 **COMMISSIONER SKRMETTA:** Well, and they work for us anyway,  
11 Commissioner.

12 **CHAIRMAN FRANCIS:** Well, I didn't know. I had asked if there were any more  
13 cards. I thought that was all the cards.

14 **MS. BOWMAN:** Yes, sir. Well, cards from the public was first obviously, and  
15 then our consultants always go last just to answer any other questions that the  
16 Commissioners may have.

17 **VICE CHAIRMAN LEWIS:** I'll withdraw my motion.

18 **CHAIRMAN FRANCIS:** Okay. Sorry. Okay.

19 **VICE CHAIRMAN LEWIS:** I'll withdraw my motion at that time.

20 **CHAIRMAN FRANCIS:** Sorry. I didn't know you were lined up to speak. My  
21 apologies as the Chairman.

22 **MS. BOWMAN:** And, Phil, you've got to press the button in the middle. There  
23 you go.

1 **MR. PHILIP HAYET:** Good morning, Commissioners. Philip Hayet on behalf  
2 of the Staff and I'm here with Ms. Leah Wellborn who has been associated on and  
3 off with our firm for ten years and she has been fundamental in assisting and helping  
4 to develop the rule.

5 **MS. LEAH WELLBORN:** Good morning, Commission.

6 **COMMISSIONER SKRMETTA:** Okay. I just got a few questions, Mr.  
7 Chairman.

8 **CHAIRMAN FRANCIS:** Okay. Chair recognizes Commissioner Skrmetta.

9 **COMMISSIONER SKRMETTA:** Mr. Hayet, you came down to my office. You  
10 met with me, Ms. Bowman, and my executive assistant. We talked about the work  
11 that you did for the Commission. You remember that?

12 **MR. HAYET:** Yes. Yes, I remember.

13 **COMMISSIONER SKRMETTA:** Okay. During it, I asked you a question which  
14 was pretty straightforward. I asked you: Does the current program for public  
15 entities in the utilities program, does it work? Does it work effectively? You  
16 remember what you told me?

17 **MR. HAYET:** I can't remember every word I said to you, but if you asked me now  
18 --

19 **COMMISSIONER SKRMETTA:** Well, I got video of it if you want it.

20 **MR. HAYET:** -- I would say to you, yes, I think it does work.

21 **COMMISSIONER SKRMETTA:** Yeah. It does work and I asked you, you  
22 know, why are we doing something more than that, other than expanding the  
23 budget. Do you remember what you told me?



1 **MR. HAYET:** Commissioner, I can't remember every word I said.

2 **COMMISSIONER SKRMETTA:** Well, I'll refresh your memory and tell you  
3 that you really said well, you know, you weren't real sure other than you said we'll  
4 see if we can do better. And it was sort of a nonresponse of it.

5 **MR. HAYET:** Well, Commissioner, I believe I said that every program has pros  
6 and cons.

7 **COMMISSIONER SKRMETTA:** So now you remember it, which is good.  
8 Thank you.

9 **MR. HAYET:** That is what I remember.

10 **COMMISSIONER SKRMETTA:** So now you remember, which is good.

11 **MR. HAYET:** Yes.

12 **COMMISSIONER SKRMETTA:** I'm always glad when you remember, because  
13 it makes me happy. Okay. You know, I had some issues about a lot of these things  
14 that you came in and, you know, we literally had to -- I'm looking for this. I had  
15 some very specific things. I'm sorry and I'm looking for this. You know, what do  
16 you think of the component in there that I just talked about with these folks about  
17 the administrator being able to utilize the work of the utilities for the first few years  
18 to take advantage of their performance as part of their overall performance success  
19 of that 0.5 percent?

20 **MR. HAYET:** I think that a lot will build on what it has already been done and I  
21 think that's true. I think that they will make use of -- they will start by looking at  
22 the programs that exist. They will use their knowledge of what has existed across  
23 the country and I think that they'll try to use best practice to develop the best

1 programs that they can. So I think their objective will be to build on what we have  
2 and to improve upon it.

3 **COMMISSIONER SKRMETTA:** And they're going to get paid to take  
4 advantage of all the previous work and knowledge to make a plan four years later?

5 **MR. HAYET:** That's true.

6 **COMMISSIONER SKRMETTA:** Okay. Let me ask you a question. In your  
7 report, how much did you charge the Public Service Commission for the report?

8 **MR. HAYET:** Zero.

9 **COMMISSIONER SKRMETTA:** Now, you see, the Staff tells me it was  
10 \$160,000.

11 **MR. HAYET:** For over the past year, we haven't charged the Commission one  
12 penny.

13 **COMMISSIONER SKRMETTA:** Well, Staff --

14 **MR. HAYET:** Our work probably has amounted to over \$70,000 of unbilled  
15 revenues to the Commission. I think what you're referring to is that we had been  
16 the consultant that has been involved in this since day one, going back to 2013.

17 **COMMISSIONER SKRMETTA:** Well, hang on a second because I'm going to  
18 ask --

19 **MR. HAYET:** So I think those costs that you're referring to are embedded in that  
20 entire period.

21 **COMMISSIONER SKRMETTA:** Well, yeah, I'm going to ask the Staff because  
22 I was looking at the cost of the report to the Commission.

1 **MS. BOWMAN:** Commissioner, off the top of my head, I don't know how much,  
2 but --

3 **COMMISSIONER SKRMETTA:** Because when we discussed this before, you  
4 told me it was like 160,000.

5 **MS. BOWMAN:** And they probably have charged 160,000 to work on this.

6 **COMMISSIONER SKRMETTA:** Okay.

7 **MS. BOWMAN:** However, Mr. Hayet is right. For probably the last at least nine  
8 months, ten months, if you recall, we did a scope expansion October, I believe, but  
9 prior to that he had not been billing.

10 **COMMISSIONER SKRMETTA:** Okay. And I'm trying to move this along, so  
11 I can get this over with. How did you conceptualize the concept of an administrator  
12 and a public manager?

13 **MR. HAYET:** You mean the statewide third-party administrator?

14 **COMMISSIONER SKRMETTA:** Yeah.

15 **MR. HAYET:** It was under the direction of the Commission's interest in having  
16 that. The Commission itself has a desire to look at that and we were asked to do  
17 that and we have.

18 **COMMISSIONER SKRMETTA:** So where did you come up with the idea?

19 **MR. HAYET:** The idea was working in cooperation with the Commission.

20 **COMMISSIONER SKRMETTA:** So where did you find -- I mean, did you  
21 develop the language? I mean, you just kind of pulled it out?

1 **MR. HAYET:** Well, I reviewed and we reviewed along the way work that's been  
2 done in Oregon, Wisconsin, Hawaii. That helped to conceptualize what needed to  
3 be done and therefore, that's what led us to the rule as you see it.

4 **COMMISSIONER SKRMETTA:** Well, one of the problems I have is I went and  
5 looked at the Department of Energy's website and it looks like, and I've showed  
6 this to Staff, that it looks like you just copied their work.

7 **MR. HAYET:** I think that's patently false.

8 **COMMISSIONER SKRMETTA:** Well, I'm just telling you what it looks like.

9 **MR. HAYET:** I'm sorry to push back. With all due respect, you'd have to show  
10 me what you're talking about, but I think that's patently false.

11 **COMMISSIONER SKRMETTA:** And after the meeting I'd like you to go meet  
12 with Kathryn and she's going to show you, because the concept of the administrator  
13 and the public manager are pretty much close to being identical from the  
14 Department of Energy's website under the Biden Administration mechanism.

15 **MR. HAYET:** I told you that the way that this rule has come about was through a  
16 review of rules in other states and it worked off of the Quick Start rule that we had.  
17 There was no attempt to use any work product from the Department of Energy as  
18 you're suggesting.

19 **COMMISSIONER SKRMETTA:** Did you use work product from the other  
20 states?

21 **MR. HAYET:** Yes, as guide. Yes, sir.

1 **COMMISSIONER SKRMETTA:** All right. Do you think that the program as  
2 we have it now, if we expanded the budget, could still be successful without an  
3 administrator if we just put more money into the program and move forward?  
4 **MR. HAYET:** Well, Commissioner, I'll answer it this way, the Alliance for -- I'm  
5 sorry, the ACEEE, who is here --  
6 **COMMISSIONER SKRMETTA:** Can you give me the acronym, statement of  
7 what that is?  
8 **MR. HAYET:** The American --  
9 **MS. WELLBORN:** For Energy Efficient Economy.  
10 **COMMISSIONER SKRMETTA:** Who's that?  
11 **MR. HAYET:** They were here. Mr. Wright was sitting up here in front of you.  
12 **COMMISSIONER SKRMETTA:** Okay. All right. Go ahead.  
13 **MR. HAYET:** Okay. They're considered the organization that's the most involved  
14 promoting energy efficiency in the U.S.  
15 **COMMISSIONER SKRMETTA:** So they're in all 50 states?  
16 **MR. HAYET:** They're probably in all 50 states. They have come out and said that  
17 it has a lot more to do with the Commission regulation than it has to do with a  
18 specific model that you develop. So I'm trying to answer your question that I think  
19 that you could be successful with any direction that you go as long as you have a  
20 very involved, active Commission that attempts to oversee and has oversight over  
21 the program.  
22 **COMMISSIONER SKRMETTA:** Have you determined that this Commission is  
23 an active Commission in its current energy efficiency program?

