TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS
AND EXECUTIVE OPEN SESSION HELD ON JULY 27, 2022 IN SHREVEPORT,
LOUISIANA. PRESENT WERE: CHAIRMAN LAMBERT BOISSIERE,
COMMISSIONER FOSTER CAMPBELL, COMMISSIONER ERIC SKRMETTA,
COMMISSIONER MIKE FRANCIS, AND COMMISSIONER CRAIG GREENE.

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CHAIRMAN LAMBERT BOISSIERE: Thank you, everybody. Let’s start this meeting off right with a prayer from the Commissioner, Mike Francis. Please rise.

[COMMISSIONER MIKE FRANCIS LEADS IN THE PRAYER]

CHAIRMAN BOISSIERE: And Chairman will lead us in the pledge.

[CHAIRMAN BOISSIERE LEADS IN THE PLEDGE OF ALLEGIANCE]

CHAIRMAN BOISSIERE: I’d like to start off by saying -- thank all of you for coming up here to the lovely city of Shreveport. It’s always a pleasure to be in Shreveport; it’s always a pleasure to be in north Louisiana. We love it. We were just here a few months ago at, what is it, Many or yes -- and along the river there and we had a great time at the resort, but now we’re back here in Shreveport. And I want to say we’re here to accommodate our fine Commissioner Campbell who has had an accident, and we want to accommodate him because he has so much input to share with us. He doesn’t want to ever miss a meeting even for illnesses so we accommodate him to be here so that we can handle the people’s business here in Shreveport. In addition to that, I hope you can all see us and hear us well as this new audio and video available, and we’re going to try to run through the meeting as quickly as possible to accommodate everyone and also handle the state’s
business. We have a few extra things on the -- items on the agenda that we’re going
to call in and we have a few thing passing. I’m sure Ms. Kathryn Bowman’s going
to explain those to us as we get started, but in addition to that, we expect a few
consumers to show up because of the high bills. So although it’s a little odd to see
the plastic between us, I think it was put up for COVID, but based upon the high
bills, I hope it also gives us some protection from the consumers who may want to
hurl something at -- towards us just out of frustration. But anyway, I think it’s just
plastic and not bullet proof so we’ll be okay. At this time, I’ll turn it over to our
Secretary and our attorney, Ms. Bowman.

MS. BOWMAN: Good morning, Commissioners. So we have 25 agenda items
today. Exhibit items 10 through 14 -- so 10 through 14 will be deferred and also,
just for everyone looking at -- through the live stream, we’ve been asked to not
touch the microphones. When we do touch them, there is some splicing and
popping noises for the feed, so if we can try to refrain from touching the
microphones, we would appreciate that. We are going to take one agenda item up
out of order and it’s under Exhibit Number 20, which is the report from Staff on
the high electricity bills at the request of Chairman Boissiere and Vice Chairman
Francis, and Secretary Frey is going to give that presentation.

CHAIRMAN BOISSIERE: Thank you. Before we actually move on with that,
and Brandon, you can prepare, I’d like to give the microphone to Foster Campbell
who wants to say a few words.

COMMISSIONER CAMPBELL: Thanks for -- everybody for coming up here.

I remember when I ran 20 years ago, the Public Service Commission only met in
Baton Rouge. And I didn’t think that was a good idea because a lot of times, people need input that can’t travel to Baton Rouge, so we moved them around the state.

And when I had this accident, Mr. Greene called me who’s a surgeon, and he said, you know, you probably ought to have the meeting in Shreveport. And as rough as the roads are, I really appreciate it because -- so I’m living a little bit different than I was three or four weeks ago. I had a accident on a four wheeler. And I know a lot of people have serious accidents, but I was actually only going about two or three miles an hour. But I was in weeds taller than the handlebars were on a four wheeler, so I was just puttin’ along, literally, and all of a sudden, the road just went straight down. It was a ditch, and I flipped it over. But anyway, my son is a surgeon, and he operated on me. And he has a hell of a lot of patience with his patients. He came in to see me right before the surgery, and he said, yep, I said, you fixing up to go up here in about a minute or two. I said, well, glad to see you.

He said -- he patted me on the knee, he said, yeah, I’ll see you in about 10 minutes. That was about it. But anyway, I’m doing better, and I was real lucky. Mr. Greene is a orthopedic surgeon. When I fell off the thing, I couldn’t move my right hand and I said, oh, Lord, I’ve got a problem and then my left hand came to again. So I’m expected to have full recovery, but I’m blessed because a lot of people that have four wheeler accidents are killed or a lot of them become paralyzed. So if you have one -- we have one we use on the farm every day. And we had some cattle get out, and I was just going to ride around the fence but I didn’t see the hole. So if you ride these things like everybody does, be careful because you can have serious problems real quick. I want to thank -- the mayor up here is a nice young
mayor, Mr. Perkins. He made this place available. He’s a nice fellow, and we appreciate being in Shreveport. I’ll tell you a little story. I probably told this before, but it sort of lets you know what people in south Louisiana think about us in north Louisiana. One time, Notre Dame played LSU in Shreveport, hadn’t been that long, your daddy was there, Mr. Greene. I was setting behind your daddy. It was freezing cold. So anyway, I said, you know, it’s a hell of a note that we go to Baton Rouge every weekend and we just trying -- I tried to pass a bill that let LSU play in Shreveport one time a year. It seems logical. Arkansas played some games in Little Rock, Ole Miss plays Mississippi State in Jackson, so I said, well, we ought to have a game where LSU plays in Shreveport. Well, anyway, this lady called me on Jim Engster’s show, and she said, Mr. Campbell, you know how far it is from Shreveport to Baton Rouge? I said, yes, ma’am about the distance that it is from Baton Rouge to Shreveport. She started laughing, she said all you want is one game? I said, that’s right. Y’all come down here every weekend? I said that’s right. She said well, you know, you’re right. I said I’m glad you think about that. But we go to Baton Rouge every weekend and y’all have to come up here this time so you see north Louisiana, south Louisiana, it’s 240 miles to make a trip and so it’s good for us to get around the Monroe and we’ve had them in Lake Charles and we’ve had them in Lafayette, Crowley, we’ve been all around the state and people have a chance to come express their concerns especially now with these bills being as high as they are and we’re trying to do something -- not just trying, we’ve got to do something about it because it’s hurting a lot of people. But anyway, thanks for coming to Shreveport. Shreveport’s a great community in north Louisiana. So
thank you for coming and I have -- a lot of you called and checked on me, I appreciate it. I’ll be up and around in a few weeks and glad to see y’all here today.

Thank you.

CHAIRMAN BOISSIERE: Thank you, Foster. Brandon --
EXECUTIVE SECRETARY BRANDON FREY: You ready to go?
CHAIRMAN BOISSIERE: Commissioner -- Secretary Frey.
SECRETARY FREY: Good morning, Mr. Chairman, Commissioners, and I just want to follow up on something Foster said when he referred to that game. I was actually fresh out of law school and was clerking in Bossier Parish.
COMMISSIONER CAMPBELL: Freezing.
SECRETARY FREY: You undersold it. That is, without a doubt, the coldest football game I’ve ever sat through in my life. It sleeted, it was awful, but it was a great game.
COMMISSIONER FRANCIS: Who did they play?
SECRETARY FREY: Notre Dame.
COMMISSIONER CAMPBELL: Notre Dame here.
COMMISSIONER FRANCIS: Oh, I remember that, okay.
SECRETARY FREY: 1997, it was cold.
COMMISSIONER FRANCIS: Mr. Chairman, can I say something?
CHAIRMAN BOISSIERE: Commissioner Francis.
COMMISSIONER FRANCIS: I want to recognize an executive here from MISO, Daryl Brown. Daryl, thank you for coming down from Little Rock, and this is really SPP country, you’re kind of getting out crossing the line. Anybody here
from SPP, any representative of SPP? Well, thank you for coming, Daryl. And one other point, Mr. Chairman, this is a -- Shreveport is a historical town. I’ll remind you about a special piece of history. You know, this is where the republican party of Louisiana started here in Shreveport, in a phone booth, okay, but this is -- it’s a real special place for republicans, so thank you.

CHAIRMAN BOISSIERE: All right. Before we get rolling, any other Commissioners, Commissioner Greene, Commissioner Skrmetta, any other comments to get us started?

COMMISSIONER GREENE: No.

CHAIRMAN BOISSIERE: All right. At that, Secretary Frey, please.

SECRETARY FREY: Okay. Good morning, Commissioners. And when I start this, I’m going to try my best to talk slow, which is not in my nature. I’m going to try my best to not use acronyms. I can’t promise I will, but if anyone has any questions on anything, don’t hesitate to stop me. The presentation is going to be on our website after the meeting’s over with so if anyone in the public’s listening wants to see it, you can see it. Obviously, as you all know, we’ve gotten a ton of complaints recently about bill prices on the electric side in particular, both with our general office and your offices as well. So at the request of the chairman and vice chair, I’ve put together some information pretty quickly so if there’s any errors in here, I apologize. But when I get started, there’s a few parameters I want to go over that we focused on. One, we focus on residential bills only, and the reason, that’s where the bulk of our complaints are coming for. They’re the simplistic form of bills and I know that’s not going to sound simple to the general public, but when
you compare it to a commercial customer that’s got demand rate or an industrial
customers that has different load factors, this is the most simple bill to look at. That
being said, trends you’re going to see on these bills will be no different on a
commercial or industrial customer. They might be different factors, but you’re
going to see similar trends going upward based on what we found here. The charts
that you’re going to see almost all use the kilowatt hour so everything you see is
going to be measured in cents per kilowatt hour. That’s how it’s reflected on the
residential bill, so we figured that would be the best way to present it, not an average
customer of a thousand kilowatt just the per kilowatt hour charge. And the standard
disclaimer, we put this on the all the monthly reports we normally publish that are
available on our website, the data’s being provided for informational purposes only
and was created through a compilation of information that we get from the
individual utilities and publicly available data. It should be no way construed as
ratification of these rates. Okay. So one overwhelming trend with some of the
complaints we’re seeing, and I think this is kind of standard any time you see a
spike in bill prices, is that people start looking at their bills more closely. And that
brings up questions, and I’ve gotten the questions personally from family members,
y’all’ve gotten them as well. I don't know what this bill means, what are these parts
of the bill, and then you see social media run with some confusion as to what a
portion of the bill means so I thought it’d be important to kind of talk a little bit
about the major components of an electric bill before we go into the bill examples
and what the charts are showing. So you essentially got three basic parts to a bill.
There’s obviously going to be more charges to that, but the main ones are the energy
charge or the usage charge. And in simple terms, that’s the portion of the bill that
the Commission regulates the rates on, that’s where the utility if it’s an investor
owned utility earns a profit, that’s where the margin is on a co-op, it’s to maintain
the system, et cetera. The second major component, and the one that we’re going
to focus on a lot today, is the fuel adjustment charge which you’ll see referenced as
a FAC, or FAC we’ll use, and that’s going to be Cleco, Entergy, and SWEPCO
because they own their own generation or the power cost adjustment and that’s
going to apply to an electric co-op. In simple terms, this is the cost of the fuel to
run the power plant. And that’s get confused sometimes, but this is not a surcharge
for gasoline. This is the cost to run the fuel so when we’re talking about fuel, we’re
typically talking about natural gas and coal. But there’s another portion that goes
through those same charges and that’s actually the cost of wholesale power. So if
the investor owned utility buys power on market or through a contract, that’s also
going to flow through that FAC or PCA charge as well. It’s a direct flow through
to the customers and the utility owns no profit. The third component and this is
going to be Entergy specific right now, but we’re going to see this more is a storm
restoration charge or storm surcharge and we’ve talked about that many times, and
we can go into some more detail later, but in a simple terms, it’s the financial
mechanism in lieu of traditional rate recovery to recover storm losses. And we’ve
got the charts that we’ve presented over years that shows the tremendous amount
of savings, even though you see it as a line item, that the customers ultimately
achieve as a result of this mechanism. As I said earlier, there’s miscellaneous other
charges but this is the -- going to be the bulk. So what I’ve got following is -- we’ve
got some bills from some typical usage customers, some non-typical usage
customers, and I want to walk through the bills for each company to show these
trends we’re seeing. We’ve got Entergy, Cleco, SWEPCO, and DEMCO bills so
the three IOUs, and when I say IOU, that’s investor owned utility, that’s the for-
profit utilities and then one co-op. The first bill, it’s not a coincidence. This
Brandon is me. I’ve deleted my personal data. I apologize for the black lines. The
tool that I used wasn’t the straightest, but that’s to get my customer data out so no
one comes after me. But what I’ve got on the left -- and this is the first portion of
the bill is my July 2021 bill, what I’ve got on the right is my July 2022 bill. One
thing I want to point out on my bill that’s going to be different for Entergy than
you’ll see for any of the other ones is I’m actually also an Entergy gas customer, so
I get natural gas service as well. That’s this gas charge in the green so we’re not
going to focus on that, but you’ll see the same trends with the gas charge as you do
for the electric service. So a couple things to point out when looking at this bill,
and this is a little bit hard to read, but with Entergy’s bill, it’ll show you the current
year and the prior year. So my 2021 bill will show my 2020 usage. It’s going to
show you the billing days, the amount of kilowatt hours of electricity used, your
average per day. This is the first part of the bill, and you see the same thing for
2022. So what we see on this first page is 30 day billing cycle in 2021, a 31 day
billing cycle in 2022. Pretty much apples to apples right there. The big difference
you’re going to see on my bill on this first page is in 2021, I used 2,503 kilowatt
hours, which is a not insubstantial number, but for a 1,200 kilowatt customer,
you’re going to use larger amounts during the summer than you will. So probably
a little bit higher than a typical customer but not a ton. In 2022, this past year, I
used over 3,000 kilowatt hours so about a 500 -- well, actually a little bit more than
a 500 kilowatt hour jump in one month, which means my meter turned a lot more.
Why is that? Well, you’re going to see in slides later it was really hot this year and
it’s -- well, it’s been really hot. Driving up here and Foster and I have talked about
how dry it’s been up here. When I got north of Natchitoches, I could feel the heat
coming through the window. It’s been an abnormally warm summer in just about
every major city in Louisiana, and I’ll have some data on that later. So let me go
to the next page of the bill. This is actually the breakdown of the billing charges
on the bill. And if you remember the -- the overview I gave were the main parts of
the bill so we’re going to focus on these current charges in blue, which is, again,
the electric portion of my bill. Total bill went from 250.91 to 408.74. A really
large jump. But let’s look at the different portions. So the energy charge went from
168.64 to 217.27. Again, that’s the regulated rate, that jump of about $50 is likely
as a result of me using 500 more kilowatts of electricity for the month. Where
we’re seeing the huge jump on the Entergy bill is on the fuel adjustment, that’s the
cost, remember, to buy fuel to run the power plants. The fuel adjustment was 3.2
cent in 2021. It’s 6.1 cent in 2022. So almost a double in the fuel adjustment
clause, and that’s where you see the giant jump on the bill, from 80 to 190 right
there. I actually did a back of the envelope calculation, and I’m not a math guy,
but if my numbers are right, if the fuel adjustment clause would have been the same
as it was in 2021, in other words, if the price of natural gas and other fuels would
have stayed consistent, my bill would have been reduced by about $90 just on that
portion. The last thing, and we talked about the storm restoration charge, that’s at the bottom down here. It was 6.47 in 2021 and that was the Legacy Gustav/Ike cost, and then obviously, we’ve got the new storm securitizations here. So 33.57 and if you remember right, we talked about the average customer getting about a $15 increase in the storm surcharge. Well, that’s a 1,200 kilowatt. I used 3,000 so there you go. You see how the math kind of figures out there. All right. So we’re in Shreveport, I wanted to get a SWEPCO bill as well. You’ll see the bills are all a little bit different, but you’re going to see similar information. So the SWEPCO bill, this customer, 2021 again on the left, 2022 on the right. On the 2021 bill, much like you saw with mine, 2,160 kilowatt hours of usage, how much the meter turned in ’21, a pretty substantial jump in 2022. Again, usage is up. And you can see it on this customer, too, where you’ve got a usage history. 2021, 2,100 in August usage, 1,900 in July and actually, I should say that we weren’t able to get a July bill so this is August. If you actually did July to July, this jump would be much bigger. It was 1,900 in July and 2,400. So almost a 500 kilowatt hour jump just like you saw on my bill. We’ll go to the second page and like the Entergy bill, you’re going to see a similar breakdown here. It’s not called the energy charge for SWEPCO; it’s called the rate billing, but again, that’s the regulated portion of the rate, 176 in ’21, 201 in 2022. Twenty-five dollar jump but again, 500 kilowatts more of electricity used, pretty easy to explain that. We’re seeing a similar jump with SWEPCO with the fuel. From a 3.6 cents per kWh cost of fuel to a 6.2. Again, a doubling of fuel. So there’s your big jump in the bill, an $80 jump right there based on the fuel costs. This is a Cleco bill. Cleco’s got a few different rate schedules
that will all add up to the energy charge, so I’m going to focus on the fuel in this one. This is just a one page bill but 2021 again on the left, 2022 on the right. The fuel surcharge here, 3.5 cents in 2021 and 2,148 kilowatt hours. The fuel surcharge in 2022 is 7 cents. Again, a doubling in the cost of fuel and 2,100 kilowatts of usage in ’21, 2,600 in 2022. And just to make clear, I asked people I knew who were in different companies to give me these bills so this $500 jump in -- a 500 kilowatt jump is really interesting seeing -- because we went across different customer bases, different usages, clearly, there’s a trend here on usage being increased in 2022 over 2021. Finally, a DEMCO bill. I believe this one’s two pages as well. Let me get on that chart. I’m sorry, this is just one page. So this is a much lower usage customer who may or may not be sitting at the dais. But so we’re looking at the 2021 bill, it’s -- again, it’s a little bit harder to see. This is going to be one that’s going to use a power cost adjustment, remember, this is a co-op so there’s no fuel adjustment clause but similar charges are flowing through the power cost adjustment. Get your energy charge, 1,152 kilowatt hours in 2021, 1,800 in 2022. So almost a 700 kilowatt jump. And I know how hot it’s been in Baton Rouge area, and I think that spills over into Denham Springs, correct? Power cost adjustment, 3.5 cents in 2021, 7.2 cents in 2022. So you go from 41 to 130. This bill is staying relatively low but again, the bulk of the jump is from the power cost adjustment. Okay. So these next three are just kind of comparisons. I’m going to go through these kind of quickly but top charts are 2021, top bar is green, bottom bar is 2022. Across all utilities, you see the jump. This is the overall rate so this is the overall billing rate including everything, storm surcharges, fuel adjustment cost,
power costs. The average cost in July in Louisiana was 12 -- roughly, 12.5 cents a kilowatt hour, up from 10.4 in 2021. That’s a difference of 2.08 cents a kilowatt hour. Here’s the fuel adjustment clause and the PCAs for those same companies. The average cost in 3 -- with 3.41 in ’21, 5.45 in 2022. A difference of 2.04 cents. So the rates, in total, are up on average 2.08 cents. All but 2.04 cents of that -- or 2.04 cents of that, all but 0.4 cents is a result of the fuel adjustment clause and the PCA going up. This is the percentage increases from year to year on the fuel adjustment and power cost adjustment clauses. Whoops, let me go back. So what’s driving this fuel adjustment cost and PCA increase? Well, Henry Hub -- and Kathryn and Lauren told me not to go into much detail on Henry Hub, but I’ll explain it to people if they want to -- to know it and I know some people know it. But this is the spot price that natural gas trades at. A certain volumetric million British thermal units, which is the training mechanism, and I almost want to go into a Trading Places movie analogy about orange juice, but natural gas -- I’m not -- I’m not going to. But natural gas is a commodity traded on the market. The people, you might see NYMEX is an index. The NYMEX price is essentially going to track Henry Hub. Henry Hub actually is physically located in Louisiana, but this is the nationwide trading rate for natural gas. So we went back to 20 -- 2005 to look at what natural gas was trading at. And I was working on Staff back then and I know a couple of Commissioners were and this was pretty brutal at the end of 2025. And there’s a pretty good reason why these prices went up over -- starting at $9 in August through the end of the year and there were two major events that impacted the Gulf of Mexico, Katrina and Rita. And back then, most of the natural gas was
produced in the Gulf of Mexico, so the wells were shut in, you see what happens to
natural gas prices. We see a similar jump back in 2008 and I’ve highlight August
of 2008 for one reason. August 2008 was the last time, prior to April of 2022, that
natural gas traded for a month over $8. You see the gas started dropped pretty
substantially in 2009 and those that don’t remember, something pretty important
happened in 2009 and we started finding a lot of natural gas in the US. So you see
prices started dropping tremendously. Fuel spikes here and there in blips, usually
in the winter months and those were tied to cold weather events, but prices start
getting really low on a consistent basis, you know, averaging about $2 for the year.
And then we start seeing an uptick in September, culminating with May of 8.14.
Why is May important? July bills and the fuel included in July bills, it’s a two
month lag, it’s May fuel prices. Some additional information we gathered from
other sources, and you can read through this, all kind of make the same point. The
research we’ve done over multiple sources, whether it be the energy information,
administration with the federal government, MISO, trading platforms are all saying
the same things. The price of natural gas, in particular, is driving not only the
electric rates but the wholesale power costs across the nation in particular. One
other thing, too, is -- and I think I highlighted this a little bit, but May and June --
so June would be July bills weather and again, we saw the spikes in usage. We’re
top ten warmest months on record at multiple Louisiana National Weather Service
sites, so that’s the New Orleans, Baton Rouge, National Weather Service. The
Shreveport, the Monroe, the Lake Charles, they do top tens. A couple of these sites,
it was the number one warmest June on record, but most sites in the top ten, and we
actually saw that in May as well. Are we unique in this situation? The Entergy Information Administration, EIA, I think I’m saying that acronym right, compiles data state by state. These are residential rates, so looking in our charts, there’s a little bit of a lag so it will only go through April. But if you see, this is per kilowatt hour for residential customers consistent with the charts I’ve showed you before. Nineteen, Louisiana was third, below 10 cents; 2020, we were third, barely over 9 cents; ’21, we were 6, still 9.5 cents. So actually, a lower rate than ’19 but the ranking affected, and then we’re 11.98 in 2022. Now, remember, April for 2021 - - I’m sorry, for 2021, the entire year was below 10 cents, almost 9.5, yet we saw an April number of 11 cents. So there were a lot of months pretty low to get this average in 2021. That puts us at 12th in rates, but if you look at this chart, everyone from 5 down is over 11 cents. And if we compare some of our peers, and I’m trying to draw a line here, but Arkansas was 9.42 in 2021. They’re 11.75 in April of 2022. Let’s see, what were the other ones I was looking at? Mississippi, next door, 10.88 in ’16 and 16th in 2021, they’re at 13.14 in April of 2022. Oklahoma, we’re in SPP, 8.92 in 2021, they’re down at 12.38 in 2022. Texas, 11.39 in 20 -- ranked 22nd in ’21, 13.08, moved up in rankings a little bit but again, about a cent and half to two cent jump. Florida, 11.65 -- to get out of MISO and SPP, Florida, 11.65, so they were pretty high last year in 2021, they’re at 13.69, so over two cent jump as well. So we’re seeing a similar trend all across the country. I could speculate why these two are still so low, but I don't know enough about their generation mix, but I believe it has a lot to do with the hydro power there. And that’s the bulk of their
power at all times. Yeah, this only goes through 2021, but I think you’re going to see -- oh, go ahead, Commissioner.

CHAIRMAN BOISSIERE: Let me pause for a second. Commissioner Campbell has a question.

SECRETARY FREY: Sure.

COMMISSIONER CAMPBELL: We know all about natural gas in north Louisiana because so many wells are being drilled here. They’re wide open now.

It’s good for the economy. It’s bad for utility breaks. Puts a lot of people to work, et cetera. Would you ask these companies, SWEPCO and Entergy, how much of their load is from natural gas?

SECRETARY FREY: Sure. We can -- I know Entergy is going to be up later and SWEPCO’s here as well. We can definitely ask them that. Now, I can tell you for MISO as a whole, I’ve go the --I think I have the chart somewhere, but I’m just going to guestimate so don’t quote me if these are particularly accurate. But I want to say for MISO in May, and Daryl’s here, too, he can jump in, but about 35 percent gas, about 35 percent coal, give or take, about 15 percent nuclear, and about 15 percent wind would be your breakdown in the whole MISO region.

COMMISSIONER CAMPBELL: That’s MISO?

SECRETARY FREY: Does that sound about right, Daryl? Daryl’s giving me a thumbs up. SWEPCO, we can ask them what their breakdown is in SPP as well when they come up.

COMMISSIONER CAMPBELL: Is that MISO’s breakdown you said?

SECRETARY FREY: Yes, sir, that’s correct.
COMMISSIONER CAMPBELL: What is Entergy’s breakdown per se?

SECRETARY FREY: We’ll get them up to ask that. I -- they’re probably going to be a little bit heavier in natural gas and nuke second and then coal and then more solar than you have in MISO, but we’ll get that explanation from them when they come up.

COMMISSIONER CAMPBELL: Okay.

COMMISSIONER GREENE: Brandon, didn’t the co-ops artificially lower our cents per kilowatt hour?

SECRETARY FREY: That’s likely the case because of the way the power cost adjustment works. Some of those contracts are long term with set prices and it’s - - there’s a formula tied to coal as well because those were originally established based on contracts with the former Big Cajun units now owned by Cleco Cajun. So yeah, to your point, I think that is likely the case. The nationwide average here, you see Louisiana’s consistently about two cents below the nationwide average and we saw that last -- from last year on the chart. Again, this goes to 2021, we’ll continue to add the 2022 data as it becomes available. You’ve got about a two or three month lag from Entergy Information Association on that but, you know, what’s interesting looking at this chart is the last time we averaged over 10 cents per year was 28 -- 2008, and if you remember, that was those months that had really -- the year had some really high natural gas prices. Surprisingly, 2005 stayed below -- even with those few months is really high gas prices. So what do our findings show? I think you’ve heard me say this throughout, the increased bills across all electric utilities, that would even include the co-ops, are primarily being driven by
the purchase power costs and the costs of fuel so this May saw the highest gas in
over 14 years. Usage is up due to warmer temperatures using -- leading to
additional increases. I touched this on that slide earlier, but the FACs in 2021 for
the investor owns average from 3 -- or went from 3.3 to 3.71 cents and the PCAs
from 1.85 to 0.5. The average of 3.41. This year that average dropped to 5.45,
increased to 2.04 cents a kilowatt hour. This again, just the average fuel and a
power cost adjustment. Yet, the total bills, if you fact that out, it only increased 0.4
cents per kilowatt hour and we can speculate why that’s there, but it’s likely just
formula rate plan adjustments, et cetera. And then the rates for 2022 are higher in
nearly all jurisdictions with similar jumps being seen regionally. And that
concludes the information I have. I’ll answer any question I -- or try to answer any
questions you have.

COMMISSIONER FRANCIS: Yeah, I’ve got one. What’s your phone number?
I want to let my constituents call you and explain it.

SECRETARY FREY: You can point to this on the website because it’s going to
be available on our website.

COMMISSIONER FRANCIS: You did a great job. Thank you very much.

SECRETARY FREY: Thank you.

COMMISSIONER CAMPBELL: You think -- who’s -- I’m just going to ask the
audience out there and the Entergy people. How much of your load is made out of
natural gas? Entergy I’m talking about.

CHAIRMAN BOISSIERE: They’re coming up in a second.

COMMISSIONER CAMPBELL: Okay.
CHAIRMAN BOISSIERE: We have any more questions for Commissioner -- I mean, for Secretary Frey?

COMMISSIONER GREENE: I have some but I’ll mix them in with my --

SECRETARY FREY: Okay. Sure.

COMMISSIONER GREENE: -- questions for Entergy.

CHAIRMAN BOISSIERE: And let me ask a few questions. First of all, thank you for that report. I’ll second Commissioner Francis’ compliment that you did a great job presenting it and compiling the information. What’s the take away from this? Is it high gas prices as well as high usage?

SECRETARY FREY: I think that’s it. And one point I want to make, I know they’re listening back, I couldn’t have put this together without Arnold and Donnie Marks in our Utilities Division. They compiled a lot of these charts for me, Jessica as well on the gas side, so thank them as well. But yes, to your point, that’s what I’m seeing, it’s usage and gas prices.

CHAIRMAN BOISSIERE: Okay. And what -- and I know you explained Henry Hub. Is there any particular event or any particular reason that’s causing the spike in gas prices? Because we don’t control gas prices here at the Commission.

SECRETARY FREY: True, true.

CHAIRMAN BOISSIERE: Or anywhere else.

SECRETARY FREY: I could speculate. There’s probably lots of reasons. I mean, we’ve seen the Shale drilling kind of stop recently. You’ve got more LNG exports being built now so you’ve got gas being shipped overseas. Natural gas is now becoming more of a global commodity than it ever was. It was, you know, US
specific for the longest. If I knew all the answers, though, I’d probably be trading
energy and not up here. Trading energy meaning natural gas, but you know, it
reminds me, Commissioner, of there was a B&E, and you were there and
Commissioner Campbell was there, back in 2005 to ’08 time range where we saw
these gas prices last. We were on the Northshore, Commissioner Blossman was
still the Commissioner, and there was -- and I’m not going to name who he was,
but one of the gas companies had a representative come to the table and they were
wanting to hedge gas long term. And he basically said we won’t see gas below $7
again in my lifetime and then within a year, gas was at $2. And this was an expert
in the field whose job was trading, so to speculate what’s causing the prices --

COMMISSIONER SKRMETTA: I’ve got a question.

CHAIRMAN BOISSIERE: Okay. Yeah, I actually remember that meeting. I
think I was quizzesing him on his ability to speculate at the meeting itself, but here
we are again trying to get people to speculate accurately and I think partially, I
mean, very much you’re right, it’s becoming -- natural gas is becoming a global
commodity and is being priced globally and for all of its worth, Louisiana has high
gas prices but not just Louisiana. It’s the whole south, it’s the whole country, and
if you look around, it’s the whole world paying much higher gas prices now than
they have been. And as much as we like to, you know, control everything around
us and do the best we can, is natural gas a regulated --

SECRETARY FREY: It is not. The price is deregulated.

CHAIRMAN BOISSIERE: Completely deregulated and that’s why we see the
spikes and increases right now because if -- trust me, if we could regulate them, if
we could regulate natural gas and Henry Hub is in Louisiana, I think, if we could regulate them, we’d keep them as low as possible. But I just wanted to ask that. And as far as the other issue was not just gas prices, based upon your report, but it was usage.

SECRETARY FREY: Yes.

CHAIRMAN BOISSIERE: And of course, I’m an advocate and have fought from day one, day one for efficiency and energy efficiency. And is there anything we can do to reduce usage in order to save people from paying too high utility bills?

SECRETARY FREY: You know, that’s a great point, Commissioner and actually, Logan and I were talking right before the meeting. She was on a panel at the NARUC meetings, and I was telling her how listening to people from other jurisdictions, where they live in high rises and don’t have -- they have fuel oil and they talk about the average customer having a 600 kilowatt usage bill and they’re paying 15, 17 cents but their bills are lower. Obviously, in place, you know, we’ve got people run their units too cold. You know, I didn’t want to say this, but I feel like I have to. I remember -- and look, I follow social media. I don’t comment on it. Trust me, I can’t respond to everything, and you can’t respond with a presentation like this to what you see on social media. But I think Entergy had reached out when they saw these natural gas prices being high to the local media in the Baton Rouge area about, you know, if you want to conserve Entergy, you know, raise your thermostats during the day, and 95 percent of the posts were like -- I won’t repeat what they said but it was basically like, no way, you’re not going to
tell me what to do. But that’s one thing people can do, and yes, having homes more
energy efficient absolutely would drop the usage.

CHAIRMAN BOISSIERE: Right.

SECRETARY FREY: And I know that we’re working hard on that.

CHAIRMAN BOISSIERE: Right. And yeah, listen, I get all the same calls.

Trust me, constituents don’t hesitate to let us know what they’re thinking, what
they’re feeling, especially when it comes to pricing. And you’re right, this is
difficult to answer with a quick sound bite or a few characters or to type back but
the answers are complicated, but it comes down to fuel and usage and conserving
as well as the work we can do here to help hedge prices and to keep the rates as low
as possible. Is there any other takeaways you want to give us before we move on?

SECRETARY FREY: I think you kind of hit the high levels. If something pops
up to me, you know, I’ll throw it in, but --

CHAIRMAN BOISSIERE: Commissioner Skrmetta had a question first.

COMMISSIONER SKRMETTA: Actually, Brandon, some time ago, we had --
some years ago, we met with representative of the natural gas industry and we had
them sort of tell us sort of factors in particular elements associated with the price
of natural gas and kind of where we were looking at it and what it could do. I think
it might be beneficial for the state and for the public to, you know, if we could
investigate between now and maybe September, reaching out through, you know,
contacts through the LEUG group on, you know, if they’ve got market analysis on
where they think natural gas is going to be. We now got a good report from you
and Staff on where it is and where we were. I think it’d be beneficial to the public
to see if we can get some information on what the general thought is going to be
about how we’re looking down the road. I did read a report from the American Gas
Association, but I think it’d be better to hear from people who are actually sort of
elements in the field versus an association on this. So if we could find somebody,
that’d be great.

SECRETARY FREY: We’ll definitely look into that, and I’ll reach out to my
different contacts for that.

COMMISSIONER SKRMETTA: All right. Thank you.