1 **MR. HAYET:** I think this meeting indicates you have significant interest in  
2 overseeing the program.

3 **COMMISSIONER SKRMETTA:** And what about the past performance of the  
4 Commission and, you know, its spend and its oversight over the utilities and what  
5 they do?

6 **MR. HAYET:** Yes, I think you've done that. I think you would, again, whatever  
7 direction that this Commission chooses, I think the management -- for example, if  
8 you continue with the utility plan, I think this Commission being actively involved  
9 in overseeing would ensure the success. And I think that if you go with a statewide  
10 third-party administrator, it's still going to take an active oversight role of this  
11 Commission to ensure the success and I think that the program can be successful  
12 either way.

13 **COMMISSIONER SKRMETTA:** Some years ago, when I was first on the  
14 Commission, we discussed issues associated with environmental impact statements  
15 and then we started looking at economic impact statements. Do you look at the  
16 economic impact between the two type of plans that you look at when you do this,  
17 with administrator versus non-administrative?

18 **MR. HAYET:** Commissioner, it's very difficult and what we're going to have in  
19 terms of getting to the bottom line numbers, which you're suggesting, is that you're  
20 going to have an RFP and you're going to bid and you're going to emphasize the  
21 lowest cost, the lowest administrative cost. That's an important aspect, again, in  
22 the important oversight role of the Commission, the emphasis of the lowest  
23 administrative cost possible. So the utilities have gotten the message, as you heard

1 the utilities speak today, as to attempting to lower the administrative cost, and I  
2 think when you go through the process, the competitive solicitation process, I think  
3 you'll attempt to achieve the lowest administrative cost through that process as  
4 well.

5 **COMMISSIONER SKRMETTA:** How do you guarantee the Commission votes  
6 to hire the lowest bid?

7 **MR. HAYET:** How do I guarantee? I can't give you a guarantee that the  
8 Commission will hire the lowest bid. I think the Commission attempts to hire the  
9 best bid based on the judgement that you use.

10 **COMMISSIONER SKRMETTA:** Well, it doesn't always work out that way. So  
11 anyway, all right. Thank you very much.

12 **MR. HAYET:** You're welcome.

13 **COMMISSIONER GREENE:** Thank y'all for all your hard work.

14 **MR. HAYET:** Thank you.

15 **MS. WELLBORN:** Thank you.

16 **CHAIRMAN FRANCIS:** Okay. We've got Exhibit 13 before us for a vote.

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

18 **CHAIRMAN FRANCIS:** And I'd like to call a vote.

19 **MS. BOWMAN:** And just to clarify for the record, Commissioner Greene made a  
20 motion, Commissioner Lewis suggested some amendments which, Commissioner  
21 Greene, you agree with?

22 **COMMISSIONER GREENE:** So, yeah. I'd like to copy his into mine and make  
23 a motion that we accept that combined motion.

1 **MS. BOWMAN:** With those amendments and, Commissioner Lewis, --

2 **COMMISSIONER CAMPBELL:** How about going over the motion again?

3 **MS. BOWMAN:** -- you would second that?

4 **VICE CHAIRMAN LEWIS:** Yes.

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

6 **COMMISSIONER GREENE:** So if that's the case, we'll vote on the motion and

7 then the rule; is that correct?

8 **VICE CHAIRMAN LEWIS:** No, I think it's all in one. It's all in one.

9 **COMMISSIONER CAMPBELL:** In summary, what are we voting on?

10 **MS. BOWMAN:** So we're adopting the Phase II rules that were filed into the

11 record with a modification by Commissioner Greene saying the utilities are not

12 allowed to recover lost contribution of fixed cost unless they can prove that they're

13 underearning because of energy efficiency. And then Commissioner Lewis'

14 amendments were to dedicate 15 percent of the budget to low income and 10

15 percent of the budget to rental properties.

16 **COMMISSIONER CAMPBELL:** Okay. That's it?

17 **MS. BOWMAN:** Yes, sir, that's it. So there was a motion by Commissioner

18 Greene and a second by Commissioner Lewis, opposition by Commissioner

19 Skrmetta, so we'll do a roll call vote.

20 **CHAIRMAN FRANCIS:** So if there's no other additions, we'd like to ask

21 Commissioner Skrmetta, how do you vote?

22 **COMMISSIONER SKRMETTA:** No.

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



1 **COMMISSIONER GREENE:** I vote yes, but I have a statement as well.  
2 Customers want and need to lower their bills and need tools to do this and our new  
3 rule has potential to unleash competition in the energy efficiency market and deliver  
4 real, accountable savings to customers. Further, we know there's discussion in  
5 other dockets that we have about adding new utility generation to customers' bills.  
6 A robust energy efficiency market has the potential to mitigate the need for adding  
7 new generation to customers' bills. The least expensive generation plant for  
8 customers is the one they're not forced to pay for. I vote yes.

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

10 **COMMISSIONER CAMPBELL:** Yes.

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

12 **VICE CHAIRMAN LEWIS:** Yes.

13 **CHAIRMAN FRANCIS:** The Chair votes no and the Exhibit 13, as amended, is  
14 approved. We'd like to have a five minute recess.

15 **[OFF THE RECORD]**

16 **[BACK ON THE RECORD]**

17 **CHAIRMAN FRANCIS:** We'd like to, at this moment, to open up the next  
18 exhibit. Ms. Bowman, what exhibit are we on? Number 7?

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

20 **CHAIRMAN FRANCIS:** Okay. Everybody look on the Exhibit Number 7.

21 **MS. BOWMAN:** Exhibit Number 7 is Docket Number T-36703. It's the  
22 Commission versus Cooyon Duhon's Moving Company. It's an alleged violation  
23 of Revised Statute 45:161 through 180.1, by engaging in activities related to

1 moving household goods prior to complying with the requirements of Revised  
2 Statute 45:164(E) and General Order dated March 16, 2021, for failure to comply  
3 with the requirements of General Order dated April 3, 2008 as amended. It's a  
4 discussion and possible vote on a recommendation of the ALJ. Staff conducted an  
5 investigation into the moving company and determined that they were not  
6 registered with the Commission, but was advertising for services as an intrastate  
7 household goods mover, and based on these findings, issued a citation on March  
8 31, 2023. Notice of a hearing date delivered to them via FedEx on August 22, 2023.  
9 At the hearing, the company did not appear and present a defense. The  
10 recommendation of the ALJ was issued on December 29, 2023. At the hearing,  
11 Staff requested that the company be found guilty of violating the Revised Statute by  
12 engaging in activities related to moving household goods prior to complying with  
13 the Revised Statutes and Commission's General Order, be found guilty of violating  
14 the 2008 General Order, and be fined \$1,000 and required to pay a \$25 citation fee.  
15 At the hearing, Staff proved that the company violated Revised Statute 45:164(E)  
16 and 2021 General Order by holding itself out as an intrastate household goods  
17 moving company in online advertisements without first obtaining Commission  
18 authority. Additionally, the advertisements did not list a Commission certificate  
19 number in violation of the 2008 General Order as amended. Based on this  
20 testimony and the documents admitted into evidence, the ALJ recommends that the  
21 Commission issue an order finding that Cooyon Duhon's Moving Company is  
22 guilty of violating Revised Statute 45:164(E)(1) and the Commission's General  
23 Order dated March 16, 2021; that the moving company is guilty of violating the

1 Commission's General Order dated April 3, 2008; and that the moving company is  
2 fined \$1,000 and assessed a \$25 citation fee.

3 **VICE CHAIRMAN LEWIS:** I move we accept Staff recommendation.

4 **CHAIRMAN FRANCIS:** And I had one comment, Commissioner Campbell  
5 wanted to know if I thought that Cooyon Duhon's was from Jena and I said I didn't  
6 think so. So there's a motion to accept Staff's recommendation by Commissioner  
7 Lewis and seconded by his Chairman. Is there any discussion or objections?  
8 [NONE HEARD] Seeing none, 7 is passed.

9 **MS. BOWMAN:** Exhibit Number 8 is Docket Number T-36843. This is the  
10 Commission versus 3B Group Corporation in regarding a cancellation of  
11 Registration and Insurance Certificate Number 1599 for failure to file an annual  
12 report for 2022 and/or pay a late filing fee of \$500 and a citation fee of \$25 as  
13 required by General Order 2 and General Order dated March 18, 2021. This is also  
14 a discussion and possible vote on a recommendation of the ALJ. Staff alleges that  
15 3B Group failed to file its 2022 Annual Report and pay a \$500 late fee and at the  
16 hearing on October 12, 2023, 3B did not appear and present a defense. Because 3B  
17 did not appear, Staff also had the burden of demonstrating that 3B was provided  
18 notice of a fair hearing and opportunity to present a defense and the  
19 recommendation of the ALJ was issued on December 27, 2023. Staff mailed a  
20 citation to the company's address on file directing them to appear at the hearing but  
21 was returned undeliverable labeled affixed: Return to sender, attempted-not  
22 known, unable to forward. At the hearing, Staff did not present any documentation  
23 connecting the Colleyville address or the individual on the phone that spoke to Staff

1 related to 3B. The Commission has ruled consistent with Louisiana courts that a  
2 carrier cannot defeat service by refusing certified mail, finding that when a plaintiff  
3 sends certified mail to a defendant at the correct address, and the defendant simply  
4 refuses to accept the package, this is still sufficient service, but by contrast, where  
5 there is a defect in the envelope, service is insufficient. There was a ruling on a  
6 motion to continue and notice of rescheduling the hearing date that was sent to the  
7 Colleyville, Texas address. It was returned unclaimed. However, there was no  
8 evidence that the address to which it was mailed was correct address for 3B.  
9 Therefore, there is no evidence that 3B refused to claim the certified mail. Since  
10 Staff did not carry its additional burden of proving that 3B was provided fair notice  
11 of the allegations, the hearing date, and the opportunity to present a defense, it is  
12 not appropriate at this time to revoke 3B's authority. The ALJ recommends that  
13 the proceeding be dismissed without prejudice.

14 **CHAIRMAN FRANCIS:** Chairman recommends that we accept the Law Judge  
15 recommendation on Exhibit Number 8.

16 **VICE CHAIRMAN LEWIS:** I'll second.

17 **CHAIRMAN FRANCIS:** Seconded by Commissioner Lewis. Any discussion?

18 [NONE HEARD] Hearing none, Exhibit 8 is through.

19 **MS. BOWMAN:** Exhibit Number 9 is Docket Number 36976. This is the  
20 Commission versus CM Movers. It's an alleged violation of General Order dated  
21 April 3, 2008 as amended for advertising under a name other than the carrier's legal  
22 and/or registered name and for failure to include their Common Carrier Certificate  
23 Number 8323-A in all advertising. It's a discussion and possible vote pursuant to

1 Rule 57 on affidavit and stipulation executed by the carrier. This will need two  
2 votes. As a result of the complaint submitted to Transportation Staff, a citation was  
3 issued to CM Movers on September 15, 2023 and based on the aforementioned  
4 allegations and violations. In response to that citation, the manager of the company  
5 executed an affidavit and stipulation on behalf of the company admitting to  
6 violating all violations alleged in the citation and agreed to the imposition of a  
7 \$1,000 fine and a \$25 citation fee with \$500 being suspended contingent on the  
8 conditions that the carrier not be found guilty of any rules and regulations of the  
9 Commission for a period of three years and removed all advertisement in the name  
10 of Movers NOLA or any other name that is not CM Movers and will include its  
11 LPSC common carrier certificate in any and all advertisements. Staff recommends  
12 that the Commission: 1) Exercise its original and primary jurisdiction under Rule  
13 57 to consider the affidavit and stipulation; and 2) Accept the affidavit and  
14 stipulation executed on November 21, 2023 for fines and fees totaling \$525.

15 **CHAIRMAN FRANCIS:** Chairman recommends we take this up under Rule 57,  
16 Exhibit Number 9.

17 **COMMISSIONER CAMPBELL:** Second.

18 **CHAIRMAN FRANCIS:** Seconded by Commissioner Campbell. I'll make a  
19 motion that we accept the Staff recommendation for this.

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

21 **CHAIRMAN FRANCIS:** For Exhibit 9 and seconded by Commissioner  
22 Campbell, so Exhibit 9 is passed.

1 **MS. BOWMAN:** Exhibit Number 10 is Docket Number R-31106. This is the  
2 Commission's rulemaking to study the possible development of financial  
3 incentives for the promotion of energy efficiency by jurisdictional electric and gas  
4 utilities. It's a discussion and possible vote to retain an engineer for District I. And  
5 also, just so you guys know, the next two exhibits are very similar for other districts.  
6 Pursuant to the Commission's General Order dated December 2, 2021, each  
7 Commissioner can nominate a qualified engineering firm to provide professional  
8 services for each district for the political subdivision energy efficiency program,  
9 subject to the Commission's confirmation vote and approval. Based on this  
10 Commission General Order, Commissioner Skrmetta nominates Nathan Junius of  
11 Linfield, Hunter & Junius to serve as his engineering firm for District I for 2024.  
12 Based on the Commission's General Order and the allocation of political  
13 subdivision portion of the energy efficiency program to District I, the engineering  
14 services shall not exceed \$23,936.35. Staff recommends that the Commission  
15 approve Commissioner Skrmetta's nomination of Linfield, Hunter & Junius to  
16 assist District I with the political subdivision energy efficiency program for a total  
17 budget not to exceed of \$23,936.35.

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

19 **VICE CHAIRMAN LEWIS:** I'll second.

20 **CHAIRMAN FRANCIS:** Is it possible to ball all three of them up together or we  
21 got to do each separate?

1 **MS. BOWMAN:** I'll just read the Staff recommendation if that -- we can move it  
2 along that way since we've already talked about the substance. But Exhibit 11 is  
3 the same Docket R-31106.

4 **SECRETARY FREY:** We had a motion and second, just make sure we got that -  
5 -

6 **MS. BOWMAN:** Yes.

7 **SECRETARY FREY:** Okay. Yeah.

8 **MS. BOWMAN:** Staff's recommendation on Exhibit Number 11 related to R-  
9 31106 is pursuant to the Commission's General Order dated December 2, 2021.  
10 Staff recommends that the Commission approve Commissioner Lewis' nomination  
11 of Bonton Associates to assist District III with its political subdivision energy  
12 efficiency program for a total budget not to exceed of \$23,878.16.

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

14 **VICE CHAIRMAN LEWIS:** I'll second.

15 **CHAIRMAN FRANCIS:** Any discussion? [NONE HEARD] I'd just like to  
16 comment that we've enjoyed working with these engineers, I'm very proud of what  
17 we've done, and we've been doing that in-house. We didn't hire any executives to  
18 help us, so that's kind of a friendly suggestion to Commissioner Skrmetta's  
19 argument. So, okay, those are passed.

20 **MS. BOWMAN:** Exhibit Number 12 is also Docket Number R-31106. It's a  
21 discussion and possible vote to retain an engineer for District IV. And pursuant to  
22 the Commission's General Order dated December 2, 2021, Staff recommends that  
23 the Commission approve Chairman Francis' nomination of D. Hicks Consulting to

1 assist District IV with its political subdivision energy efficiency program for a total  
2 budget not to exceed of \$29,592.63.

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

4 **VICE CHAIRMAN LEWIS:** I'll second.

5 **CHAIRMAN FRANCIS:** Any discussion? Any objection? [NONE HEARD]  
6 And Exhibit 12 passes.

7 **MS. BOWMAN:** We have already handled Exhibit 13. Exhibit 14 is deferred, so  
8 moving to Exhibit 15.

9 **COMMISSIONER CAMPBELL:** Thirteen and fourteen?

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

11 **COMMISSIONER CAMPBELL:** Deferred? Both of them?

12 **MS. BOWMAN:** No, 13 was the vote -- was energy efficiency.

13 **COMMISSIONER CAMPBELL:** Okay. Good. Go ahead.

14 **MS. BOWMAN:** Exhibit 15 is the Docket R-36832. It's the Commission's  
15 investigation of jurisdictional electric water, wastewater, and gas utilities' use of  
16 ratepayer funds on political spending. It's a discussion and possible vote to retain  
17 E9 Insight. Pursuant to --

18 **COMMISSIONER SKRMETTA:** I have a question.

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

20 **COMMISSIONER SKRMETTA:** Is it possible to avoid the hire and just offer a  
21 motion to provide that all political spending be prohibited to the ratepayers and be  
22 only allocated to the shareholders and just eliminate the need for any hire on this?

23 **MS. BOWMAN:** In my opinion, you would get into some due process concerns.