CHAIRMAN BOISSIERE: Commissioner Greene.

COMMISSIONER GREENE: Yes. I have some questions for Brandon, but also
for Phillip. I don't know if -- Phillip, can you come up?

MR. PHILLIP MAY: Good morning.

COMMISSIONER GREENE: Do you have any comments you want to make
first or?

MR. MAY: No. I thought the presentation -- again, I’m Phillip May, president of
Entergy Louisiana. I thought the presentation did a great job of explaining what
we’re dealing with, certainly dealing with it in Louisiana. You know, first thing I
really would like to say, we hear our customers. We recognize that the bills that
you’re seeing right now are very burdensome to our customer base and we’re not
just talking to our lower income classes, also stretching into middle income and
even upper middle income seeing very high rises in the price of their energy bill at
the same time they’re dealing with higher prices at the pump, higher prices at the
grocery store. So we recognize that it is a burden. Yesterday, we did announce
that we’re taking some steps to help our customers. A couple of things that I want
to point out here. First thing is we’re going to be waiving late fees for eligible
customers. We’re also going to waive credit card fees for those customers who
want to use their credit card to pay their bills. Entergy Corporation is making a $10
million contribution to Power to Care, which helps pay bills for lower income
customers and also for additional bill paying services. We’re going to extend
deferred payment agreements, and what that will do, if you have a problem with
your bill, you can call us and we’ll make an arrangement where you can stretch that
bill over a lengthy period of time so it’s more affordable for you to pay. The other
thing we’ll do is we’re going to go to neighborhoods and help understand how these
bills are showing up at these levels, probably borrow some of that stuff that Brandon
put together, but also offer things like water heater blankets, efficient bulbs and
some tips on weatherization and conservation. So those are the things we plan to
do. Again, we hear you loud and clear, both the Commission and our customers,
the burden that is being placed upon our customers as a result of these high bills,
and we’re working to try to manage that.

COMMISSIONER GREENE: Well, thank you. I’ve got five or six questions.
And I do appreciate all y’all’s effort. Can you comment on the use of the nuclear
fleet during this high gas prices and high temperatures? I show that Grand Gulf
hasn’t worked since July 1st. Couldn’t that be helpful at mitigating the high gas
prices?

MR. MAY: So Grand Gulf is in an outage. It will show up in the September
billing because of the two months lag. For Grand Gulf, it actually is a small portion
of our total portfolio. We get about 14 percent of the output, fairly large unit 1,200, we get about 14 percent of that. It will not have a major effect on Entergy Louisiana because, you know, roughly 150 megawatts out of the 10,000 megawatt portfolio, it’s enough to make a difference but it’s not going to have huge swings in the prices and so forth so we anticipate that we would see the effect of that in September fuel adjustment because of the outages occurring in July with that two month lag.

COMMISSIONER GREENE: So next question is about hedging and this is kind of for Brandon and for you. I know the Commission in 2005 under General Order 32975 said that long term procurement pilot program shall be established for each electric IOU and they shall make reasonable efforts to design long term natural gas procurement program plan that utilizes one or more of the long term natural gas costs stabilization instruments identified. Can you provide analysis to show if y’all did that and if not, why not?

MR. MAY: Yeah. And I’ll ask Mark Kleehammer to come up and help with that answer. I will tell you that long term hedging is difficult to achieve in these competitive markets. If you go out and procure over a certain period of time, the volumes that we would need to procure for a large fleet like ours can actually move the market and so there is a risk that by going out to hedge that over the longer term, that you actually cause the price to be higher for your customer so it’s something we have to be cognizant of. I’ll note that hedging in general, is a bit like an insurance policy in which you will pay a premium to help address volatility. So we know if we do hedging, over time we would expect that those costs would be higher but would be last subject to volatility. The other challenge with hedging is if we
chose to hedge for June and then the heat wave comes and you see a significant increase we saw towards the end of June usage is 30 percent, 40 percent higher for our residential customers, you’re not going to capture that because you can’t hedge that additional part because you’re not aware it. So you’re going to try to hedge a amount that’s a base amount that you know you will consume in natural gas. Anything additional, you’ll be exposed to the market. And I’ll let Mark address your specific question.

MR. MARK KLEEHAMMER: I really don’t have too much to add. I know that we filed in these dockets all of our compliance filings. I think we’ve got about two or three dollars of a reduction due to hedging which is baked into the fuel adjustment on a monthly basis. If I can go back on one item -- and I agree that I think Brandon presented a very good picture of how this is running. The one thing that is not necessarily unique but maybe a little different in Louisiana is that all of the utilities in Louisiana are on a monthly fuel adjustment clause. If you look around in the region where other people are highly natural gas sensitive, we know Mississippi primarily is on quarterly. I think Texas is on a six month -- I think -- I don’t know where Oklahoma is. Arkansas -- yeah, the regulated portion of Texas is on a six month. Arkansas is annual. I think places like Florida are annual. So what you will see is when they do their next update or when utilities come in for emergency updates, I think you’ll see big upticks that you’re not necessarily seeing there because ours is real time. Again, that’s one of the reasons why we advertise and ask our customers to join level billing to help them smooth it out because ours are more real time.
COMMISSIONER GREENE: My next question’s around -- I know y’all sent out a letter and I think it was mostly helpful, but I wanted to do some of the math because we’re getting a lot of calls saying hey, my bill was going to go up $15, it went up $200 and so in it, we say for a customer 1,000 kilowatt hours, that would translate as roughly a $25 increase in June, Entergy Louisiana is deferring their recovery of $10 of that. So a lot of people are expecting their next bill to be $10 higher but isn’t it actually going to be 40 percent that’s deferred and not $10 because it’s $10 of 25?

MR. MAY: So for June, yes, so we’re deferring a certain amount of dollars associated. Those dollars will be collected over time so it won’t show up on your next bill, it’ll show up later in the year. For July, we also deferred the $10. That’s $10 per 1,000 customers so if you used 2,000, that deferral is roughly $20. And again, that will be covered over time. You know, with regard to that letter, if you use 1,000 kilowatt hours, you would have roughly close to $10, I guess, actually about $9.50 associated with storm costs, another $15 associated with fuel costs. For July, those numbers stayed consistent but the fuel costs went up a bit. If you use 2,000, obviously those numbers double so instead of 9.5, you’re talking about, you know, roughly $19. If you use three times that, so the math just works. It’s linear that -- that amount is a portion of the customer’s usage.

COMMISSIONER GREENE: I know happiness equals reality minus expectations and so I think people are expecting $10 and if in your messaging, you could, you know, communicate more like 40 percent or something that they could understand a little better, I think that would adjust their expectations accordingly.
MR. MAY: Well, that’s very helpful and I appreciate that. And just to be clear, the increase was mitigated by 40 percent so it’s not 40 percent of the fuel cost we’re incurring. It’s a much smaller portion that, but we mitigated instead of saying $35, you saw $25.

COMMISSIONER GREENE: Okay. I want to jump over to storm restoration. I don't know if the $10 million that y’all are chipping in is for that or just for the heat wave. But I know, Commissioner Campbell even brought up, you know, what, if any, could shareholders or Entergy contribute to the storm restoration and there’s been a lot of chatter of, you know, 25 percent. Is there any internal conversations about -- because right now the perception is your shareholders have no risks for investing in Louisiana, it’s all upside, and all of the risk is borne by the ratepayers who are the poorest state in the union. So is there any internal talk about during times like this for Entergy, the shareholders, to participate in the risk side of hurricane restoration?

MR. MAY: So with regard to risk associated with hurricanes and so forth, obviously, we take the hit associated with loss of sales and other things. So in a case of Entergy Louisiana, that was roughly $70 million. With regard to the repair costs, the challenge we have is we have to borrow a lot of money. So the last two storm seasons, we borrowed roughly $4.6 billion for a company that makes close to $700 million a year. That is enormously burdensome. We are able to borrow that money based upon the confidence that the lenders have that we will pay them back. If we’re unable to pay them back, then we will not have lenders who are willing to lend money. And this is not a hypothetical thing. When we had
Hurricane Katrina, one of our operating companies, Entergy Gulf States, which was separate at that time, we had vendors that demanded they be paid cash up front to come and repair our system. So paying for storm costs is not so much about this storm, it’s about the next storm. Every company that has exposure to hurricanes has a mechanism that allows them to recover 100 percent of their prudent costs so if you are an investor or if you have an opportunity to put $10, $100 somewhere, why would you invest in Entergy Louisiana when every other company on the gulf coast has assurance of recovery? And so if we do have a storm, what’d you see is investors abandoning that and us not having the ability to have the funds necessary to make those repairs.

COMMISSIONER GREENE: Because the perception is that if you can pay your shareholders over a billion dollars, can you chip in $200 million for the people that are actually paying that.

MR. MAY: So in order to continue to have access to funds, we pay dividends. We pay dividends at the same rate generally, a little lower than what you see across the utility industry and so that amount for Entergy Corporation, not for Entergy Louisiana, was about 700, $750 million per year. What that is, is essentially provides investors confidence that they will get their money back. So in my mind, this is a little bit akin to if you have a lot of damage and you have to go borrow money to fix your house, would it make sense to stop paying your credit card bills or other bills when you know you’re going to need to borrow a significant sums of money. If you did that, those folks who lend money would lose confidence. The
rates to borrow, if you could borrow, would be significantly higher and as I noted, many vendors would just want to show up with cash up front to do the work.

COMMISSIONER GREENE: Thank you.

SECRETARY FREY: Mr. Chairman.

CHAIRMAN BOISSIERE: Commissioner Greene.

SECRETARY FREY: Oh, I’m sorry. There is something I failed to mention earlier and I want to -- when I was going over the overview. I’m also going to link on there, and Staff, if you’re listening back home, put it up there, the fuel adjustment clause order because I don’t think a lot of people -- it’s somewhat of a complicated concept, but the order does a great job of providing a history of fuel adjustment clauses. They actually go back to the 50s and I’m not talking Louisiana, I’m talking throughout the country. This similar mechanism is used everywhere and it does a great job of explaining the purpose of it. There were Louisiana Supreme Court cases authorizing the fuel adjustment clause and I said that it was a PGA which is something similar, and I know he’s in the audience, I’m pretty sure Paul Zimmering wrote the FAC order. I texted him to confirm that but -- so we have some pretty expert knowledge assisting us with it. But this goes back to ’97. There’s an ordered concept that goes back to the 70s on the PSC level and the 50s throughout the country of a mechanism where it’s a direct flow through of the cost to run a power plant.

CHAIRMAN BOISSIERE: Okay. Let me go back to Commissioner Greene.

COMMISSIONER GREENE: I’m done with y’all. I have a question for Brandon.
SECRETARY FREY: Sure.

COMMISSIONER GREENE: What are we doing to make sure that -- because we have other resources we’re trying to diversify for supplying energy. What are we doing to make sure that the developers and generators have access to our transmission system so we’re not so reliant on such a few number of generators?

SECRETARY FREY: I think that’s probably getting a little bit above my level and a MISO question. I mean, I know MISO has done a lot to alleviate those concerns. I mean, I remember a rather lengthy fuel audit where that issue was raised and the findings were that it was really nothing but no, I think that’s probably a MISO -- the more transmission that’s built in the MISO system, the more access there is to products within the MISO market.

MR. MAY: If I may add, the most important thing we can do to ensure adequate capacity is to have a resource adequacy rule that ensures that every utility brings adequate resources to serve their actual load. And Entergy Louisiana will certainly do that. I think the other investor owned utilities will do that. But I am concerned that we will have put in place rules that allow other utilities to not adequately serve their load and when that happens, it puts that risk -- the entire state, MISO portion of the entire state, not just those companies that don’t show up with adequate capacity.

CHAIRMAN BOISSIERE: Commissioner Campbell.

COMMISSIONER CAMPBELL: Phillip, let me ask you something. And did I read or -- just answer the question, how much electricity do you make out of natural gas, what percentage?
MR. MAY: So roughly, and Mark, you may have the actual numbers, probably in the 50, the 60 percent of our burn for making electricity is natural gas. We also purchase from the market another, roughly, 20 percent.

COMMISSIONER CAMPBELL: So it’s 85 percent?

MR. MAY: So right now, it’s probably 80 percent range for natural gas.

COMMISSIONER CAMPBELL: That brings me to my question, that’s what I had in mind. Do y’all think that your company has been progressive enough when it comes to renewables? Looks like to me you’re heavy, heavy, heavy in natural gas and I hadn’t -- I’ve been here longer than everybody, but that doesn’t mean anything but I’ve just been here longer. I don’t really remember that your company had been real benevolent to renewables. Fought a renewable because I remember when people in New Orleans had solar on their houses, y’all didn’t open them -- you didn’t open your arms up to much to those people down there. Matter of fact, you were pretty adversary to those people and all of a sudden, this --renewables got real popular with everybody, it’s real trendy, now all of a sudden y’all are all about it, but y’all fought those people down there pretty good. You changed the way you buy. At first, you was paying them for their electricity they generated at four cents. I’m just using roughly.

MR. MAY: Right.

COMMISSIONER CAMPBELL: But then you cut that out, now you don’t pay them at all. You said, we’ll take it and we’ll sell it, but you went from a real pro consumer deal, I think to an anti-consumer. So it’s sort of hard for me to sit up here and listen to all of this stuff you’re saying. I’m not being personal, but it is personal.
It’s hard to -- it -- it is -- it’s just personal. You say you’re doing one thing but you
don’t practice what you preach. If you’re practicing what you preach, you ought to
be friendly with renewables. And I found your company to be not friendly and
holding them up and now, there’s a lot of government money in this and that and
the other and it’s going to be profitable. But we’re in a hell of a mess now because
if we’d been practicing some renewables ten years ago, if you would have been pro,
we’d have been better off. But we were finding reasons not to have renewables,
and we’re just now getting some solar stuff up in here in north Louisiana, fixing to
open one up. Malcolm got one going up here, got some in northeast Louisiana but
your whole philosophy in your company hadn’t been -- I don’t say you haven’t
been honest, that’s way too tough, but you guys have had your dukes up like this
rather than saying come on in. And now, we find ourself in a hell of a mess because
85 percent of all these bills are natural gas. And we wouldn’t have that had y’all
been open and more forthcoming and saying, hey, we need all the wind if we can
buy it, we need all the solar if we can do it, rather than your whole theme down in
New Orleans was you have a poor man down there that wants to spend $5,000 to
put a roof on his house. Well, at first, that was a good deal because he said well, I
get my money back through selling electricity. Then you say, well, that’s not fair.
We not going to give you anything for your -- you’re lucky to let us use these lines,
we going to let you use our poles and lines but we don’t give you anything for that.
So you went from a deal paying this guy in New Orleans that borrowed $10,000 to
put it up on his house, and if you fly over New Orleans in an airplane, look down
and see all the solar, but y’all haven’t been -- you haven’t been benevolent with
those people. Matter of fact -- a lot of -- got in it and borrowed money to get in it, and they feel like they were tricked. So I hear what you’re preaching, but I’m just not on the same page. If your company really wants to do something to help prices, you got yourself in a bad situation because you’re depending just where you don’t want to be. You’re depending on natural gas for 85 percent of your electricity and we knew it was going down, we knew things were going to happen and people been preaching to y’all and preaching to y’all about getting into solar power and everything else. But you took the studs -- you didn’t want to do it, and now you’re hollering uh-oh, but the mule’s out of the barn now. You don’t know what to do about it.

**MR. MAY:** Right.

**COMMISSIONER CAMPBELL:** Now, these five people up here, we’re trying to work with you, but the people don’t understand that because the bills are outrageous, outrageous. And Phillip, I shouldn’t say this, but I’m going to say it. The other day I did a little math, I was home and I did a little math and I figured out how much y’all paying your president per hour. That’s $8,000 an hour you’re paying that man. That’s more than some people make in north Louisiana. He makes more in one hour than some people up here make the whole year and while he was with us the other day, and he was a nice gentleman, if he was there three hours, he made $25,000. So I mean, people don’t understand that. And I know there’s a reason for it, but there’s no reason for y’all taking the studs on renewable energy. Y’all did a good job of that, and not just you, SWEPCO hadn’t been -- they’re doing better than you, but y’all are interested in making money, SWEPCO
is, Cleco is, I understand that. But what Mr. Greene was telling you and what Mr. Bossiere’s been saying and Mr. Francis, but you got to make money to run the company, but you’ve got to tailor make your program to the people you represent. This is not Connecticut where everybody has a master’s degree. This is Louisiana, and we got poor folks here in our state, the second poorest in the United States, with high bills and the mathematics don’t work there. So I hear you, but I want you to -- I think you brought to this -- not you personally, I think Entergy has brought a lot of this on yourself. That’s what I think. And it’s our job to help you get out of it, prescribe the medicine that we need to get out of it. I don’t know if you’re ready to take a dose or not, but right now, I think we got to do something. I’m all open into looking into opening these markets up, take a real good look and see if anywhere you can buy it cheaper. We just had a -- we just had an experience with a rural electric co-ops. Y’all didn’t like what they did. I understand that and neither did SWEPCO, they didn’t like it. Y’all probably don’t like co-ops. I can understand that. Y’all are competitors. I got it. But they went out on the market and they’re going to be able to buy energy a whole lot cheaper than we can buy. Now, my job up here, I can’t look for bugaboos, you can find a bugaboo in everything you look, oh, it won’t work, I’m worried about production and I’m worried about this, can they get the supply. I think it’s imperative with the situation we’re in that we ought to look around this country and do a real study with some qualified people, not some of our pets, qualified people, would come here and say, this is what happens when you deregulate monopolies because you’ve got it going all your way. And Mr. Greene hit it -- the other day, you -- just a while ago he said, you got it all going
your way, consumers are paying it all and y’all making dividends, you pay a billion
dollars a year for three years and that guy makes $8,000 a hour. I know that’s --
you would say, well, you shouldn’t bring that up but that goes to your line of
thinking. Something’s wrong, something’s wrong somewhere.

MR. MAY: Yeah. So if I can just respond. First the salary thing, our CEO, Leo
Denault, who’s the CEO of the large Entergy Corporation, as you know, the
financial aspects, the market base aspects are not included in our rates. It has been
excluded -- has been excluded for a very long time. So the actual amount is really
the base salaries of those other components that are not financially based. It’s based
upon the operation of business. That’s about $2 million. So while it is a large
salary, I agree, it is a salary that is consistent with his peers around the nation and
so that salary, yes, it’s impressive but it is consistent with other -- his peers in the
amount that it is actually allocated to Louisiana because we do remove those
financial market base incentives is about $2 million. Now, if I could just address
solar for a minute.

COMMISSIONER CAMPBELL: Phillip, let me saying something.

MR. MAY: Commissioner, if we had solar right now at the price that solar is now,
yes, our bills would be lower. If we went heavy into solar, half a decade, a decade
ago, our bills would be much higher because we’ve seen a dramatic decline in the
price of solar so by entering now into solar, we’re going to be able to do it at a
lower cost. We have about three percent of our resources are from renewable
resources. We have a 475 megawatt solar portfolio that is in front of this
Commission now that can be approved and allow us to put that into service. We
have another 600 megawatts behind that, another 1,500 megawatt RFP that just has been released so you’re right, we’re absolutely going big in solar, but the big part of why we’re doing that, two reasons. One is the cost have come down have made it highly **uncompetitive**. That was not the case even five years ago. The second thing is our customers are demanding that we have cleaner sources of energy and so we’re responding to that demand.

**COMMISSIONER CAMPBELL:** You know what you said a while ago, that I don’t think we think alike and that’s -- you know, you’ve got a big job and I taught school so we don’t think alike. But anyway, this is what’s troubling me about y’all’s thinking, not yours. Your company says that -- or you just said it, that we’re in line with the other part of the United States. No, but the people ain’t in line with other part of the United States, that’s where the mule jumps the fence. We can’t be compared to Connecticut and New York and California, we compared with Mississippi. That’s what you guys have got to think about. We’re on the Mississippi level and your guys are making what they make in California and other places and that’s just it. I know you can’t -- you might say well, it’s petty to draw out one guy’s salary. Well, it is in a way because it’s not petty because it’s a company’s thinking.

**MR. MAY:** It’s public information, sir.

**COMMISSIONER CAMPBELL:** Yeah, but that’s the way y’all all are thinking. You’ve got behind the ball because you really didn’t want any -- you didn’t want any solar. And now, you’re saying well, we shouldn’t have got behind the ball and now you’re saying, well, don’t blame my president because other companies make
as much, some of them don’t make as much. But anyway it’s -- what I’m looking
at as a broader view, I think your company is more oriented in making money,
taking care of your stockholders than you are with this dilemma we’re in in
Louisiana only to be ahead of Mississippi. That’s a hell of a bunch of facts. So I
would -- what I’m saying is we need to do something about working together and
trying to match our blueprint with Louisiana people. We can’t, you know, we don’t
And so we’re down here, your rates are high and I appreciate you doing that -- you
know, I asked you a question, one time I asked Mark this, and this is not -- these
people up here are not going to agree to this. I think people in north Louisiana
really get a bad deal because we pay high rates and we don’t have the storms, but
you charge us the same thing as people in south Louisiana get. Now they chose to
live in south Louisiana. I’m not going to get in an argument. I like all these guys
here; they’re all friends. And they can’t vote to raise their rate on their people, and
let people in north Louisiana go. But everything is based on risk, that’s business.
You got a company up here that doesn’t have much risk. You don’t have any
storms. You might have an ice storm and clean it up in two weeks, but when you’re
in south Louisiana, it’s coming. You’re going to have it. So as an insurance
salesman, I can tell you, insurance companies charge their premiums on risk. And
I told you one time, if you didn’t like north Louisiana, sell it. Sell it. There’ll be a
hundred people lined up to buy north Louisiana just like that. You know the first
ting they’re going to tell you when they look at your book of business? Oh, I got
500,000 people up here -- 400. They don’t pay it -- it ain’t them that’s paying it
out, it’s the other people, so why shouldn’t I want north Louisiana? So I mean, there’s some hard questions that got to be answered, and I’m not putting it on these fellows because they don’t -- well, Mr. Francis does, but they don’t represent any of north Louisiana, they represent south Louisiana. And I’m not trying to put a hardship on them, but there’s some hard questions that got to be answered. I think you fumbled. I don’t think your company’s progressive enough. I think they’re too pro-business and not enough people-oriented. I’m not mad at you about this; this is how I feel. This is what I feel. And for us to get to the bottom of this, it might take deregulating all utilities in Louisiana and let’s see how cheap you can buy it on the market. Hey, and if you can buy it cheaper and it’s reliable, I think it’s our job to take a real hard look at it. That’s just my -- because I -- I’m in the Chevrolet business, I ain’t in the Cadillac business. We in the Chevrolet business up here. Y’all in the Cadillac business, Connecticut is a Cadillac business. We doing our best up here to get along. We can buy it cheaper, like the co-ops did, we ought to take a real look at it. That’s it. And I don’t mean that personally against anybody, just -- that’s just what I’m thinking from my head. It might be wrong, but I don’t want to just sit up here and say oh, you can’t deregulate. Well, how come you can’t? Well, because he said you can’t. Well, who is he? That’s the company. Oh, the company says you can’t do it. Well, they also told me you couldn’t buy any solar power, too, but they changed. The co-ops bought -- you guys don’t know this, all these co-ops -- whatever something five, what’s the name of it?

CHAIRMAN BOISSIERE: 1803.
COMMISSIONER CAMPBELL: 1803. I thought it was 1805, I’m sorry. But anyway, they bought it and it looks like it’s going to be a lot cheaper. And if it does come in a lot cheaper, I think it’s imperative that this Commission take a real hard look at it for the people in Louisiana.

MR. MAY: And Commissioner, I greatly appreciate you, your thoughts, and guidance here. I know that each of us talked to all of this body about the rates and the concerns and so forth. I do not agree that Entergy is purely focused on profit. We have been one of the lowest cost utilities for the last 10 years. Now part of that was because natural gas prices were attractive, but it was also a focus on finding the lowest cost sources available to serve our customers, and at that time, when we were making these decisions, solar unfortunately was not the lowest cost source for energy. And so I do appreciate your comments and I certainly accept your point of view on this, but I will tell you that we focus a lot of time and effort on how do we keep our bills low. We recognize that we have one of the largest low income populations in the company -- in the country, and although we do have very low rates, we have higher volumes, and that places burden on our lower income customers. We get it, we hear you, and we’re working to try to address that and some of those items that we discussed today, including the contributions from the corporation, are designed to help our customers.

COMMISSIONER CAMPBELL: Well, I appreciate your tone because I’m trying to be conciliatory, and I appreciate your tone in talking because it’s just been worrying me. And it looks like it’s common sense, but I could be wrong because I’m not a scientist and I know this is some high tech stuff, I mean I know that. As
Jethro would say, this is some high ciphering, okay. But anyway, we got to do
something because these people can’t just keep paying the bill and we’re saying
uh-oh, well, it’s natural gas. Well, what else is there? Well, I don’t know. It’s this,
that. We’ve got to have some action, quick.

MR. KLEEHAMMER: Commissioner Campbell, if I may, to your point about
deregulation, I mentioned Texas and I said that they’re on a six-month true-up on
fuel adjustments for the most part, that’s in the regulated piece. In the non-
regulated portion of ERCOT in Texas, you know, we’re talking about a crisis right
now with our customers because we’re presenting about 15 cents, 16 cents on a bill.
I went on Monday on the Power to Choose website, and just so you know, you’ve
got to navigate to get to the right website in Texas, there are multiple websites, but
you get to the Texas Public Utility Commission sponsored Power to Choose, right
now, the lowest rate that you can get, and I’m not talking about whether it’s got
pre-pay, whether it has credit requirements, all of these things that could make it
non-accessible to certain customers, the lowest rate you can get is 14.9 cents and
locked in for 36 months. We’re talking about a month where we’re at about 15
cents. If you want to lock in for a longer term, well, if you -- that’s if you’re locking
in for 36 months. If you only want to lock in for 24 months, its 16.3 cents is your
best rate. If you want to lock in for 12 months, it’s 18.7. You want to lock in for
9, it’s 23.7; 6 months, 25.4; 3 months, 26.7.

COMMISSIONER CAMPBELL: Mark, Mark, I hear you, but --

COMMISSIONER FRANCIS: That’s facts.
COMMISSIONER CAMPBELL: I don’t think you’re -- I don’t think this is apples and apples. I know a little bit about math. Not much, but I know a little bit about it. I know that when you make an accusation like that, you can’t just point to one state and say Texas. That won’t work. Tell me -- that’s why we got to have - - we can’t have Mark doing it or we can’t have Phillip doing it. We’ve got to have some people that we know that -- well, I’m not saying you’re not truthful --

MR. KLEEHAMMER: That’s truthful.

COMMISSIONER CAMPBELL: -- but don’t work for Entergy. We got to have somebody working for the people and call it like it is. If that’s the case, how in the hell did the co-ops get a deal. Why shouldn’t they all be screwed up? We just listen to them and why if -- why would they do it? They’re risking a whole lot more than you because they’re just a little bit -- little bitty boys compared to big, giant you and they thought enough of it. Five of them thought enough. They sold it to this Commission, and we had highbrow research and it looked good to us. I voted for it and you voted for it and you voted for it. And you voted for it, too, didn’t you? Yeah, he voted for it. So anyway, I hear you, but when you -- you can’t just pick out Texas and say, well, Texas is screwed up over there so it’s all screwed up. I’m not looking for that. I’m looking for majority of the states or the ones who do it -- all of them that do it and then come back with the facts. That’s not what you’re telling me, you’re saying Texas, it won’t work in Texas. Well, big deal. Does it work anywhere else? That’s all I’m saying.

COMMISSIONER GREENE: I think we - we’re looking at that in the customer-centered options docket.
CHAIRMAN BOISSIERE: Commissioner Campbell, you have anything else?

All right. Next is Commissioner Skrmetta.

COMMISSIONER SKRMETTA: Yeah, actually, I’ve got some questions for Entergy, and I’ve got a couple of things to talk about. You know, on the Entergy issue, you know, Phillip, y’all were talking about your percentages of natural gas. What -- how many -- what is your percentage of solar right now and how many megawatts of solar do y’all have?

MR. MAY: Operating solar, 55 megawatts, so it’s a bit less than 1 percent, but we have 20 -- let’s see, is it 2,500 in a queue -- queued for approval.

MR. KLEEHAMMER: 475.

MR. MAY: 475 is before the Commission right now and then another 2,100 behind it.

COMMISSIONER SKRMETTA: So what’s the percentage of your solar once it gets out of the queue at MISO?

MR. MAY: I’m sorry, say again?

COMMISSIONER SKRMETTA: What’s the percentage you’re going to have when it comes out of the queue?

MR. KLEEHAMMER: We were about 10,000 megawatts, so if we got 2,100, we’d be 20-something percent.

COMMISSIONER SKRMETTA: Okay. So right now MISO’s percentage of solar is about 1.6.

MR. MAY: Right.
COMMISSIONER SKRMETTA: So you’ll be far ahead of what the MISO profile is right now, right?

MR. MAY: That’s true. I think others will move ahead as well.

COMMISSIONER SKRMETTA: And I think that when we look also at how we’re buying power through the MISO market, MISO right now is at about 43 percent coal and 36 percent natural gas, it’s about 11 percent nuclear, and that’s, like, up to date a couple of minutes ago, and it’s 1.3 percent solar. So, you know, what -- to, you know, sort of, you know, get into a discussion about nobody’s -- you’re not doing your best on solar, you know, MISO’s plan on integrating solar into this renewable portfolio, everything’s moving slow on it because of the realization of there has to be a balancing of interest on this to make sure that power is reliable and power is deliverable. So I know that there’s taking some, you know, varied measured steps to make sure that we don’t get into a situation like, for an example, Texas, in their un-regulated section, which is, you know, warning people not to charge their electric cars, it’s warning them to raise their thermostats, it’s giving Max Gen alerts. In Louisiana, because of the way we do our integrated resource planning, because of the way we run our ship through our regulated process, we have not put our consumers in peril of being in load shedding so far this year. I mean, it’s been -- we’ve been very lucky that it’s worked out the way it has, but we do run our planning differently than Texas does, and the unregulated part of Texas. The regulated part of Texas does not have the same impacts that the deregulated part of Texas has and I think, you know, while Commissioner Campbell is talking about, you know, don’t look at just Texas, Texas is a good
example because it’s got two faces of how this is run. It’s got a regulated side and it’s got a unregulated side. And the unregulated side is important for us to look at for a couple of reasons, one of which is we talk a lot about deregulation, but one thing this Commission has to understand is, you get to deregulation, it also means you don’t get to look at their books, you don’t get to take any actions for seeking credits from them, you don’t get to go and look into the company, you don’t get to argue about, you know, is a president making too much money. You deregulate, you walk away. You don’t do these things. And right now, we’re facing great potential for our ratepayers and, you know, no offense to Entergy, we are in litigation against Entergy on things we regulate and we’re looking at billions of dollars of issues of potential credits back for the ratepayers. That would not exist if we were in a deregulated system because we could not look into the books. Texas is a great example of that because if you look at Winter Storm Uri, there was a time at which power was selling at $9,000 a kilowatt hour and there were a lot of systems that ended up going bankrupt, but no one has been able to look into the books of these companies to find out what did they do with the money, who took it, how much did they make, was it an excess of profit on the consumers there because they don’t have the authority because they’re deregulated on that component. Deregulation is just the wrong thing to do if you can’t manage the sort of system we’ve had since the beginning of the Louisiana Public Service Commission to protect the ratepayers. And, you know, I think there’s a lot of political influence coming from one particular company in Florida and I think that they are pushing this game and they come from a state that has no wholesale market, they are fully
regulated by their Public Service Commission, and they come to Louisiana seeking to be deregulated. And when I’m talking about the deal that they’ve given the co-ops, the co-ops have called me just the other day and they’re talking about, they got 20 percent renewables and that’s great, they’ve got a contract for set amounts, but they got 80 percent that aren’t coming from renewables that there is no set amount on what the rate’s going to be and there’s the great unknown. And if it’s not deliverable and it doesn’t prove itself out, how does that affect the market against the other people who are in the other part of the state. So there’s a lot of giant gaping holes in this sort of concept of deregulation because it’s not -- I don’t think we just need to walk around saying, oh, well, we should deregulate, we should look at it. My guess is, if you want to do it, you should do a plan and really understand the impact of a plan before you just kind of go around with it because ultimately what you are doing is you are handing off every tool you have for the benefit of the ratepayers of the state and you’re giving it up completely and you won’t have moments like this where you can engage in this kind of dialogue because when that happens, they don’t show up. You can see them in court, but you ain’t never going to see them in a dialogue like this. It just won’t happen. Now I’ve got a couple more questions for you guys. Since a lot of people watch this and they get confused between ELL and Entergy New Orleans, you know, we’re looking at sort of the cost of fixing Entergy Louisiana. What is the cost of fixing Entergy New Orleans versus the earnings of Entergy New Orleans? Because you said $700 million is the earnings of the ELL, Entergy Louisiana. And you’ve, you know, you had to borrow $4.7 billion to fix it.
MR. MAY: Right.

COMMISSIONER SKRMETTA: So obviously, I mean, it takes a while to earn that back to pay it, but what’s the setup for Entergy New Orleans? Because obviously this sort of political action that’s been going on for the last month has been organized between the PSC and the City Council, so why don’t we talk about all of that right now.

MR. MAY: Yes. So I don’t know the specific numbers for New Orleans, I just don’t have them committed to memory.

COMMISSIONER SKRMETTA: You might have to speak up a little bit. I can’t really hear you and this is muffling it.