1 **COMMISSIONER SKRMETTA:** Well, I mean, we already prohibit a lot of  
2 activity for the utilities on executive compensation and other things and tell them  
3 that their shareholders have to pay it. And instead of hiring somebody to do this, I  
4 think, in general, most of the utilities don't utilize ratepayer money to do this and I  
5 think that they're not going to fly back at us and allege due process concerns. And  
6 if we did it this way, just to prohibit it, that we could, you know, save the money  
7 on it and we could go ahead and just prohibit it and be done with it.

8 **MS. BOWMAN:** So I know that some of our utilities have eliminated the  
9 executive compensation and things of that nature. My appreciation of those have  
10 been in in docketed proceedings where we've had those negotiations and  
11 conversations. Those have mostly been the IOUs. This also is for the large natural  
12 gas as well as the large water and wastewater. I don't know if we've had those  
13 same type of conversations with those utilities.

14 **COMMISSIONER SKRMETTA:** Well, when I saw this come up, I did make  
15 some phone calls around water companies, gas companies just to say look, you  
16 know, I want to find out if you're going to have a problem if we just tell you're  
17 going to take this to your shareholders and be done with it so we don't have these  
18 kind of concerns for the public. They didn't have any problem with it. So that's  
19 my -- the thing is, if we just want to maybe like stay this a month, find out, have  
20 the Staff do a general like, you know, call around and see if they have a problem  
21 with it.

22 **MS. BOWMAN:** Review of the financial --

1    **SECRETARY FREY:** Well, I would suggest if that was the route we wanted to  
2 go, we would just straight up publish the draft rule prohibiting it and then take  
3 comments on it and then you could have it for a vote. So if the concern would be  
4 due process, then there would be an opportunity to comment between now and the  
5 next meeting.

6    **COMMISSIONER SKRMETTA:** I mean, if we have any opposition, due  
7 process, then we hire somebody. But if not, then we just go ahead and kill it and  
8 be done with it and send it to the shareholders and then eliminate it. I mean, that  
9 would seem to be a way to just: A) Accomplish a task; and B) Save the money.  
10 But if we do have any hiccups, we could come back and do the hire. I mean, I don't  
11 know if Commissioner Lewis, if you'd be all right with approaching it that way.

12   **CHAIRMAN FRANCIS:** Well, are you suggesting that Brandon?

13   **SECRETARY FREY:** No. What I'm saying is if we -- picking up on what  
14 Commissioner Skrmetta is saying, you know, if we just straight up ban it and  
15 Kathryn said well, we might have due process concerns. Well, I said if the  
16 Commission would direct us to publish a rule requiring that no political spending  
17 be passed onto ratepayers and it'd be absorbed by shareholders, we could publish  
18 that in the Bulletin, take comments on it and then bring it up for a vote. And I think  
19 what he's saying, if we did get comments saying we oppose this, then we would go  
20 forward with the hire.

21   **COMMISSIONER SKRMETTA:** Go forward with the hire then, and then make  
22 a determination. I mean, at that point, we do have to make a determination. I mean,

1 the real question is if you get comments on due process, is hire even going to be  
2 something we're going to do anyway? But I mean we can.

3 **SECRETARY FREY:** Well, I think if we publish it for comments, then no one  
4 can argue due process because they have an opportunity to comment.

5 **COMMISSIONER SKRMETTA:** Okay. All right. Well --

6 **SECRETARY FREY:** I'm just saying if we voted today without an opportunity  
7 to comment, I'd have these concerns.

8 **COMMISSIONER SKRMETTA:** Okay. Well, my suggestion then to  
9 Commissioner Lewis is that we push it a month. Let them publish to go ahead and  
10 do this as a rulemaking to eliminate this and just have rate -- prevent public  
11 ratepayer spending on political activity. Have it only be for shareholders and then  
12 let them go ahead and get comments and if they, you know, get comments then we  
13 can be where we got to be. And then if they have a chance to make comments, are  
14 the due process -- Kathryn, are the due process concerns satisfied at that point  
15 anyway?

16 **MS. BOWMAN:** I would think so. If we publish the rule and allow for comment,  
17 yes.

18 **SECRETARY FREY:** Yeah, and I think --

19 **COMMISSIONER SKRMETTA:** Okay. So then we won't need a consultant  
20 either then, we could just pass it.

21 **SECRETARY FREY:** One thing, too, that I'm just realizing is this is a docket  
22 that's already open, so we have a service list, so it wouldn't even need to be

1 published in the Bulletin. We would literally just file it in the docket and anyone  
2 who's interested in this should have already intervened in the docket.

3 **COMMISSIONER SKRMETTA:** Well, that's my ask is that we postpone this  
4 and move this towards a rulemaking and ask Commissioner Lewis if he's okay with  
5 that?

6 **VICE CHAIRMAN LEWIS:** Thank you. Commissioner, I'm trying to follow  
7 along. I'm okay with the rulemaking, but I remember the last time when we opened  
8 this docket it was controversial. The reason, to my understanding, is the definition  
9 of political spending is what my original motion to open the docket was asking, so  
10 it's not as generic I think as you are alluding. To my understanding, what this hire  
11 is about is there are certain issues at FERC that are looking at these issues. There  
12 are ways that the utilities file. My docket included an extensive definition that  
13 looked at advertising, charitable donations, and so while I am fine publishing a rule,  
14 I believe when talking with Staff that the reason for going this route was to look at  
15 the ways that these are being tackled. As you know, this has been a growing topic  
16 across the country where legislative bodies have tackled this and directed the  
17 Commission to do so in jurisdictions where legislative jurisdiction oversees the  
18 Commission. So while I'm not opposed, I'm not really sure what is different from  
19 this and I would ask Staff, I think this was Staff's recommendation to be able to get  
20 the report to help guide if a rule is needed or how a rule should be drafted if needed,  
21 but not to do an exact rule, which am I correct on that?

22 **MS. BOWMAN:** You are. So my recollection when we had the discussion at the  
23 directive when the directive was voted on that Commissioner Lewis put forth, there

1 was question of, do our utilities already do this, do our utilities already have it below  
2 the line, and we weren't sure. Some came to the table and said yes, we have it  
3 below the line, this is not part of our ratepayers' funding, but Staff is not sure  
4 whether some of the other jurisdictional utilities do or do not. So it's a look at their  
5 financials and then as well as what are the other definitions out there related to  
6 political spending.

7 **COMMISSIONER SKRMETTA:** And I'm not a fan of make work, all right, in  
8 the sense if we just say they shall --

9 **MS. BOWMAN:** You're --

10 **COMMISSIONER SKRMETTA:** I'm sorry.

11 **MS. BOWMAN:** That's okay.

12 **COMMISSIONER SKRMETTA:** If we just make it a rulemaking that they shall  
13 not have any political activity below the line -- I mean, above the line. Above the  
14 line, but don't do it in the proper language, but as simple as possible, shall not, no  
15 permissive language, and just to make it as clear cut and simple without expanding  
16 into the types and means. Just the simplest, clear cut language, and eliminate it  
17 completely, and then that way we're done with it. We don't have to worry about -  
18 -

19 **VICE CHAIRMAN LEWIS:** I'm pretty sure that we have to define, I think to  
20 your point, that that could be simple if we have a definition of political spending.  
21 If we don't define exactly what political spending is, then it's not clear cut. It's  
22 what the directive looked at is how we define whether charitable donations would  
23 be considered political spending, whether we would consider advertisement

1 political spending. And I believe the utilities want to be able to comment on that  
2 process and so while I think there is an easy one of executive compensation, there  
3 are other further questions that when we opened this docket that we were looking  
4 at that would not be as easy, clear cut right at this moment. And that's why I think  
5 the Staff has recommended us at least conduct a report about how these are being  
6 defined, not only at FERC, but in other jurisdictions.

7 **MS. BOWMAN:** So what we could do because I have your directive language --  
8 part of your directive language in front of me directing Staff to open the rulemaking  
9 docket and looking at this, it said: The inquiry should include examination of  
10 jurisdictional utilities charging ratepayers for any activities meant to influence the  
11 outcome of any local, state, or federal legislation, ordinance, resolution, rule,  
12 measure, or other regulatory decision; advertising, marketing, and/or public  
13 relations expenses that do not directly relate to a purpose or program that is required  
14 or authorized under statute or Commission rule or order; and/or organization or  
15 membership dues or other contributions to any organization, association,  
16 institution, corporation, or other entity that engages in lobbying or other similar  
17 activities meant to influence the outcome of any local, state, or federal legislation,  
18 ordinance, resolution, rule, measure, or other regulatory decision. So we could put  
19 that for comment to see if that is narrow enough or broad -- that is at least a start.

20 **COMMISSIONER SKRMETTA:** Well, if it was any broader, it'd be the  
21 Mississippi River.