MR. MAY: Yeah, so I don’t really know the specific numbers for New Orleans. I just don’t -- I don’t have them with me and I don’t have them committed to memory.

COMMISSIONER SKRMETTA: Okay. So you don’t have an estimate or anything?

MR. MAY: Do you recall?

MR. KLEEHAMMER: No, I don’t. I don’t. I mean, clearly, the damages from Laura, Delta, Zeta, and Ida were more significant to ELL.

COMMISSIONER SKRMETTA: Right because it was southwest Louisiana.

MR. KLEEHAMMER: Just because of the location, but I don’t know what ENO’s earnings are and I don’t know what their cumulative storm damages are either.
COMMISSIONER SKRMETTA: Okay. Yeah. That’s another thing that needs
to be considered when people need to talk about deregulation is if hurricanes come,
who fixes it? What is their need to fix the system? Why do they fix it? How do
they deal with the fixing of it? You know, is there going to be a impetus to, you
know, to react to a Public Service Commission or an individual Commissioner to
fix something or, you know, engage in this because if they’re not regulated, they
have no incentive to act. So these are things that need to be dealt with when we’re
looking at this. And what, you know, I just -- my general theory is, you know, if,
you know, if you’ve got a fire on your stove, you don’t go and burn the house down
to, you know, resolve the issue, you just put the fire out on the stove, and that’s
what we’re facing now with the natural gas issue. And one last thing, you know,
we’re talking about, you know, spreading our fuel risk, and we’ve talked about this
before, but what is the real potential of how can we look at engaging the expansion
of the nuclear fleet in this state and not going into the jumbos, the 1,200, the 1,500
megawatts, but into the smaller, new small modular reactors of this 500 megawatt
size, and also, what is the potential of engaging them in brownfield development
with instead of completely destroying these coal plants, utilizing their turbines,
utilizing their interconnect, you know, what’s the real potential of this and engaging
this as a way to balance our fuel, you know, sort of profile down the road.

MR. MAY: Yes, so -- and great question. First of all, with regard to building sort
of the traditional style nuclear plant, there’s only one company that’s’ doing that
and the cost of it is astronomical. And it takes like 10 years to do this, so the world
you assumed when you started that plant is a very different world than when the
plant is completed. The plant is not completed yet --

COMMISSIONER SKRMETTA: That’s the plant in Cheyenne, Wyoming?

MR. MAY: This is in Georgia, actually.

COMMISSIONER SKRMETTA: Oh, that’s Vogel.

MR. MAY: Vogel, right.

COMMISSIONER SKRMETTA: Vogel’s a -- is a --

MR. MAY: Traditional.

COMMISSIONER SKRMETTA: -- it’s a traditional plant.

MR. MAY: Traditional nuclear plant. But the point is --

COMMISSIONER SKRMETTA: But the small modular nuclear that’s being
built in Cheyenne is a different animal.

MR. MAY: That’s right. And so for those, what that means is the company would
have -- would take a lot less risk because they’re smaller. We did announce an
MOU with Holtec on the development of small modular reactors. We’re looking
at what that may be. This is one of those things where you have to continue to
monitor the technology to see whether or not the cost come down because at this
point, it’s still relatively expensive. But there’s a belief that the cost will come
down, and if we get that, not only can you use them for zero carbon electricity, you
can also use them to produce steam, and Louisiana industry uses a tremendous
amount of steam in their industrial processes and that’s just another way to
decarbonize the industry.
COMMISSIONER SKRMETTA: Right. Well, the other element of that is to take -- if you look at the sort of economies of scale, because that’s what we’re finding out from the interaction with NARUC on this, is that building one of these reactors is why it costs so much. And that there’s a defined number of looking at building 16 of them across the southeast, potentially in other parts of the country, sort of a group sort of agreement to contract to build, even though they’ll be separate utilities. But what’s the value of the federal credits that are going to become available for nuclear power?

MR. MAY: Yeah, so the value of the federal nuclear credits will be the same thing you just mentioned. If you build 16 of these, a couple things you do, you get economy to scale, but also mitigates the risk that any one partner would have to take on. The federal government is also planning to add incentives that help to mitigate the cost as well. So all of those factors mean that you can get into new technologies without a lot of the risk, and, you know, as we continue to focus on our customers’ bill, I think that is one thing that we need to -- you cannot go it alone to build a first-of-a-kind technology, and what’s going on with that nuclear construction in Georgia is a great example of that.

COMMISSIONER SKRMETTA: Right. Well, do you know what the federal commitment is on credits that they’re --

MR. MAY: It’s in the -- Commissioner, it’s in the billions of dollars. I don’t know what it is specifically for those units.

COMMISSIONER SKRMETTA: Okay. Would you consider interacting with other regional utilities, southern companies, et cetera, to try to engage with them to
look at sort of that concept of economies of scale to where, my understanding is, if
they could get the federal government to commit to the $2 billion of the initial
design certification, that the overall costs of these SMRs, these small modular
reactors, would be reduced to where they would be in the economy range for
utilities to build them, number one.

MR. MAY: Right.

COMMISSIONER SKRMETTA: And also that they could replace the boilers at
existing coal plants and they could utilize the current turbines and interconnect to
reduce cost.

MR. MAY: Sure.

COMMISSIONER SKRMETTA: And like you said, outside of the Public
Service Commission, they can be made to generate steam for the large energy users
along the river who need steam, like you just said.

MR. MAY: Right.

COMMISSIONER SKRMETTA: So, you know, I think it would be interesting
to get a report back from Entergy maybe in 90 days on what they could do to interact
with other utility companies who either engage in the manufacturing utilization of
nuclear power plants or engage with companies who do not at this time but would
consider engaging in the construction of these small modular reactors that could
overall benefit effectively the region, the country, but we find some benefit in
Louisiana by building maybe one or more that could help offset this overall fuel
dependency in one aspect.

MR. MAY: Absolutely.
COMMISSIONER SKRMETTA: All right. Okay. Thank you.

CHAIRMAN BOISSIERE: Thank you, Commissioner Skrmetta. Commissioner Greene.

COMMISSIONER GREENE: Yes. I’d like to have -- I have a question for MISO, but one last thing, just a challenge to y’all. We looked at -- I think Entergy has the highest stock price of any comparables and so, if y’all could --

MR. MAY: That is not right at all. That is not accurate. Prices of stocks are generally based upon what their PE ratios are. If you look at Entergy’s stock, it trades at a discount to the market. Part of the reason we trade at a discount is because of hurricane risk and those types of things. Other utility companies trade at a premium to us, so it’s not priced highest in the market, it actually is traded at a discount.

COMMISSIONER GREENE: It’s still doing very well.

MR. MAY: Depends on your perspective. If you want to compare us to other companies, we’re traded at a discount. If you own Entergy stock, you do get a dividend, that’s part of what you get out of owning Entergy stock, but the notion that we’re the highest priced utility is completely inaccurate.

COMMISSIONER GREENE: Okay. We can debate that another time. You have the resources to help a lot of people and I would just -- because y’all are partially regulated, if y’all were fully regulated, we would tell you what your salary is, what Phillip -- what Leo’s salary is, so y’all are partially regulated. And so we’re appealing to the good nature of y’all to help the people in times of need. And I know you have to make profits, but as long as you’re partially regulated, we can
just ask you to please help and chip in until -- and while I think these are all great
conversations about what’s out there and the pros and cons, and that’s why I’m
excited about the customer-centered options docket because I think it’s been a long
while since we looked at what model is going to be absolute best for the customer.
And so, you know what, we may find that the way we’re doing it right now is the
best way, but we looked and we studied and this is working. But I imagine there is
some hybrid out there, whether it involves competition or something, to where we
can have more customer-centered options. So thank y’all. Can I ask MISO -- could
someone come up? Thank y’all.

MR. MAY: Let me just make one comment.

CHAIRMAN BOISSIERE: They’re still -- no, wait, Entergy’s still up.

MR. MAY: -- with regard to -- to our regulation. You’re right, it is partial
regulation, and in fact, we are required to come to the Commission every time we
enter into a supply agreement. And as a result of that, nearly 25 percent of the
energy we’ve procure is from outside of Entergy Louisiana. That is a relatively
high percentage in the industry, and you look at other regulated markets, it’s
typically lower. That is because we’re looking for the lowest cost source of fuel
and we’re complying with the Louisiana Public Service Commission’s requirement
that we present the lowest cost option before our [INAUDIBLE]. We have to go
for a RFP to do that and that results in lower costs outcome to our customers. Thank
you.

CHAIRMAN BOISSIERE: Let me ask -- I’m going to ask Entergy to stay, but
I’m going to ask Mr. Brown from MISO to come up for a question from
Commissioner Greene. To kind of take the meetings out of order, if you will, by asking you to jump in. I know we had a line forming behind Entergy, but I don’t want Entergy to be dismissed yet. So Mr. Brown from MISO, please.

MR. DARYL BROWN: Okay.

COMMISSIONER GREENE: Yes. Could you comment on resource adequacy in MISO right now?

MR. BROWN: Yeah. So we’re currently going through a resource adequacy, a filing that’s at FERC currently. That’s going from a summer construct to four seasons. Those seasons will also include accreditation piece that’s also a part of that. The final piece of that is what we’re calling a MCO, minimum capacity obligation, which is currently at 50 percent. So all of those things are currently filed and we’ll know more about that September 1st, is the anticipated date.

COMMISSIONER GREENE: What do you think about the thought that access to increased transmission and markets could lower prices and decrease volatility?

MR. BROWN: Well, I’d reference our value proposition for that, right. We -- 3.4 billion was the 2021 figure. For the south region, there was a savings of 1.2 million, so -- I mean billion. Sorry about that. Big difference. So that would be my response to that. The long range transmission planning was approved yesterday for Tranche 1, that was for the Midwest area. Tranche 2 will also be the -- I’m sorry, the Midwest area. Tranche 3 will be discussed ’23 timeframe, we’ll start working on that next year. That’s for the south, Tranche 3 is, and that all is about long range transmission planning.

COMMISSIONER GREENE: Thank you.
CHAIRMAN BOISSIERE: Anyone else for MISO?

SECRETARY FREY: Darryl, if you can shot -- Darryl sent me a text of a slide with the market of the solar that I think might be helpful to share to understand how much new solar is coming into MISO and how it’s still just a small portion. I verified it was public data, I didn’t want to share on my own, but Darryl can probably explain it better.

MR. BROWN: Yeah, let me pull that up, because I had to pull up when you asked the question. But yeah, this is based off of some recent presentations, I think it was the EEI presentation, which was all the CEOs across the nation there. And the percentage for coal is still 30 percent; the percentage for gas is 41 percent. If you’re talking about renewables, it’s 2 percent solar, 3 percent wind.

SECRETARY FREY: But there’s also, too, what I saw on there, there’s a huge - - a 40 percent increase year to year of solar clearing the market, which I think, you know, we talked about --

MR. BROWN: It is increasing, but still is a small percentage overall.

SECRETARY FREY: Right. Very small. Right. And I say the bulk of that probably is in Louisiana.

MR. BROWN: Yeah, and it goes back to the resource adequacy piece. You got to remember when you’re talking about dispatchable load, that’s at a 90 percent accreditation. Whereas solar, it’s at 50 percent; wind is at 15 percent. So their credit, you know, so the capacity’s going up, but the percentage in terms of accreditation is going down, and that’s that minding the gap piece that we talk about a lot.
CHAIRMAN BOISSIERE: Okay. All right. Thank you, Mr. Brown.

MR. BROWN: Thank you.

COMMISSIONER FRANCIS: I’ve got a question.

CHAIRMAN BOISSIERE: Commissioner Francis.

COMMISSIONER FRANCIS: Thank you for coming again today, Daryl.

MR. BROWN: Absolutely.

COMMISSIONER FRANCIS: You know, for the benefit of the audience, we have a lot of folks watching and tuning in to this and gleaning information from it. And just for the record, MISO is a non-profit organization that regulates and monitors electricity flow in and out, on and off the grid, 15 states in the United States.

MR. BROWN: And Manitoba Canada.

COMMISSIONER FRANCIS: For my little piece of Louisiana that I represent, you’ve been a good help to me to understand, you know, all the ups and downs and the challenges we have in the future. And one of them is designing the green energy that we’re trying to put on, but the importance of the coal, natural gas, and the nuclear, that’s dependable and is always there and ready to support the green stuff when the sun doesn’t shine and the wind doesn’t blow.

MR. BROWN: That’s right.

COMMISSIONER FRANCIS: And so I appreciate all the help that you’ve given me to support and keep the lights on in the little part of Louisiana that I represent, so thank you.

MR. BROWN: Thank you. I appreciate that.
CHAIRMAN BOISSIERE: Anymore? Thank you, Mr. Brown. Thank you very much. I’d like to ask Phillip and Mark to come back, please.

MR. MAY: Commissioner, if I may, just one addition on a comment that was made. The amount we pay for solar for the customers who put solar in now is based upon what we pay, and MISO is currently paying about $90 a megawatt hour, so that is approximately what we will pay when a solar exports to the grid, so it is based upon a market price, it is based upon what we pay for power. If you have installed solar previously and you’re grandfathered in, you continue to enjoy a retail rate for that. So there was no proposal and there is no event where Entergy or the other utility companies are paying zero for solar.

CHAIRMAN BOISSIERE: Commissioner Francis.

COMMISSIONER FRANCIS: Just briefly touch on hedging of gas, you know, and future power sources. As a small businessman, I’ve always worked on hedging. It’s the way I’ve made a few dollars in my business, I take a lot of risk. It’s the American way. And in the beginning of my six year service, I thought, well, yeah, we need to hedge, we’re going to really save some money, but as I’ve talked to all my constituents in my area, hedging is another form of gambling, rolling the dice, and so for those folks that I represent in Louisiana, we’re not interested in any hedging. We’ll ride the Henry Hub wave and we’ll take our bumps and lumps, but we won’t get into a risk. When you look at the volatility of something like natural gas, the Secretary has shown us today, it’s a rollercoaster. And then lastly, one thing, you are partially regulated by these five Commissioners here and I love what Ronald Reagan said. He said the most feared words in the English language are,
“I’m from the government and I’m here to help.” Okay. So I would fear the day when these five politicians were running the Entergy, okay. The people that I represent, they don’t want that, and those who do, they need to vote for someone else besides Mike Francis. But one thing I measure about you guys, you and all the other utility generators in Louisiana, the three independents and we have ten co-ops, we’re lower than Texas on our electricity bill, that tells me something about what you guys are doing. So thank you for keeping us ahead of Texas and in the top, probably, ten in America. So we’re all fighting this time. This is terrible, these rates, these high rates we have. We all hate it. We’re doing our best, but we’re still way up at the top and we need to -- let’s fight to try to get it number one. I think people like Entergy, SWEPCO, Cleco, and those ten co-ops can all work together to help. We’re here to work with you and not regulate everything you do. Okay. You guys know what’s going on. Bring us the new ideas and we’ll vote on them and we’ll try to make Louisiana better and I think we will. Thank you.

MR. MAY: And I’ll just comment, look, I appreciate those comments and the results of Louisiana fairly consistently being the lowest rates in the nation are a result of the work of this Commission cooperating and regulating aggressively as they, you know, I know you guys are very familiar with aggressive regulation, we’ve felt that. That said, we recognize what we’re dealing with right now is very challenging to our customer bases, and not just the low income, which is clearly is a very significant challenge, but across all segments, they are feeling it at a time when inflation is driving demands for their wallet in ways we haven’t seen in decades. And so we get it and we’re working trying to address those problems.
COMMISSIONER FRANCIS: Thank you.

CHAIRMAN BOISSIERE: Commissioner Greene.

COMMISSIONER GREENE: I just wanted to reference, when I asked the stock prices earlier, it was Duke’s at 106, NextEra 80, Edison at 95, and Entergy at 110, and so that’s just what I was looking at.

MR. MAY: Yeah, so that -- the price of stock has little to do with the value of the company. It has to do with how many shares are traded and so forth, and so what you really need to look at are things like market cap and you’ll see that we’re not the highest priced, not the largest, not by a longshot, and you need to look at evaluation metrics. And those evaluation metrics would tell you the RPE ratios are discounted versus the market and certainly discounted versus some of those companies you just mentioned.

CHAIRMAN BOISSIERE: Any other questions for Entergy?

COMMISSIONER FRANCIS: No, I’m good.