22 **MS. BOWMAN:** To put that out for comment as the rule recognizing that it is  
23 broad, so I don't know if utilities would want it to be more narrow than that.

1     **SECRETARY FREY:** Yeah. And in the next line, which I pulled it up, by the  
2     way, off the website, it says: Based on these findings, Staff shall recommend  
3     Commission action and protect against improper use and/or recovery of ratepayer  
4     funds such as: 1) Updated and clarified rules; 2) Requirements for regular  
5     disclosures of relevant utility spending; and 3) Propagation of related enforcement  
6     mechanisms. So it contemplates, depending on the research, a rule of some sort.

7     **COMMISSIONER SKRMETTA:** We've got our own, sort of, lane to stay in,  
8     right. I mean, we're in our own lane and we can affect, certainly, issues that we  
9     have constitutional authority over, right. And so I think if we establish that they  
10    can't make any political spending on issues within our constitutional authority, then  
11    they can't do it, but if it's outside our constitutional authority, we cannot affect their  
12    spend on how they spend it. They can't put it to ratepayers, but they could certainly  
13    put it to their shareholders and I think that's sort of the construct that you have to  
14    look at. But, again, I think if you just open it up to comment and we just keep it in  
15    the simplest way that, you know, they can't make any political spending that's  
16    charged to the ratepayers and I think we constitutionally control what is charged to  
17    the ratepayers, but we don't get to control what's charged to the shareholders. I  
18    think we're on good grounds to control those two aspects and I think we could  
19    probably move that through without them being able to, you know, question our  
20    authority over that and I just don't see the need to hire somebody [INAUDIBLE].

21    **VICE CHAIRMAN LEWIS:** Well, I appreciate that, but, Commissioner, you  
22    opposed the directive to begin with it and so I'm going to take your comments with  
23    a grain of salt and I would motion to accept Staff recommendation.

1 **COMMISSIONER SKRMETTA:** I'm going to oppose and ask for a vote.

2 **MS. BOWMAN:** We first need a second on Commissioner Lewis' motion.

3 **CHAIRMAN FRANCIS:** There is no second, so I think it dies for a lack of a  
4 second.

5 **MS. BOWMAN:** Correct.

6 **CHAIRMAN FRANCIS:** Okay. Moving on.

7 **COMMISSIONER SKRMETTA:** I'd still ask the Staff to look at what I asked  
8 them to do about this for next month just on my behalf. Okay.

9 **COMMISSIONER CAMPBELL:** I want to go over the motion again.  
10 Completely understand it. You made a motion?

11 **COMMISSIONER SKRMETTA:** I guess we'll rewind since we already did it.

12 **MS. BOWMAN:** So this is a motion to retain E9 Insight to help as a consultant to  
13 do some research for Staff on whether there's political spending --

14 **COMMISSIONER CAMPBELL:** Yeah. Well, I'm for that.

15 **MS. BOWMAN:** -- bent into rate base.

16 **COMMISSIONER CAMPBELL:** I'm for that.

17 **MS. BOWMAN:** So Commissioner Lewis made a motion to retain --

18 **COMMISSIONER CAMPBELL:** You made a motion. I'm for it.

19 **MS. BOWMAN:** -- so a second by Commissioner Campbell.

20 **COMMISSIONER CAMPBELL:** Yeah. And the cost of them is not  
21 extravagant.

22 **COMMISSIONER SKRMETTA:** How much is it?

23 **MS. BOWMAN:** The total, fees and expenses, is \$57,275.



1 **COMMISSIONER CAMPBELL:** Yeah. I'm for it.

2 **COMMISSIONER SKRMETTA:** \$57,000 to come up with a definition. There

3 you go.

4 **COMMISSIONER CAMPBELL:** I'm for it.

5 **COMMISSIONER SKRMETTA:** It's just a waste of money.

6 **MS. BOWMAN:** So there is a motion by Commissioner Lewis and a second by

7 Commissioner Campbell with opposition from Commission Skrmetta, so we will

8 need a roll call vote on this one.

9 **COMMISSIONER CAMPBELL:** You do?

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

11 **COMMISSIONER CAMPBELL:** Good.

12 **CHAIRMAN FRANCIS:** Chairman wants to ask --

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

14 **CHAIRMAN FRANCIS:** -- this is a Staff recommendation?

15 **MS. BOWMAN:** To retain E9 Insight.

16 **CHAIRMAN FRANCIS:** You need help? You need this help?

17 **MS. BOWMAN:** To gather the information, yes, sir. And E9 Insight is not writing

18 any rules or policy for the Commission, they're just the fact finders to present all

19 of the information to Staff so Staff can either recommend, yes, we do need rules to

20 stop this or we don't need rules because none of our utilities are already doing it.

21 **CHAIRMAN FRANCIS:** And this consultant, who is this consultant?

22 **MS. BOWMAN:** E9 Insight, they're a fairly new consultant with us, but we have

23 worked with them in the past. They helped us on SWEPCO's advanced metering

1 docket. They're out of Boulder, Colorado, but within this regulatory realm, they  
2 are familiar with policy and state commissions. Yes, sir.

3 **CHAIRMAN FRANCIS:** I'll support the Staff recommendation.

4 **MS. BOWMAN:** So roll call vote --

5 **COMMISSIONER SKRMETTA:** I'll withdraw my opposition, it's just a waste  
6 of time.

7 **CHAIRMAN FRANCIS:** Okay. I think it's a unanimous vote. It's approved.  
8 What exhibit number was that?

9 **MS. BOWMAN:** That was Exhibit 15.

10 **CHAIRMAN FRANCIS:** Fifteen. Exhibit 15 is approved, unanimous.

11 **MS. BOWMAN:** So Exhibit Number 16 is Docket Number S-36813. It's F. A. S.  
12 Environmental Services' application to file amended tariff for Common Carrier  
13 Certificate Numbers 7357-B and 7985 to increase rates pursuant to General Order  
14 dated October 2, 2012. It's a discussion and possible vote on a Staff report and  
15 recommendation. On May 24, 2023, F. A. S. filed its application requesting  
16 authorization to increase its tariff rates pursuant to Commission General Order  
17 dated October 2, 2012. Notice of the application was published in the  
18 Commission's Official Bulletin and no interventions were filed. Following  
19 discovery on the application, Staff filed its audit report and recommendation on  
20 December 11, 2023 with counsel for F. A. S. filing correspondence into the record  
21 indicating its acceptance of Staff's recommendation. The major terms of Staff's  
22 recommendation are that F. A. S. is authorized to increase its transportation rate  
23 ranges for saltwater and waste by various methods to a range of \$105 to \$115 per

1 hour, and that F. A. S. is also authorized to establish an administration fee of 20  
2 percent of the disposal charge, and restructure of its fuel surcharge to a leveled  
3 percentage based on the cost of gas. Staff recommends that the Commission accept  
4 Staff's recommendation filed into the record on December 11, 2023.

5 **CHAIRMAN FRANCIS:** I motion to accept that Staff recommendation.

6 **VICE CHAIRMAN LEWIS:** I'll second.

7 **CHAIRMAN FRANCIS:** Is there any discussion? Any opposition? [NONE  
8 HEARD] Hearing none, 16 is through.

9 **MS. BOWMAN:** So Exhibit 17 will have two separate votes.

10 **COMMISSIONER SKRMETTA:** I've got a question for counsel on 17 so after  
11 the motion, I need to ask them to come up.

12 **MS. BOWMAN:** Staff counsel or company?

13 **COMMISSIONER SKRMETTA:** Company counsel.

14 **MS. BOWMAN:** Okay. So Exhibit 17 is Docket Number U-36552. It's Claiborne  
15 Electric Cooperative's application for approval of formula rate plan and  
16 modifications to base rates. We will have a discussion and possible vote on a joint  
17 partial stipulated settlement first and then we will have a discussion and possible  
18 vote on an ALJ recommendation second. For the discussion and possible vote on  
19 a joint partial stipulated settlement, on October 12, 2022, Claiborne filed an  
20 application with the Commission seeking adjustment of base rates as well as the  
21 implementation of an FRP, which was published in the Bulletin and no  
22 interventions were filed. On April 28, 2023, Staff filed its direct testimony and  
23 report where it agreed that Claiborne should be authorized to implement an initial

1 rate increase and recover prudently incurred costs. However, Staff disagreed with  
2 the financial metric Claiborne requested be utilized to determine both the initial rate  
3 increase and to determine the coverage ratio in Claiborne's FRP. On May 31, 2023,  
4 Claiborne filed rebuttal testimony. The parties began discussions to narrow the  
5 contested issues in the docket and on August 28, 2023 the parties filed a joint partial  
6 stipulated settlement where the parties stipulated that Claiborne is allowed to  
7 include an adjustment to normalized bad debt expense as requested in the  
8 company's application and that the company be allowed to recover the known and  
9 measurable market based wage realignment expense of \$1,183,108 as well as other  
10 changes to Claiborne's tariff for fixed, nonrecurring [INAUDIBLE] charges. The  
11 rate adjustment itself and the structures of the FRP remain contested issues and is  
12 considered in a separate vote next. Staff recommends that the Commission accept  
13 the joint partial stipulated settlement filed into the record on August 28, 2023.

14 **CHAIRMAN FRANCIS:** Mark Brown, is he here? Mark Brown, if you want to  
15 come up.

16 **SECRETARY FREY:** And don't you have a motion?

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

18 **SECRETARY FREY:** Yeah. We have a motion from Commissioner Campbell  
19 on this one.

20 **CHAIRMAN FRANCIS:** Okay.

21 **COMMISSIONER CAMPBELL:** Yeah.

22 **CHAIRMAN FRANCIS:** Where is Claiborne's office located?

23 **MR. MARK BROWN:** Homer.

1     **CHAIRMAN FRANCIS:** Downtown Homer or out in the suburbs?

2     **MS. BOWMAN:** Wait until y'all get to the mics, please. And please introduce  
3 yourselves for the record.

4     **CHAIRMAN FRANCIS:** Who you got with you there, Mark?

5     **MR. BROWN:** I'm sorry?

6     **CHAIRMAN FRANCIS:** Who did you bring with you?

7     **MR. BROWN:** I'll let them introduce themselves.

8     **CHAIRMAN FRANCIS:** All right.

9     **MS. REBECCA PAYNE:** I'm Rebecca Payne. I'm vice president and managing  
10 consultant of C.H. Guernsey & Company. I was hired by Claiborne to be their rate  
11 consultant on the cost of service study and rate analysis.

12    **CHAIRMAN FRANCIS:** All right.

13    **MS. KARA KANTROW:** And Kara Kantrow, counsel for Claiborne.

14    **CHAIRMAN FRANCIS:** Okay.

15    **COMMISSIONER SKRMETTA:** Do you have your motions done?

16    **MS. BOWMAN:** I can read -- so Commissioner Campbell's motion is: I move  
17 that the Commission accept the partial stipulated settlement with the following  
18 modification: That with respect to the residential customer charge contained in the  
19 partial stipulated settlement, the monthly residential customer charge shall be \$15.

20    **COMMISSIONER CAMPBELL:** \$15, it was 16.

21    **MS. BOWMAN:** Correct.

22    **COMMISSIONER CAMPBELL:** Yeah. I represent these people.

23    **MS. BOWMAN:** Your mic.

1 **COMMISSIONER CAMPBELL:** What?

2 **MS. BOWMAN:** Mic.

3 **COMMISSIONER SKRMETTA:** Microphone.

4 **COMMISSIONER CAMPBELL:** I'm sorry. I represent these people and they  
5 do a good job and I'm going to make a motion we approve Staff recommendation.  
6 I think every time I call, they call me back and they keep the lights on and they're  
7 trying to work with us every way. It's like any small co-op, they're having  
8 problems, but we've got to keep the lights on and the people need them and they're  
9 easy to work with. So I want to recommend Staff recommendation, I move to  
10 accept it.

11 **MS. BOWMAN:** With your modification to the customer charge?

12 **COMMISSIONER CAMPBELL:** What?

13 **MS. BOWMAN:** With your modification --

14 **COMMISSIONER CAMPBELL:** Yeah, for \$15. Right.

15 **CHAIRMAN FRANCIS:** I didn't understand the modification.

16 **COMMISSIONER CAMPBELL:** It went from 16 to 15.

17 **SECRETARY FREY:** Yeah. The customer charge, it reduced it a dollar.

18 **COMMISSIONER CAMPBELL:** Cut them a dollar.

19 **CHAIRMAN FRANCIS:** Customer charge.

20 **MR. BROWN:** For residential rate.

21 **CHAIRMAN FRANCIS:** Does every co-op have that? Okay. Yeah. All right.

22 **COMMISSIONER CAMPBELL:** Every co-op has that.

23 **CHAIRMAN FRANCIS:** Okay.

1 **MR. BROWN:** Yes, sir.

2 **CHAIRMAN FRANCIS:** So you're cutting a dollar off of the residential?

3 **COMMISSIONER CAMPBELL:** Yeah.

4 **MR. BROWN:** Of what the Staff recommendation was.

5 **CHAIRMAN FRANCIS:** All right.

6 **COMMISSIONER SKRMETTA:** I'll second it just to kind of get this going.

7 **CHAIRMAN FRANCIS:** I've got an attorney friend up in that area, Johnny

8 Dollar. Has he worked on that case with you guys or not?

9 **MR. BROWN:** He helps us on a lot of matters.

10 **CHAIRMAN FRANCIS:** Okay. Good. Okay.

11 **COMMISSIONER SKRMETTA:** I've got a question.

12 **CHAIRMAN FRANCIS:** Okay. Question by --

13 **COMMISSIONER SKRMETTA:** I've seconded it just to second it. Ms.

14 Kantrow, we had a meeting in my office the other day and by the way, Mr. Brown,

15 welcome to the world of the energy efficiency program that you haven't been in for

16 eight years. Now we've got to start talking about that and how it's going to impact

17 your co-op because in all my discussions with all the utilities, we're looking at a

18 rate increase as the energy efficiency program comes in of three to five percent

19 across the board and that's probably something that the co-ops have not

20 contemplated through the 1803 element. So really what I'm looking at is I know

21 y'all are transitioning over to the 1803 program, I think Kara said March of '25?

22 **MS. KANTROW:** Yes.

1 **COMMISSIONER SKRMETTA:** Okay. Now the other thing I was looking at  
2 is the initial contemplation was the rates were going to go down from here in March  
3 of '25, right? I don't know, you tell me.

4 **MS. PAYNE:** Yeah. I'll clarify that. The rates that we have proposed will not be  
5 changing. What will change, we expect Claiborne to see lower power costs as they  
6 become a member of 1803. So the pass through of the power costs and the fuel  
7 costs we expect to be lower, which will result in lower bills to members. So the  
8 member impact should be lower as 1803 costs go into effect.

9 **COMMISSIONER SKRMETTA:** All right. So like say a person's bill is, I don't  
10 know, \$100, what does their bill look to be after March 2025?

11 **MS. PAYNE:** That's kind of a hard question to answer.

12 **COMMISSIONER SKRMETTA:** I'm going to ask more.

13 **MS. PAYNE:** That's fine. We are anticipating fuel costs so -- and I guess, I don't  
14 have the number on \$100. We have some examples on the bill --

15 **COMMISSIONER SKRMETTA:** I'm just throwing it out as calculus.

16 **MS. PAYNE:** So I have some examples of a bill at a 1,000 kilowatt hours. We  
17 expect that with the new rate change, that we would see a reduction, all things that  
18 we know today, speculation and forecasting, that we would see a reduction of \$7.44  
19 I think was the number right now.

20 **COMMISSIONER SKRMETTA:** Okay. And percentage of the bill, what would  
21 you say the percentage of the bill is that? One percent, five percent?

22 **MS. PAYNE:** It's about -- well, I think the January bill was \$113; is that right?  
23 Yeah.



1 **COMMISSIONER SKRMETTA:** So what's the percentage?

2 **MS. PAYNE:** So something less than 6.5, 6.7 percent.

3 **COMMISSIONER SKRMETTA:** Okay. Because they were talking 20 percent

4 a long time ago, but my point of this --

5 **MS. PAYNE:** Well, but there's a distinction on the 20 percent if I can clarify that.

6 **COMMISSIONER SKRMETTA:** Yeah, yeah. Okay. Cause I just want to --

7 apples and orange this.

8 **MS. PAYNE:** Absolutely. I was not involved in the 1803 analysis or any of that.

9 What I have heard is that the co-ops were expecting a 20 percent reduction in power

10 cost, that does not translate to a 20 percent reduction in bill impact, just to clarify

11 that.

12 **COMMISSIONER SKRMETTA:** Okay. Okay.

13 **COMMISSIONER CAMPBELL:** Claiborne is still, what did you say, 11.3 cents

14 per kilowatt hour is what you said?

15 **MS. PAYNE:** Based on the December cost.

16 **COMMISSIONER CAMPBELL:** Yeah. Right.

17 **MS. PAYNE:** Yes. Correct.

18 **COMMISSIONER CAMPBELL:** I'm looking at it. Okay.

19 **MS. PAYNE:** Yes.

20 **COMMISSIONER CAMPBELL:** And we all hope it goes down and some

21 people disagree, you know, with the situation. I voted for it. I think it'll go down

22 and that'll be good.