CHAIRMAN BOISSIERE: I have a few I would like to talk about. First of all, as you know, we started off with a presentation from our Secretary, Mr. Frey, discussing some of the issues of high bills, which include -- I guess highlight to include high fuel prices and natural gas increases as well as high customer usage, especially because of the unprecedented heat wave we’re going through at this present time which makes it very, very difficult. And then we heard lots of questions, and we heard your presentation, your answers, and we heard lots of questions here, lots of questions from our Commissioners and I pretty much sit back and let everybody have their way and their say. And I appreciate all the
Commissioners for their comments and questions and they were very -- all pertinent
to the process, all pertinent to the situation that we’re dealing with, and all of it is
worthy of further and deeper discussion, but I have some questions myself.
Commissioner Campbell hit the nail on the head, I didn’t know I’d have an advocate
to my right, your left, from New Orleans about the things that I’ve been saying for
a very, very, very long time. I shouldn’t say it because nobody can say it better
than Foster, but I’ve said it a thousand times so I’m going to -- I can’t say it better,
but I will say it again. I have encouraged and fought to get renewables, to get a
diverse fuel mix for years, and he’s right, you guys fought it. And I heard your
answer, but you fought it. And we weren’t asking for a 10, 20, 30, 50 percent. We
were talking about .5 percent, we were talking about putting your toe in the water,
diversify a little bit. I’m sure some of the other fuels we have in Louisiana weren’t
the absolute cheapest when we got into those either, and I mean things like coal and
nuclear. You mentioned how expensive that is. But it’s part of the natural fuel mix
that creates a hedge, not necessarily a hedge instrument but a hedge by
diversification. And those are the kind of things that I’ve been fighting for from
the beginning and Commissioner Campbell noted that, and I just want to reiterate
it because it’s very frustrating to me to be here when I saw it coming, and I said it
to you over and over again. And you did little or nothing. It’s important to see that
you’re moving now because now we’re chasing it. And it’s just -- it’s just not wise
business practice, and I agree with Commissioner Campbell on the things he said
about solar. I said it then. Actually, I would go around to people and try to make
light of it. I would say, well, Entergy doesn’t like solar until they figure out how
to own the sun. And so the fact is that -- the beauty of the sun is that nobody owns it and it should be a worldwide commodity because a war in Ukraine won’t affect the sun prices. So solar would be very important because we all have access to it as citizens in the US and we ought to be able to use it in our energy mix. And I know that you’re trying to get there now, but some development along the lines, even when it was a little more expensive, a small amount to continue to diversify, to expand the market and look at ideas. But I -- I mean, look, follow the money. The federal government is kicking in money, that’s why people are chasing it. But the truth of the matter is, we all knew one day it was coming. Secretary Frey brought some other points up. He went back in time which was very important, I thought, and he mentioned in the early -- in the 2000s, when the fuel prices were even higher than they are now, and I was a brand new Commissioner back then when the fuel prices were actually almost double what they are now. And if you think this was a problem, that was unbearable, as a Commissioner and as a resident and a customer in Louisiana. The prices were through the roof. We were trying to build more fuel plants that even included coal and pet coke, which you -- we wouldn’t do today because we had to find some relief. Now, that’s back in time, that’s a long time ago, but as a new Commissioner back then, I asked questions. Why were we not prepared for this day that we have high natural gas prices? What happened that we weren’t prepared? This was in the 2000s, maybe 2008, like that, 2009, in that era, and people said, well, gas prices were so cheap, we didn’t do anything. We just burned the natural gas, we use natural gas to create electricity. And as the timeline continues, I’ll skip ahead, and then, as mentioned, the natural
gas prices declined. As a matter of fact, I’ll bring up one other story. I remember
the prices were so high back then, the gas prices, that we were strongly considering
buying a long-term contract, up to 20 years, for gas priced at about $7 because that
was a big relief to us. We’re almost trading at 7 now and it’s unheard of, high, it
seemed so high, but that would have been a big relief. We just couldn’t get the
details worked out before the gas prices plummeted, so it’s a good thing we never
touched that, but that’s how bad it was. The reason a lot of people have problems
now is because we’ve had it actually pretty good for a long time, but the question
again that I asked when I first came on this Commission was what do you do when
the gas prices are low? How do you prepare for the day that they’re no longer that
low? And that’s what I think -- and I don’t want to put words in his mouth, he’s
right here, Commissioner Campbell was alluding to, and that’s what I said, you’ve
heard this from me before. Both of you have heard this so many times, you can
complete my thoughts, I’m sure, on this one. But I fought for diversification and I
fought for some renewables, even though I understand the pricing of renewables
are coming down, especially solar. We could be further along in the queue. I have
industrial companies that are beating down my doors, Chairman and the
representative in District 3 is primarily, that are begging for solar, and later in this
B&E at this meeting, I have a directive to address that and we’ll discuss that further
then. But all this leads to what we were talking about is what can the company do?
What can you guys do, what can we do? I get calls in my office every day this
month. Poor Jared over there, getting beat up on the phone all day, taking the calls.
I think we got several hundred calls this month just on high bills alone, not to
mention emails and letters that constantly roll into the office. It’s hard enough to keep up with it with our small staff. And people are frustrated, and so please excuse me if you’re noticing frustration in my voice as well, but if I get it, I’ve got to turn around and give it to you, what I’m hearing because we’re all people have. We’re the Commission; you’re the companies. And we have to work together to help people. Now I understand the markets and I understand the regulatory environment and I understand my job, believe me. There is -- like I tell the callers that call in and to people that stop me at the supermarket and family members that call me every day, trust me, nobody wants high utility bills. As a Commissioner, I want them to be as low as absolutely possible every time, and I’m speaking, I’m sure, for all my Commissioners up here. We may have slightly different ways of trying to achieve that, but we all want the same thing: Low prices, reliable service, and the best way to get there. And that’s where our discussion, our dialogue begins, and that’s where we ask you to be a partner and a cooperation to help us serve the people of Louisiana, because that’s who we work for. I don’t have shareholders, you know, I don’t have a board. I answer to the public. And so the public calls me and I have to give them answers when they’re frustrated and I get frustrated as well. Let me take a breath and say I thank you for your press release yesterday. As you know, I’ve been calling and talking to you guys every day for the last few weeks asking for things to get done, and I’m glad you made some good concessions. I see that you waived some fees, like the credit card fees and the late fees. Trust me, I know that will help. It’s a small help, but it’s a help, and people need all the help they can get right now. And I thank you for the $10 million donation -- or I’m not
sure if it was a donation or an assistance, to help people pay utility bills and other things. But that’s necessary. These are the kind of things we need done to help people. I’ve said it all the time, I say it in my office when the callers come in, and I need the companies. Entergy is before us right now because they’re the big boys in the state, but if you’re listening to me, I’m talking to the other companies as well. I’m talking to the Clecos of the world, and if you want to come up, you get a chance to come up as well, the SWEPCOs, and even the co-ops. Work with your customers, work with the people of Louisiana, your clients. Get them on deferred payments if you can. That’s not free bills, but you can spread it out over time, make it more affordable. We have people that can’t meet -- pay their utility bills to begin with, and that’s where it becomes very frustrating. I thank you for trying to reach out. As you and I will do a lot of, which is meet with the public and explain this to them to the best of our ability. And I’m glad to hear you talk about efficiency and weatherization, something else I fought for. I see Logan there, Logan from the Alliance for Affordable Energy. She knows I’ve talked about these things for years now and she knows I’ve been an advocate for efficiency and weatherization for years as well as diversifying our fuel mix and bringing in renewables. And those are just some of the answers that have come up in today’s meeting, so I want to highlight them. But I want to let you know, I get calls every day that even go beyond this. Some of these things that we saw in the presentation, these things may knock a few bucks off and may help people get through a month, but some bills are double. Some people’s bills are one, two hundred dollars more than they’re expected to pay, even this time last year, and so we’ve got to do better, we’ve got
to do more. Some of these things such as we talked about a lag in the gas prices, we talked about May bills coming up now and July bills coming up in September. Those are all future things, but people are hurting today. A majority of our calls in our office have come from our senior citizens, people on fixed income, but the problem is the bills aren’t fixed. So if you have a fixed income but a rising bill, something else has got to suffer if you want to keep the lights on. So I’m fighting for our senior citizens right now who are on fixed incomes especially, and I didn’t hear anything about them today, but they’re a huge part of the calls that I get. And I want you to come up with a plan to help our senior citizens. And maybe that’s part of the 10 million, maybe we can come up with something else, but something’s got to get done for them. I want to work you and I’m sure my fellow Commissioners to do something for our senior citizens and people on fixed incomes because these bills aren’t fixed, they keep rising. The other thing, and we’ve talked about this, and I don’t know the right pathway, but a month ago at the B&E, one month ago at the B&E, if you go back and check the record, I called and mentioned that we were having a weather -- unprecedented high weather and weather emergency right now because of the high heat and that would limit or stop utility companies from disconnecting power. That came up last month at the B&E, I mentioned to you guys. I want to call for that again. I don’t know the weather temperature dates, but we have to work together to include -- if not just by simply the weather temperature, by some method, we have to find ways to work with you. We’ve been working on a plan but we have to come up with something that we can put in to stop people from being disconnected for these temporarily rising high bills,
to get them through a difficult time. If you even -- and not to bring this up, I know it’s a difficult question, but we just got through COVID. We’re not really through COVID, but we got through the really tough time of COVID where people couldn’t work and couldn’t pay their bills and they had to stay inside and we’ve helped people through those periods. This is, you know, coming on the heels of that, but we have to find ways to work with our customers to get them through tough times, you know, and again, I’m speaking to everybody in the room, but I know you guys are right in front of me. I know who you are, you’re Entergy, and I talk to you, Phillip, and Kleehammer -- Mark Kleehammer. I talk to Mark probably daily and Phillip periodically, but enough to know that we’re working together to help people. But listen, we have got to get these rates and the fees under control. You know, the high utility bills are hurting our businesses and our families and we have to do something about this now. We can’t look at it down the road. It’s got to be -- we got to find help for right now. Let me say it again. Let’s get these rates and fees under control right now because I’ve got customers who are facing disconnections. I have customers that don’t know what decision they’re going to make because let me say this, a lot of this is our fault, but it’s not what we can do what we have to do to make it easy. What I mean by that is, we have people who have to make decisions between utility bills and medication. How much of their medication can they buy and keep their lights on? We have people that have to make decisions on utility bills and transportation or housing costs and rent, and none of those bills are going down either. So I implore you to give us help here at the Commission. I ask for you to sharpen your pencils and work with us. You have a monopoly here and
there’s some people who are questioning whether that should exist or not. I don’t know, but I will say this, with the monopoly, we are linked, we are tied together. The people of this state need you and you need the people of this state and the go between is this Commission, so let’s all work together and get control of this problem. And again, I thank you for the penny you shaved off now and again last month, I thank you for some of the concessions on fees, but we have more work to do and I want to continue to work with you as well as my fellow Commissioners to get these prices down.

**MR. MAY:** Thank you, Commissioner.

**CHAIRMAN BOISSIERE:** I guess that’s not really a question but if you have a --

**MR. MAY:** I do have a comment and first of all, thank you for that. We appreciate your comment, and I certainly can confirm the -- your position on solar and energy efficiency hasn’t wavered. The $10 million donation will go to Power to Care and other means of helping customers to pay their bill. Another important part of what we can do is something call LIHEAP, the low income housing energy assistance program. This year, Louisiana has $29.2 million available from the federal government to help people pay their bills; last year it was 12.9, so it’s a huge increase. One of the things that we need to do to help is state agencies require a disconnect notice to get assistance with their bill. During COVID, we got a waiver of that from the state. We need to do the same thing so we can help those people before it’s too late, so that is one of the things we can do together. Rest assured, if our customers call us and they tell us they have a problem with their billing, we can
put them on a deferred payment program and we will not disconnect their electricity
as long as they make an effort to pay. And we can stretch that out in a means that
makes it as affordable as possible. We know it’s a burden, but customers will not
get disconnected if they reach out to us and enter into a plan to make sure they can
afford to pay that going forward. Thank you.

**CHAIRMAN BOISSIERE:** Any other questions for Entergy? Just remember,
Phillip, let’s get these rates and fees under control right now. That’s what we have
to do.

**MR. MAY:** Thank you.

**CHAIRMAN BOISSIERE:** I thank you for standing before us and thank you for
taking the tough questions. We may have some other people that have questions
for you before the day is over, so I hope you stick around, but we have to move on
with the rest of our docket. And I can’t thank you enough for coming here and
taking these tough questions and being before the public here today. It’s necessary
that we all do these things together.

**MR. MAY:** Thank you.

**MS. BOWMAN:** And Chairman --

**CHAIRMAN BOISSIERE:** At this point, I have a request to speak by a Logan
Burke of the Alliance for Affordable Energy.

**SECRETARY FREY:** And Mr. Chairman, while she’s coming up, you mentioned
the heat advisory. Just to let you know, our order’s tied to the National Weather
Service or the closest National Weather Service office declaring a heat advisory,
which is the lower of the two, there’s an excessive heat warning as well. And I just
pulled up the National Weather Service map, so essentially, everything in the
Monroe and Shreveport National Weather Service field office right now is under a
heat advisory, so our disconnect prohibition is in effect right now for this area, for
the Monroe area. South Louisiana is not, and the reason why is we’re having rain
down there.

CHAIRMAN BOISSIERE: Okay. Let me say that out loud, let me summarize
that for you.

SECRETARY FREY: Sure.

CHAIRMAN BOISSIERE: So simply by the weather itself and the high heat
weather right now --

SECRETARY FREY: Correct.

CHAIRMAN BOISSIERE: -- the people in north Louisiana, and we can be more
specific on the locations, but in north Louisiana is under a heat advisory?

SECRETARY FREY: I’m going to show this for Jerry. Jerry, if you could zoom
in. If you go to the National Weather Service map, and it does it for the whole
country, orange -- I’m a weather geek, I got to be in this business, but orange is the
color for a heat advisory and purple is an excessive heat warning. If either one of
those is in place for the parishes highlighted, then our disconnect rules are in place.

CHAIRMAN BOISSIERE: Okay. So we have no disconnects currently because
of the excessive heat warning and heat advisory based on the National Weather
Service.
SECRETARY FREY: Yeah. Basically form Rapides Parish -- everything north of Rapides Parish from the Texas to Louis -- Mississippi, Arkansas border is under heat advisory now.

CHAIRMAN BOISSIERE: And the public can access the National Weather Service maps [INAUDIBLE] --

SECRETARY FREY: Yes. Weather.gov.

CHAIRMAN BOISSIERE: -- [INAUDIBLE] on our website.

SECRETARY FREY: Weather.gov and we can put those on our website.

CHAIRMAN BOISSIERE: There might be a link. And let me say, what I was calling for with Entergy was that, of course, but also that we come together and come up with a plan. But like you’re saying, in southern Louisiana it’s raining right now, so I wonder if somebody’s going to get disconnected because of the rain today. You understand? So we need to find ways to protect people to get -- look, this is a period of time that’s difficult. I think it’s going to pass, I think the fuel prices will change. I don’t have a -- I’m not a, you know, I can’t speculate on the commodity.

SECRETARY FREY: I’m not going to either.

CHAIRMAN BOISSIERE: Like you mentioned [INAUDIBLE] be on Wallstreet if I could do that better than we have now, but I got to believe some of these things are going to -- they’re difficult right and it may be difficult for a few months, but I think it is going to get better. We’ve already seen some prices start to reduce over time. Let’s keep our fingers crossed and continue to work to make that happen.

SECRETARY FREY: Sure.
CHAIRMAN BOISSIERE: But the things I’m talking about is that we can work the companies to create a further policy that may not necessarily rely on the National Weather Service to be our trigger and that’s what I ask Entergy for today and that’s what I want to continue working for.

COMMISSIONER SKRMETTA: Chairman?

CHAIRMAN BOISSIERE: Commissioner Skrmetta.

COMMISSIONER SKRMETTA: Yeah, I think Mr. May mentioned that if someone -- we can utilize the position that we put into place during the COVID measure, that if someone is in a position to where they’re not going to be able to make their bill, but they can pay part of it, they can contact Entergy, ask -- what’s the name of the program, Phillip?

MS. BOWMAN: It’s LIHEAP.

SECRETARY FREY: LIHEAP.

COMMISSIONER SKRMETTA: It’s under LIHEAP.

SECRETARY FREY: Yeah.

COMMISSIONER SKRMETTA: Go under LIHEAP and they can agree to pay part of their bill and as long as they can engage in some payment, that they won’t be shut off --

CHAIRMAN BOISSIERE: Right.

COMMISSIONER SKRMETTA: -- and that they’ll carry the balance forward in a way where they can pay it as they move forward.
CHAIRMAN BOISSIERE:   Great point, Commissioner Skrmetta. The LIHEAP Program at Entergy has done that and continues to do that. I didn’t mean to run Logan away.

MS. LOGAN BURKE: I’m still here.

CHAIRMAN BOISSIERE: Logan Burke with the Alliance for Affordable Energy, please come up here.

MS. BURKE: Thank you.

CHAIRMAN BOISSIERE: And I know you had signed a card to speak and we’re so glad to have you and thank you for taking the trip to Shreveport and the floor is yours.