1 **COMMISSIONER SKRMETTA:** Well, now we know with your entrance into  
2 the energy efficiency program, that you're going to have rate increase because  
3 you're going to have expenses coming in that you didn't have before. So my  
4 question is: So what's your rate right now? I mean, do you have a rate you apply  
5 or is it -- I mean, how do you, you know, calculate?

6 **MS. PAYNE:** Yeah. We have for our residential -- for all of our classes of  
7 customers --

8 **COMMISSIONER SKRMETTA:** Well, talk about what your residential rate is.

9 **MS. PAYNE:** So we have a \$12 customer charge. I'm not sure what the energy  
10 charge is off the top of my head, but we apply a \$12 customer charge to each  
11 account we bill; an energy charge based on the actual consumption; a power cost  
12 adjustment and a fuel cost adjustment to pass through the cost of our power cost  
13 from Cleco Cajun; and a formula rate plan adjuster that's been in place, has not  
14 changed for a few years, but since that last approved one that factors.

15 **COMMISSIONER SKRMETTA:** Do you have a numerical rate that you have?  
16 Is there a number associated?

17 **MS. PAYNE:** Well, all of those are numbers, so all of those components apply to  
18 different billing units and come up to the total bill of \$113, for example for  
19 December.

20 **COMMISSIONER SKRMETTA:** Okay. Well, see where I'm looking at, and I  
21 need this -- it's more of -- not to [INAUDIBLE], what I'm trying to get to an  
22 understanding is, you know, we had anticipated savings, anticipated change. This  
23 is changing now because of the cost associated with this. It's probably going to be,

1 you know, something you need to look at. I would like you and I guess everybody  
2 in the room from other co-ops that are here, I want y'all to go now and start looking  
3 at what the costs of being in energy efficiency things, because a lot of people say  
4 we're going to save money. Well, that's not the way it works. If you're going to  
5 spend \$150 million, it costs more. So y'all are going to have to recover the costs.  
6 It's going to be -- you've got to do this and so you're going to be coming to ask for  
7 more money. I want to know by the time you get to March of 2025, and really if  
8 you're going to be applying the cost of energy efficiency, and the Staff is going to  
9 have to tell me when you're going to start paying this because I guess they don't  
10 even know because does this happen after the administrator is hired, does this  
11 happen now, or whenever this does take place. You're going to have other costs  
12 associated with this and I want to know when it's going to happen, want to know  
13 how much it's going to be, and I want you to come back and make a report to the  
14 Commission in public, you can come and talk to us in advance of the meeting, but  
15 I want you and all the other co-ops come tell us what it's going to be. Okay. That's  
16 it. Thank you.

17 **CHAIRMAN FRANCIS:** So are we through here? All right. Well, it looks like  
18 we don't have any opposition to this.

19 **COMMISSIONER SKRMETTA:** No opposition.

20 **CHAIRMAN FRANCIS:** We've got a motion and a second; is that right?

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

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

23 **CHAIRMAN FRANCIS:** Okay. We've got two votes [INAUDIBLE] under 57?

1 **VICE CHAIRMAN LEWIS:** No.

2 **CHAIRMAN FRANCIS:** We got two votes under one Exhibit 17. Okay.

3 **MS. BOWMAN:** Yes, sir. So we have a motion and a second for the stipulation.

4 And assuming there's no opposition, we can move on to the discussion and possible

5 vote on the ALJ rec.

6 **COMMISSIONER CAMPBELL:** Yeah. There you go. I made the motion to

7 accept Staff recommendation.

8 **MS. BOWMAN:** You did, yes.

9 **COMMISSIONER CAMPBELL:** There was one little amendment, we moved it

10 from 16 to 15, and we ready to vote?

11 **CHAIRMAN FRANCIS:** Okay. We have --

12 **MS. BOWMAN:** Yeah. Well, and Commissioner Skrmetta seconded it already.

13 **CHAIRMAN FRANCIS:** Okay. Skrmetta seconded it, so is there any opposition?

14 [NONE HEARD] So in hearing none, it's unanimous vote. All right. The second

15 one is on the ALJ's recommendation?

16 **MS. BOWMAN:** Yes, sir. It's a discussion and possible vote on the ALJ

17 recommendation.

18 **CHAIRMAN FRANCIS:** So I'll make that motion. Is there a second?

19 **VICE CHAIRMAN LEWIS:** I'll second.

20 **CHAIRMAN FRANCIS:** Seconded by -- is there any opposition to that? [NONE

21 HEARD] Hearing none, that also passes so we're through with Exhibit 17. Exhibit

22 18.

23 **MS. PAYNE:** Thank you.

1 **MR. BROWN:** Thank you very much.

2 **MS. BOWMAN:** Exhibit 18 is Docket Number U-36604. This is National Water  
3 Infrastructure's application for approval of a Hurricane Ida recovery rate rider. It's  
4 a discussion and possible vote on an uncontested joint report and draft order. And  
5 as there are no unresolved issues, Staff recommends that the Commission accept  
6 the joint report and issue the draft order filed into the docket on January 11, 2024.

7 **VICE CHAIRMAN LEWIS:** Motion to accept Staff's recommendation.

8 **COMMISSIONER SKRMETTA:** Second.

9 **CHAIRMAN FRANCIS:** We got a recommendation by Commissioner Lewis,  
10 seconded by Commissioner Skrmetta. Is there any opposition or discussion?  
11 [NONE HEARD] Hearing none, 18 passed.

12 **MS. BOWMAN:** Exhibit Number 19 is Docket Number U-36685. This is  
13 Entergy's request for certification and approval of its 2022 solar portfolio including  
14 eligibility for inclusion in the company's Geaux Green Option. It's a discussion  
15 and possible vote on an uncontested partial stipulated settlement pursuant to Rule  
16 57 so this will also need two votes. And Staff recommends that the Commission  
17 take the matter up pursuant to Rule 57 and approve the uncontested partial  
18 stipulated settlement agreement filed into the record on January 11, 2024.

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

20 **VICE CHAIRMAN LEWIS:** I'll second.

21 **CHAIRMAN FRANCIS:** Move for 57 from Skrmetta, seconded by  
22 Commissioner Lewis, and I'll make a motion that we accept Staff recommendation.

23 **COMMISSIONER SKRMETTA:** Second.

1 **CHAIRMAN FRANCIS:** And Commissioner Skrmetta seconded it, so Exhibit  
2 19, is there any discussion or opposition? [NONE HEARD] Hearing none, Exhibit  
3 19 is passed.

4 **MS. BOWMAN:** Exhibit Number 20 is Docket Number U-36686. It's Louisiana  
5 Water Company's 2022 test year formula rate plan annual report. It's a discussion  
6 and possible vote on a joint report and draft order. And Staff recommends that as  
7 there are no unresolved issues, that the Commission accept the joint report and issue  
8 the draft order filed into the record on January 9, 2024.

9 **VICE CHAIRMAN LEWIS:** Motion to accept Staff's recommendation.

10 **CHAIRMAN FRANCIS:** And I'll second that.

11 **COMMISSIONER SKRMETTA:** I just have a comment, other than, you know,  
12 my understanding is that this was based on a increase in the price of lime --

13 **MS. BOWMAN:** Yes.

14 **COMMISSIONER SKRMETTA:** -- for treatment. And I think it's important, I  
15 think we were going to -- we deferred the discussion on inflation.

16 **MS. BOWMAN:** Correct.

17 **COMMISSIONER SKRMETTA:** But this would have been an element in the  
18 discussion of inflation because even though we're finding that, you know, we began  
19 this discussion of inflation since the -- I think I first brought it up during a  
20 Natchitoches meeting in '21, I think. This is something that we have to start paying  
21 more particular attention to because of the down range impact of inflation. Even if  
22 we're seeing numbers like 12 percent, 11 percent, we're seeing actual impacts of  
23 costs and 30 percent and 40 percent down range impact of inflation. And it's

1 something that we've asked companies to be more diligent about, but here we see  
2 a direct impact of rate impact singularly because of inflationary costs of materials.  
3 So I just wanted to, you know, say this, more associated with the other companies  
4 that they need to be vigilant on their components and materials associated with their  
5 process because these are the kind of things that sneak up on you and hit you and  
6 then therefore hit the consumer. So move to approve.

7 **CHAIRMAN FRANCIS:** I might add that I'm familiar with the lime situation in  
8 Acadia Parish area with LAWCO. LAWCO's done a good job in that area, but  
9 these costs of the lime really gone up. It's just inflation, so I support. Is there any  
10 -- we got a motion?

11 **MS. BOWMAN:** We do.

12 **CHAIRMAN FRANCIS:** Who was the motion?