MS. BURKE: Thank you. Logan Burke for the Alliance for Affordable Energy. And as you know, you can’t run me away. I’m always going to say what needs to be said about this. So I just want to start by saying heat kills. Heat is the number one weather related killer in this country. And yes, we happen to be in a -- sitting in a place that is under a heat advisory. Tomorrow it might not be, and then the very next day it might be again. We are experiencing unprecedented heat this summer and we know, because of climate change, it is only going to get worse. In many states in the northeast where cold is a concern, there are existing policies in place that enable basically for low income customers to not be disconnected for cold summer -- cold winter months, rather, just simply so that they can make it through the winter. The south, we’ve never done this. What we have, as you described, as we’ve just heard, is a policy in place that is based on a single day. Single day, whether the National Weather Service has taken a position on whether...
it is a heat advisory or not. And we’re very concerned that because of the extreme
costs due to fuel that there are going to be people who we know are already losing
their homes. We know, we’re hearing from people who are being evicted because
they can’t pay their utility bill. We’re also hearing from cap agencies that that
LIHEAP money is running out, that the demand for LIHEAP means that some cap
agencies can’t manage the number of applications. People who’ve never even had
to even hear about, never had to know about, people who can’t even get LIHEAP
are lining up to try and get some of these services. And so I’m sure all of you are
aware that yesterday the New Orleans City Council requested that there be a
moratorium on shutoffs in order to protect life, health, and safety. Entergy New
Orleans agreed. The Council approved a resolution, and on top of the things that
we heard Entergy Louisiana say here today, Entergy New Orleans agreed to not
disconnect people for inability to pay until November. Now, I recognize that that
comes with consequences, and we understand that we don’t want to see people go
deeper and deeper into utility debt because that is another burden. This is all the
more reason that we desperately need energy efficiency programs that are not just
light bulbs and that don’t run out in just a few months. We need arrearage
management programs that can help people dig out from under that debt and we
need to divest from a future of just fossil fuel powered systems that are tethered to
international commodity markets that put people’s lives at risk, now and in the
future. And while we’re very glad to see that Entergy is moving on solar and we’re
very glad to see that SWEPCO has acquired so much wind, so much more needs to
happen, and frankly, it’s not just the Louisiana Public Service Commission that
needs to be making these decisions all by yourselves. It’s also that the Commission needs to be working with what should be a robust state energy office. Through the Infrastructure and Jobs Act, there’s a lot of available money to our state that should be coming through the Department of Natural Resources where our state energy office sits. There are lots of programs, lots of dollars that are available through that Infrastructure and Jobs Act that we need to be accessing and that the Commission could be coordinating with that state energy office to go after energy efficiency dollars, so that they’re not just these small programs, even once the Commission finalizes its rule, which I really hope it finalizes its rule soon, because people can’t afford what’s happening right now. But furthermore, when we’re looking at those integrated resource plans, we cannot continue to assume, and when I assume I mean that in a very technical sense, within the modeling of those integrated resource plans, that the cost of natural gas is not going to do these crazy spikes because we know that it will, and we know that that impacts people immediately when it does, or rather on two months lag. And so we really encourage the Commission to direct the utilities to include those outlying costs of natural gas in their modeling of these IRPs that are all underway right now, so that we can really see and understand what those risks are to all of us if we’re not thinking honestly and reporting honestly about the cost of these international commodities. Thank you.

**CHAIRMAN BOISSIERE:** Thank you. Any -- before you leave, does anybody have any questions for the Alliance for Affordable Energy? Commissioner Francis, no?
COMMISSIONER FRANCIS: No. Thank you for what you’ve done to help me with the energy efficiency programs. I’m very interested. We’ve had some exciting things happen in my district because of it. Who is the -- heat is the number one killer in America and whose -- what’s number two?

MS. BURKE: I think it’s extreme cold. So I’m talking about weather-related disasters, so I’m saying it’s heat over extreme cold, it’s heat over tornadoes and floods and fires and all of these weather related disasters that, you know, usually make the news. Heat related deaths don’t make the news very often.

COMMISSIONER FRANCIS: So it’s a combination of all those different problems?

MS. BURKE: Right, but I’m saying that when people are in a situation, especially those who are vulnerable to extreme heat, that’s often the elderly, that’s often the young, that’s folks who have respiratory disease or cardiovascular issues, extreme heat is a real danger.

COMMISSIONER FRANCIS: Well, I think anybody would agree in Louisiana, we’ve gotten in the fast lane on working on solar and big solar is -- we’re really moving forward with that. I still remember those days where we would meet up by the rooftop solar folks, and I just want to ask your opinion. You think it’s fair for another Entergy customer to subsidize an Entergy customer who’s putting rooftop solar on to --

MS. BURKE: I think that the report that you are referring to does not fairly account for the benefits that all customers are receiving when a rooftop solar customer has solar. I think that it’s been shown in lots of analysis that I’d be happy
to send you that actually, on balance, it’s a net benefit to all customers, not a net
negative to non-participants.

COMMISSIONER FRANCIS: Yeah, I like rooftop solar, I’m a supporter of
anyone who would like to put it on. I just know that a lot of my Entergy customers
who don’t have the rooftop solar are not interested in helping to pay to subsidize -

MS. BURKE: Fortunately, they’re not.

COMMISSIONER FRANCIS: -- those folks that are doing that, and that’s where
the main complaint has been and there’s been a lot of misinformation on us being
the bad guys because we won’t subsidize rooftop solar, so I just wanted to make
that point. But thank you again for what you do for energy efficiency.

MS. BURKE: I understand that, and I just want to make one point, which I think
is important here. The value that somebody who puts solar on their rooftop now
receives is not the current present LMP cost. They’re not receiving the $90 that is
currently on the LMP market. What they’re receiving is an LMP tied to an average
annual value, and so they’re -- right now, I believe the LMP value that somebody
who has recently put solar on their rooftop who’s not grandfathered is around 35 -
- or rather, yeah, $35 a megawatt hour, meaning it’s vastly lower than the cost that
they are paying for power. So I just wanted to clarify that.

CHAIRMAN BOISSIERE: Thank you, Logan, for clarification. Any further

SECRETARY FREY: Logan. I just wanted to --
CHAIRMAN BOISSIERE: Yes, Secretary Brandon Frey has a question or clarification.

SECRETARY FREY: Yeah, I just wanted to give you an update. You talked about working within state energy office. Actually, we have started that engagement with the governor’s office, state energy’s office. We had actually -- Kathryn attended a meeting when I was at NARUC and we have another meeting coming up, so we are definitely working directly with them to look at what dollars are available. So I just wanted to make sure you knew that and the Commission and the public knew that as well.

MS. BURKE: That’s really great because there are millions of dollars --

SECRETARY FREY: Yes.

MS. BURKE: -- of energy efficiency weatherization dollars that go well beyond just really small [INAUDIBLE].

SECRETARY FREY: That’s correct. And they’ve got -- some of these other agencies have the ability to access resources that we don’t, so we’re all going to be working together on that.

MS. BURKE: I’m so glad. Thank you.

CHAIRMAN BOISSIERE: Well, first of all, Logan, stay put. How about -- wait, let me -- I’m going to let you know when we’re all finished with you --

MS. BURKE: Okay. I’ll just keep standing.

CHAIRMAN BOISSIERE: -- so I don’t have to keep calling you back up.

Commissioner Greene had a follow up to Brandon, and then Commissioner Francis has a follow up for you.
COMMISSIONER GREENE: So Brandon, I know there’s all sorts of federal monies but they’re tricky to get to.

SECRETARY FREY: Correct.

COMMISSIONER GREENE: Do we have a coordinated effort or expert at what it takes to get those, whether it’s Department of Energy or the Tax Cut and Job, whatever?

SECRETARY FREY: So this is the way that we’ve approached it so far, just in the first initial meetings. Now that we’ve actually got a concrete plan available, is the way I appreciate it, before, it was speculation as to what was going to be available in there. It does flow, as Logan says, through the state Department of Energy, which is housed with Department of Natural Resources. We’ve got our attorney and our consultants who are in the applicable dockets with the Commission are going to be engaged with them as well in a series of meetings. They’ve got access to grant people on their staff that we don’t have, but they understand that this money would flow through either us directly or our utilities, so that effort has started and it’s just going to get more robust, is the way I appreciate it.

COMMISSIONER FRANCIS: And Logan, I would like to --

CHAIRMAN BOISSIERE: Commissioner Francis.

COMMISSIONER FRANCIS: -- ask, the money that’s flowing to DNR, why isn’t it coming to the PSC? It doesn’t make sense that the Department of Natural Resources, I think that ties into something that Brandon’s talking about. We need to change that.
SECRETARY FREY: So the way I appreciate it, Commissioner, is the way the infrastructure dollars were set up through the various TCJA and Infrastructure Act, it goes through the state energy office. Each state has an energy office and it’s typically not the PSC in those states, it’s typically the Department of Natural Resources or their equivalent agency in another state. And frankly, they’ve got the mechanisms in place more to handle that. They get federal dollars all the time. We really don’t have the staff or the capabilities, so I think working together. They understand our role’s important. They’ve engaged us because of that, they know this is going to directly benefit ratepayers, if we’re talking weatherization and those type of things. If it’s resilience, it’s going to directly affect ratepayers but also the utilities because it’s going to flow through that way as well. So there’s different pieces, and I think that’s why it’s set up as it is. I don’t know that I’d want to have that responsibility. I think we’re in a good place because we’re going to be directly involved, but they’re going to be the ones that are going to make that ask with our input.

COMMISSIONER FRANCIS: Okay. Maybe I’ll just sneak in a little directive with a report [INAUDIBLE] so we can clearly more understand this. Okay.

SECRETARY FREY: Sure. Look, we can -- I’m more than willing to give an update next month. We’ll have a couple of meetings before our next B&E with them, so I’m more than willing to do that.

COMMISSIONER FRANCIS: I think Logan will help you make sure you follow up on that, too. Thank you.
CHAIRMAN BOISSIERE: Well, thank you, Logan, and thank you for representing the Alliance. I don’t think we have any more questions for you, so I appreciate it.

MS. BURKE: Thank you.

CHAIRMAN BOISSIERE: Mr. Brown from MISO, would you come back up for us, please? I know you already spoke to us. I didn’t know if you had anything else to add on the presentation level, but if not, we do have one more question follow up from Commissioner Greene.

MR. BROWN: Okay. No, I didn’t have a presentation.

CHAIRMAN BOISSIERE: Okay.

COMMISSIONER GREENE: Could you comment on whether or not in MISO South, in particular, Zone 9, are we long or short, and if so, how much?

MR. BROWN: I can’t give you those specific numbers. I can get those for you. I can tell you that when we did the recent PRA, there was a 1,900 megawatt flow from the, you know, from the south to the north, which means we’re long for the south region as a whole.

COMMISSIONER GREENE: Okay. Yeah, if you could get that back to us, perhaps next meeting.

MR. BROWN: For Zone 9, yes, I will do that.

COMMISSIONER GREENE: I’d like to know if we’re long or short, particularly Zone 9, and if so, by how much.

MR. BROWN: Okay.

COMMISSIONER GREENE: Thank you.
CHAIRMAN BOISSIERE: Okay. Well I think that takes us back to our regular
docket, Ms. Bowman.

MS. BOWMAN: Are we ready?

CHAIRMAN BOISSIERE: So if we’re prepared, I think that’s the end of our
speakers that we’ve taken out of order, so we’re ready to move on to the docket,
please.

MS. BOWMAN: Okay. And there is one more agenda item we will take up out
of order. It is Exhibit 21, but we will move that to the end because it has a possible
executive session to it.

CHAIRMAN BOISSIERE: All right.

MS. BOWMAN: And so moving to Exhibit Number 2, it’s Docket Number T-
36308. It’s the Commission versus Jenn Energy Services regarding an alleged
violation of the Revised Statutes of 45:161 through 180.1, by operating intrastate
without Commission authority to transport saltwater utilized in oil well exploration
and production on 97 counts occurring December 1st through December 19, 2021
and General Order 9901 as amended for failure to comply with leasing rules on 14
counts occurring December 20th through December 31, 2021. This is a discussion
and possible vote pursuant to Rule 57 on affidavit and stipulation executed by the
carrier, so this will need two votes. As a result of a manifest audit submitted to
Staff by the Office of Conservation of Department of Natural Resources, a citation
was issued to Jenn Energy Services on March 29, 2022 based on the
aforementioned allegations and violations. In response to the citation, the vice
president of Jenn Energy signed an affidavit and stipulation admitting to all
violations alleged in the citation in this docket. In that affidavit and stipulation, the company agreed to the imposition of a $16,100 fine, with $8,050 of the fine suspended for pleading guilty; the imposition of a $2,800 fine with $1,400 of the fine suspended for violating General Order 9901 as amended; the imposition of a citation fee of $25; implementation of changes to corporate training policies; funds will be paid by certified funds in three monthly installments, with the first payment and the $25 citation fee due on July 6th, and then final payment due September 8, 2022; and that all suspended portions of assessed fines will become due immediately if the carrier fails to meet payment deadlines prescribed in this stipulation or is found guilty, enters a plea of guilty, or enters a plea of no contest to any of the rules and regulations of the Commission relative to operating outside of its scope and leasing of motor vehicles authorized by the carriers. Additionally, the company and Commission Staff agreed that the affidavit and stipulation is a global settlement of any and all violations of transporting natural hazardous -- excuse me, non-hazardous oilfield waste without authority and utilizing owner/operators without proper leases being filed with the Commission occurring before May 2, 2022. Staff recommends that the Commission: 1) Exercise its original and primary jurisdiction under Rule 57 to consider the affidavit and stipulation; and 2) Accept the affidavit and stipulation executed on July 1, 2022 for fines and fees totaling $9,475.

COMMISSIONER FRANCIS: Francis moves to take the order up under 57.

COMMISSIONER GREENE: Second.

COMMISSIONER FRANCIS: Second by Commissioner Greene.
COMMISSIONER GREENE: Motion to accept Staff recommendation.

COMMISSIONER SKRMETTA: We got to vote on the 57 first.

COMMISSIONER FRANCIS: Okay. We got to vote on the 57. Is there any opposition to moving to 57? [NONE HEARD] Hearing no opposition, move to Rule 57. Commissioner Greene recommends Staff recommendation, and I’ll second that. Any opposition? [NONE HEARD] So this exhibit passed. Exhibit 3.

MS. BOWMAN: Exhibit Number 3 is Docket Number T-36309, is the Commission versus Axe Directional Drilling. It’s an alleged violation of Revised Statutes 45:161 through 180.1, by operating intrastate without LPSC authority to transport saltwater utilized in oil well exploration and production on 172 counts occurring on December 1st through December 31, 2021. It’s a discussion and possible vote pursuant to Rule 57 on the affidavit and stipulation executed by the carrier. So this will again need two votes. As a result of another manifest audit submitted by Staff to the Office -- submitted to Staff by the Office of Conservation, a citation was issued to Axe Directional Drilling on March 29, 2022 based on the aforementioned allegations and violations. In response to the citation, the president of Axe signed an affidavit and stipulation admitting to all violations alleged in the citation. He also agreed to the imposition of a $56,000 fine with $28,000 of that fine being suspended conditioned on the following: A plea to guilty to all violations as mentioned within the citation; not being found guilty, entering a plea of guilty, or entering a plea of no contest to any of the rules and regulations of the Commission for one year from the date of this executed affidavit; cease transporting.
LPSC regulated waste for disposal intrastate until such time that the carrier obtains a common carrier certificate from the Commission authorizing the transportation of such regulated waste; fines and fees will be paid by certified funds in eight monthly installments, with the first payment and the $25 citation fee due on or before July 6th; and that all suspended portions of the assessed fines will become due immediately if the carrier fails to meet payment deadlines prescribed in the stipulation or is found guilty, enters a plea of guilty, or enters a plea of no contest to any of the rules and regulations of the Commission. Additionally, the company and the Staff agree that the affidavit and stipulation is a global settlement between the parties of any and all violations of transporting saltwater utilized in oil well exploration occurring before April 8, 2022. Staff recommends that the Commission: 1) Exercise its original and primary jurisdiction under Rule 57 to consider the affidavit and stipulation, and 2) Accept the affidavit and stipulation executed on July 5, 2022 for fines and fees totaling $28,025.

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

COMMISSIONER FRANCIS: Commissioner Greene moves to take it up under 57. Seconded by Commissioner Skrmetta. I would make a motion that we --

COMMISSIONER SKRMETTA: We have to vote on 57.

COMMISSIONER FRANCIS: Oh, I’m sorry. We need to vote on -- is there any opposition to moving to 57? [NONE HEARD] Hearing no opposition, the floor is open for the next motion. I make a motion that we accept the Staff’s recommendation.

COMMISSIONER GREENE: Second.
COMMISSIONER FRANCIS: Seconded by Commissioner Greene, and while we’re at it, Tammy Burl’s in charge of this particular division. Do you have any comments or anything about this? [NONE HEARD] Okay. Good. All right. Thank you, Tammy. So Number 3 is passed. Number 4 -- Exhibit 4.