13 **MS. BOWMAN:** A motion by Commissioner Lewis and you seconded it.

14 **CHAIRMAN FRANCIS:** Okay. Is there any opposition? [NONE HEARD]  
15 Hearing none, Exhibit 20 passed.

16 **MS. BOWMAN:** Exhibit Number 21 is Docket Number U-36716. This is Greater  
17 Ouachita's request for approval of an increase in water and sewer rates and line  
18 item charges; letter of non-opposition to bond issuance; and reservation of rights to  
19 request interim relief. It's a discussion and possible vote on an uncontested  
20 stipulated settlement. As there are no unresolved issues, Staff recommends that the  
21 Commission approve the uncontested stipulated settlement filed into the record on  
22 November 13, 2023.

23 **COMMISSIONER SKRMETTA:** Who's their attorney?

1 **MS. BOWMAN:** Ms. Tournillon is I think the lead on it.

2 **COMMISSIONER SKRMETTA:** Okay. Never mind.

3 **COMMISSIONER CAMPBELL:** I'd like to make a motion we accept Staff  
4 recommendation. These people do a good job. They're a nonprofit and they do a  
5 good job. They take care of their business up there. I don't ever have to have a lot  
6 of complaints and it's like everybody else, they've got budget problems and they  
7 need this to survive to be honest with you. I looked at it real close and Staff agrees,  
8 so I would ask that you support this.

9 **CHAIRMAN FRANCIS:** Motion by Campbell to --

10 **VICE CHAIRMAN LEWIS:** I'll second.

11 **CHAIRMAN FRANCIS:** -- accept Staff recommendation, seconded by Mr.  
12 Lewis. Any opposition or discussion? [NONE HEARD] Hearing none, 21 passed.

13 **MS. BOWMAN:** Exhibit Number 22 is Docket Number U-36718. This is the  
14 Commission's audit of the federal environmental adjustment clause filings of Cleco  
15 Power for the period of January 2020 through December of 2022. It's a discussion  
16 and possible vote on an uncontested joint report and draft order. And as there are  
17 no unresolved issues, Staff recommends that the Commission accept that joint  
18 report and draft order filed into the docket on November 30, 2023.

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

20 **CHAIRMAN FRANCIS:** Commissioner Skrmetta moves to accept the Staff  
21 recommendation, Chair seconds. Is there any discussion or opposition?

22 **COMMISSIONER CAMPBELL:** I'll second it. Okay. You seconded it. Go  
23 ahead. No objection.



1    **CHAIRMAN FRANCIS:** Okay. If so, 22 is passed.

2    **MS. BOWMAN:** Exhibit Number 23 is Docket Number U-37067. This is the  
3    Commission's evaluation of Southwestern Electric Power Company's decision to  
4    retire the Pirkey Power Plant pursuant to Commission Order Number U-36385-A.  
5    It's a discussion and possible vote to retain United Professionals Company. Staff  
6    recommends that the Commission retain United Professionals Company for  
7    145,000 in fees and 7,500 in expenses for a total budget not to exceed of \$152,500  
8    due to a scope expansion.

9    **COMMISSIONER SKRMETTA:** Move to accept Staff recommendation --

10   **VICE CHAIRMAN LEWIS:** I'll second.

11   **COMMISSIONER SKRMETTA:** -- and hire of -- sorry, not Staff  
12   recommendation, the hire of United Professionals, correct?

13   **MS. BOWMAN:** Yes, sir.

14   **COMMISSIONER CAMPBELL:** Did y'all put that out for bids?

15   **MS. BOWMAN:** We did not put this one out for a bid. It was considered more of  
16   a scope expansion from SWEPCO's certification that was recently hired.

17   **COMMISSIONER CAMPBELL:** I got it

18   **CHAIRMAN FRANCIS:** Recommended by --

19   **COMMISSIONER CAMPBELL:** Staff.

20   **CHAIRMAN FRANCIS:** -- Staff. Approved by Skrmetta, seconded by Mr.  
21   Lewis. And any opposition or discussion? [NONE HEARD] Hearing none, 23 is  
22   passed.

1 **MS. BOWMAN:** Under Exhibit Number 24, the discussions section is deferred,  
2 but there is a directive. It's a directive to Staff regarding potential amendments to  
3 the definition of transmission facilities as established in the Commission's  
4 Transmission Siting Order dated October 10, 2013. It's at the request of  
5 Commissioner Campbell and his directive is: I direct Staff to publish for comments  
6 in the next Bulletin an amended definition of transmission facilities established by  
7 the Transmission Siting General Order dated October 13, 2023 to further clarify  
8 and preserve Commission's jurisdiction over transmission projects located within  
9 the state of Louisiana.

10 **COMMISSIONER CAMPBELL:** I'd make a motion that we --

11 **COMMISSIONER SKRMETTA:** No motion.

12 **MS. BOWMAN:** Yeah. No motion as long as there's no --

13 **COMMISSIONER CAMPBELL:** You don't need a motion?

14 **COMMISSIONER SKRMETTA:** No.

15 **MS. BOWMAN:** As long as there's no opposition, it passes.

16 **COMMISSIONER CAMPBELL:** Okay.

17 **COMMISSIONER SKRMETTA:** And this doesn't impact the current docket?

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

19 **COMMISSIONER SKRMETTA:** Okay.

20 **CHAIRMAN FRANCIS:** Is there any opposition to Commissioner Campbell's  
21 request. [NONE HEARD] Hearing none, it's approved. So we're up to 25?

22 **MS. BOWMAN:** Yes, sir. Exhibit Number 25 is Docket Number S-36990. It's  
23 Cleco Power's request for authorization of a purchase power agreement between

1 EnLink Processing Services qualifying cogeneration facility and Cleco Power,  
2 including request for authorization of an interconnection agreement for the same.  
3 It's a discussion and possible vote on Staff's report and recommendation at the  
4 request of Commissioner Skrmetta. And Staff recommends that the Commission  
5 accept Staff's report and recommendation filed into the record on January 19, 2024.

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

7 **COMMISSIONER CAMPBELL:** I'll second it.

8 **CHAIRMAN FRANCIS:** Commissioner Skrmetta moves that we accept Staff  
9 recommendation and seconded by Commissioner Campbell. Any discussion or is  
10 there any opposition? [NONE HEARD] Hearing none, Exhibit 25 passed.

11 **MS. BOWMAN:** Exhibit 26 is Docket Number U-36190. This is Entergy  
12 Louisiana's application for certification and approval of a 2021 solar portfolio,  
13 Rider Geaux Green Option, cost recovery and related relief. It's a discussion and  
14 possible vote on a Staff report and recommendation at the request of Commissioner  
15 Lewis. And Staff recommends that the Commission accept Staff's report and  
16 recommendation filed into the record on January 19, 2024.

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

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

19 **CHAIRMAN FRANCIS:** Mr. Skrmetta recommendation to accept Exhibit 26,  
20 seconded by Commissioner Campbell. I see Ms. Evans is on that case, got any  
21 comments or anything for this?

22 **MS. LAUREN EVANS:** Lauren Evans on behalf of Staff. No.

1 **CHAIRMAN FRANCIS:** Okay. Wanted to make sure you weren't sleeping over  
2 there. So if there's no opposition, [INAUDIBLE].

3 **COMMISSIONER CAMPBELL:** She knows what time it is.

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

5 **VICE CHAIRMAN LEWIS:** Second.

6 **CHAIRMAN FRANCIS:** Move to adjourn and second. Is there any opposition  
7 to that? [NONE HEARD] Hearing none, [INAUDIBLE].

8

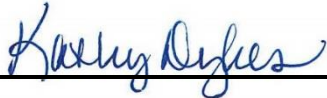
9 **(WHEREUPON THE MEETING WAS ADJOURNED)**

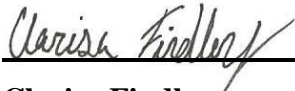
10


1 I certify that the forgoing pages 1 through 129 are true and correct to the best  
2 of my knowledge of the Open Session of the Business and Executive Meeting  
3 held on January 24, 2024 in Baton Rouge, Louisiana.

4 \*\*\*\*\*

5 **Rough Draft prepared by:**


6  February 8, 2024  
7 **Kathy Dykes,** **Date**  
8 **Court Reporter**

9  February 8, 2024  
10 **Clarisa Findley,** **Date**  
11 **Court Reporter**

12  February 8, 2024  
13 **Kayla Fiorenza,** **Date**  
14 **Court Reporter**

15 \*\*\*\*\*

16 **Proofed by:**

17  February 8, 2024  
18 **Clarisa Findley,** **Date**  
19 **Court Reporter**

20 **Finalized by:**

21  February 8, 2024  
22 **Kayla Fiorenza,** **Date**  
23 **Court Reporter**