MS. BOWMAN: Exhibit Number 4 is Docket Number S-36267. This is 1803 Electric Cooperative, Beauregard Electric Cooperative, Claiborne Electric Cooperative, Northeast Louisiana Power Cooperative, South Louisiana Electric Cooperative, and Washington-St. Tammany Electric Cooperative’s petition for approval of letter of non-opposition for 1803 to establish a revolving line of credit and for supporting guaranties by member cooperatives. It’s a discussion and possible vote on Staff’s recommendation. On February 3, 2022, 1803 Electric Cooperative, Beauregard, Claiborne, Northeast, SLECA, and Washington-St. Tammany filed a petition seeking the Commission’s non-opposition for 1803 to establish a revolving line of credit and for supporting guarantees by the Member Cooperatives. The application was published in the Commission’s Bulletin and no interventions were filed. In the petition, 1803 states that it plans to establish a revolving line of credit for $75 million with the National Rural Utilities Cooperative Finance Corporation. 1803 requires access to cash and credit to engage in initial and ongoing operating activities and to provide sufficient funding and liquidity to engage in transactions necessary to provide services to the Member Cooperatives. 1803 and the Member Cooperatives plan to secure the credit facility by pledging all 1803 assets as collateral and by providing a guarantee from each Member Cooperative to support a proportional share of 1803’s total obligation as
set forth in the form of a Member Guaranty. The term of the credit facility will be for three years. Staff conducted a thorough review of the petition, all supporting documentation, and responses to discovery. On July 13, 2022, Staff filed the Direct Testimony of Mr. Lane Kollen and Exhibits, finding that the application satisfies the requirements of the ‘94 General Order, subject to certain conditions, summarized as follows: 1803 remains subject to the Commission’s jurisdiction and its general orders as described in Order Number S-35709 dated July 2, 2021; any non-opposition to the financing is subject to the Commission’s approval of 1803’s wholesale formula rates in Docket Number U-36268, which is also up for consideration today. And on July 14, 2022, 1803 and the Member Cooperatives filed its approval and consent to Commission Staff Report and Recommendation. Staff recommends that the Commission accept Staff’s recommendation filed into the record on July 13, 2022.

COMMISSIONER SKRMETTA: Mr. Chairman, I have a couple questions.

CHAIRMAN BOISSIERE: Commissioner Skrmetta.

COMMISSIONER SKRMETTA: Lauren, I guess you can start this off. Lauren, when we met in my office, you said that this loan was for administrative costs.

MS. LAUREN EVANS: Lauren Evans on behalf of Staff. Yes, Commissioner.

They are -- it’s a lot of start-up costs.

COMMISSIONER SKRMETTA: Okay. So who’s getting paid what? Just pulling 75 million out of the air. I mean, did it come with a breakdown of who’s getting paid what out of this 75 million?
MS. EVANS: It’s going to be proportional. I think we’d have to probably bring 1803 up to get --

COMMISSIONER SKRMETTA: Bring them up.

MS. EVANS: All right.

COMMISSIONER SKRMETTA: Because we were just talking about one guy getting paid too much, so kind of want to see how it’s being broken down.

MR. KYLE MARIONNEAUX: Hey, Commissioners. Kyle Marionneaux on behalf of 1803 Electric Cooperative. I have with me Mr. Brian Hobbs who I’m going to call up and he can explain your questions.

COMMISSIONER SKRMETTA: Okay.

MR. BRIAN HOBBS: Thank you. Brian Hobbs on behalf of 1803 Electric Cooperative. So this financing is a line of credit, a revolving line of credit. It’s not anticipated at this time that 1803 would be drawing any of the funds down as debt. What we do need to do, upon approval, is provide certain performance assurances to our counterparties. Back in January, this Commission approved five power purchase agreements in which 1803 will purchase capacity and energy from certain counterparties. We --

COMMISSIONER SKRMETTA: Could you be more specific? Counterparties, meaning contracts?

MR. HOBBS: Yes.

COMMISSIONER SKRMETTA: Okay. So who are the contracts with?

MR. HOBBS: So Recurrent Energy provides two solar facilities.

COMMISSIONER SKRMETTA: That’s --
MR. HOBBS: [INAUDIBLE] with all the names. Kendall Energy is constructing
and building the Magnolia --

COMMISSIONER SKRMETTA: Right.

MR. HOBBS: -- gas-fired power plant on our behalf. ibV is providing solar
facilities. Exelon is providing a load following 25 percent purchase contract.

COMMISSIONER SKRMETTA: That’s market?

MR. HOBBS: I’m sorry?

COMMISSIONER SKRMETTA: That’s a market contract?

MR. HOBBS: For us, it would be a fixed price contract for 1803.

COMMISSIONER SKRMETTA: But it’s coming from the market?

MR. HOBBS: It’s coming from wherever Exelon chooses to source --

COMMISSIONER SKRMETTA: Wherever -- wherever the unicorn is?

MR. HOBBS: Where they’re sourcing it. They --

COMMISSIONER SKRMETTA: Yeah, I got it, but it’s not specific.

MR. HOBBS: It’s not specific facilities.

COMMISSIONER SKRMETTA: Okay.

MR. HOBBS: But they will follow our meter signal and provide 27 percent of the
requirement. And the last counterparty is Calpine.

COMMISSIONER SKRMETTA: Okay. So $75 million is for those contracts?

MR. HOBBS: We will be providing letters of credit to initially three of those five
counterparties in about a $40 million amount. By the first of next year, we’ll add
another counterparty to that, and we will also be posting during ’23, a letter of credit
with MISO.
COMMISSIONER SKRMETTA: When you say counterparty, most people

don’t understand that also means contract.

MR. HOBBS: Our contracting parties, yes.

COMMISSIONER SKRMETTA: Just for the benefit of the viewing public.

MR. HOBBS: Understand. It’s the parties that we have contracted with that we

have payment obligations --

COMMISSIONER SKRMETTA: Right. The contract. The people you contract

with that you have to pay.

MR. HOBBS: Yes.

COMMISSIONER SKRMETTA: Right. Okay. So -- all right. So 40 million

in the first go?

MR. HOBBS: Forty million roughly in the first go, about 50 million beginning

the first of this year, and then the third year it increases. And we’ll be using about

a full 70 million of this facility to provide those performance assurances. We won’t

be drawing down debt. We’ll be providing letters of credit or demonstrating that

we have the facility available to us in the event that we have payment obligations

under those contracts.

COMMISSIONER SKRMETTA: Where’s the other 5 million go?

MR. HOBBS: Sorry?

COMMISSIONER SKRMETTA: Where does the other 5 million go?

MR. HOBBS: The other 5 million is really reserve. We kind of sized the project

-- you know, 1803 is a start-up entity. We will begin capitalizing 1803 over the
next several years. So it provides a very low cost credit facility, in the event we
have unexpected needs, as we begin to capitalize 1803.

COMMISSIONER SKRMETTA: So the 5 million’s the credit facility?

MR. HOBBS: No, 75 million is the credit million is the credit facility.

COMMISSIONER SKRMETTA: Well, not if you’ve paid a pledge of that
money to pay your contracts.

MR. HOBBS: Right. So --

COMMISSIONER SKRMETTA: So you can’t make it work twice.

MR. HOBBS: No. So in the first year, we’re pledging about 40 million. In the
second year, we’re pledging about 50 million. By the third year --

COMMISSIONER SKRMETTA: Wait, wait. So you only got 75 million.

MR. HOBBS: Right.

COMMISSIONER SKRMETTA: Okay. So all right. That’s 90 million.

MR. HOBBS: No. It’s 40 --

COMMISSIONER SKRMETTA: So it’s 40 plus 10?

MR. HOBBS: Yes.

COMMISSIONER SKRMETTA: Okay. So 50 total. I got it.

MR. HOBBS: Yes. And then by the third year, it’s about 70 million.

COMMISSIONER SKRMETTA: Okay. Total.

MR. HOBBS: Total. We’ll have 5 million still available in that credit facility.

And as we’ll discuss in our other matter before the Commission today, we will be
capitalizing 1803 over the next several years as well, that’s the plan, to the tune of
about $10 million. So by that third year, we’ll have about 15 million in free available financing capability.

COMMISSIONER SKRMETTA: Okay. Since I voted no for the initial plan, I need a roll call. So you want to wait so you can make your thing happen or what do you want to do?

CHAIRMAN BOISSIERE: This is just the financing.

COMMISSIONER SKRMETTA: Doesn’t matter.

CHAIRMAN BOISSIERE: I -- well, it could matter, but I gotcha.

COMMISSIONER SKRMETTA: It could really matter.

CHAIRMAN BOISSIERE: It could matter.

COMMISSIONER SKRMETTA: But my opinion on this hasn’t changed.

CHAIRMAN BOISSIERE: All right. I kind of wanted Commissioner Greene to be here to be here for a voting issue.

COMMISSIONER SKRMETTA: Tell you what, knowing how the, you know, cow eats the cabbage, I’m willing to wait.

CHAIRMAN BOISSIERE: Good enough.

COMMISSIONER SKRMETTA: Let’s --

SECRETARY FREY: We don’t have a motion yet on the floor.

CHAIRMAN BOISSIERE: We don’t have motion, so that’s fine --

COMMISSIONER SKRMETTA: Yeah, that’s fine.

CHAIRMAN BOISSIERE: That’s --

COMMISSIONER SKRMETTA: Y’all can sit down. You want to go to the next item, Mr. Chairman?
CHAIRMAN BOISSIERE: That would be all right. There you go. All right.

Call the next one.

MS. BOWMAN: Exhibit Number 5 is Docket Number S-36289. This is Claiborne Electric Cooperative’s petition for approval of a letter of non-opposition to borrow funds from Rural Utilities Services. It’s a discussion and possible vote on Staff report and recommendation. On March 2, 2022, Claiborne filed a petition for approval of a letter of non-opposition to borrow funds from Rural Utilities Services. The petition sought the Commission’s authorization for Claiborne to enter into a financial agreement with the National Rural Utilities Finance Cooperation to borrow a PowerVision loan in the amount of $50 million. These loan funds will allow Claiborne to complete capital improvements that include purchasing equipment, building new service, upgrading existing distribution plant and converting Claiborne’s existing line of credit. Notice of the petition was published in the Commission’s Official Bulletin and no interventions were received. Staff conducted a thorough review of Claiborne’s application and all supporting documentation. Claiborne was able to meet the necessary financial metrics required for the loan process by the lenders, and its forecasted revenues and expenses indicate Claiborne appears to be in good position to meet or exceed the necessary leverage ratios and loan covenants required by the lender. On July 13, 2022, Staff filed into the record a Staff report and recommendation, and in that report and recommendation, Staff found that the transaction was in the public interest and recommends that the Commission express its non-opposition to the petition. Staff recommends that the Commission accept the Staff report and
recommendation filed into the record on July 13, 2022 and express its non-
opposition to the petition under -- including conditions contained therein.

CHAIRMAN BOISSIERE: Do we need a vote on this one?

MS. BOWMAN: We do.

CHAIRMAN BOISSIERE: Can we get --

COMMISSIONER GREENE: A motion to accept Staff recommendation.

COMMISSIONER FRANCIS: I’ll second that.

CHAIRMAN BOISSIERE: Moved by Commissioner Greene, seconded by
Commissioner Francis. Any opposition?

COMMISSIONER SKRMETTA: I have a question first, but I may not oppose.

CHAIRMAN BOISSIERE: Okay.

COMMISSIONER SKRMETTA: Question for counsel for the co-op.

MR. MARIONNEAUX: Yes, sir. Kyle Marionneaux on behalf of Claiborne
Electric.

COMMISSIONER SKRMETTA: Yeah, so in borrowing this, what have y’all
planned on like looking at this for your plan for inflation as you move forward on
your borrowing against this line -- I guess this -- is this a line of credit effectively?

MR. MARIONNEAUX: Effectively.

COMMISSIONER SKRMETTA: Yeah. So what’s your plan on how you’re
going to borrow and how you’re going to use this? We see that interest rates are
effectively climbing. We’re looking at another 750 basis points at the Fed coming
up soon. We’ve already gone a thousand points recently so, you know, looking at
just, you know, throwing a number on the table and how it costs the co-op. You know, what’s your plan for this?

MR. MARIONNEAUX: I’m going to ask Mr. --

COMMISSIONER SKRMETTA: Because interest is going to go up.

MR. MARIONNEAUX: It’s going up and it’s gone up since we applied.

COMMISSIONER SKRMETTA: So, you know, what’s your plan?

MR. MARIONNEAUX: Let me ask Mr. Brown, the general manager of Claiborne Electric to come up.

MR. MARK BROWN: Good morning. I was listening to your question carefully there. I think on the --

COMMISSIONER SKRMETTA: Because my earlier discussion with counsel was they’ve got this line of credit and the availability at a lower interest rate but to piecemeal borrow against it towards the future and just pay more interest instead of utilizing the funds. Is it just --

MR. BROWN: Unfortunately, we don’t have the option --

COMMISSIONER SKRMETTA: But you don’t have the use [INAUDIBLE] --

MR. BROWN: -- all 50,000,000 [INAUDIBLE] time --

COMMISSIONER SKRMETTA: So you just don’t have the use for it?

MR. BROWN: -- we have to be able to back it up with construction projects that we’ve engaged in along the way before we can draw those funds down.

COMMISSIONER SKRMETTA: So you just don’t really have the use for the money now?
MR. BROWN: We’ve got -- yes, we’ve got an immediate use right now if you look on the --

COMMISSIONER SKRMETTA: For all of it?

MR. BROWN: -- I think it was not the entire amount but for a substantial portion of it. I think we’re reimbursing a $12.5 million line of credit that’s actually overdue for conversion to long term debt and that needs to happen as soon as possible.

COMMISSIONER SKRMETTA: Right. So, you know, my question out of curiosity is: Why aren’t you just borrowing for what you need to do versus, you know, putting yourself in a position to borrow more than you need just for the focus on, you’re just going to use it later? Is it some reason that it just is more problematic for you to borrow money later? I mean, you’re just borrowing 50 million when you need 12?

MR. BROWN: It is problematic and costly to go through the regulatory process and other processes involved in trying to set up a debt instrument. We’ve used this mechanism historically. The last time, we came before you to set up an instrument like this, we set it up for the same type of structure where we had a five year note that was extensible for another five years.

COMMISSIONER SKRMETTA: This is all -- this is all Commissioner Campbell’s district or also Commissioner Francis’?

COMMISSIONER FRANCIS: Campbell.

COMMISSIONER SKRMETTA: It’s all Campbell?

COMMISSIONER FRANCIS: It’s all Campbell, yeah.

COMMISSIONER SKRMETTA: Did you meet with Commissioner Campbell?
MR. BROWN: No, sir.

MR. MARIONNEAUX: If I could add in that, I have communicated extensively with Commissioner Campbell’s office. I talked to his chief of staff, I’ve emailed them, and gotten feedback on that.

COMMISSIONER SKRMETTA: Is it good feedback or bad feedback?

MR. MARIONNEAUX: No, I’ve gotten good feedback.

COMMISSIONER SKRMETTA: Okay.

MR. MARIONNEAUX: You know, Staff was in support.

COMMISSIONER SKRMETTA: Staff’s recommending?

MR. MARIONNEAUX: Yes.

COMMISSIONER SKRMETTA: Okay. All right. I’m done with my questions.

COMMISSIONER FRANCIS: Okay. I got a question.

CHAIRMAN BOISSIERE: Commissioner Francis.

COMMISSIONER SKRMETTA: Okay. Mr. Brown, got a lot of friends up in that area where you’re at and, of course, I’m assuming that if Commissioner Campbell was here, he would vote for this. Is that what you’re saying, Kyle?

MR. MARIONNEAUX: I believe he would. I didn’t have the conversation with him but his assistant, I assume, was talking to him.

COMMISSIONER FRANCIS: All right. Well, I’ll -- we’ll -- his assistant said it was good. One of the subjects that Commissioner Skrmetta is bringing up is these inflation and interest rates going up. I hope your constituents are going to vote to tell Washington D.C. to change their path [INAUDIBLE] --

MR. BROWN: We’ll see how that goes this fall.
COMMISSIONER FRANCIS: -- because it’s going to affect your rates. We got to get it -- turn it around and go back the other way with these interest rates, so.

MR. BROWN: Well, to your point, sir, yesterday I checked the long-term rates that will -- at least the way they were yesterday and it was 5.65 compared to the rate that was in effect at the time we made the application, which I think was just over 4 percent. So rates going up and I believe the Fed’s meeting as we speak here and they’re talking about another 75 basis points possibly by the end of this week, so time is of the essence. We’d like to get this approved if at all possible.

COMMISSIONER FRANCIS: All right. Well, I’m going to assume Campbell would be for this. I’m planning to vote for it.

CHAIRMAN BOISSIERE: All right. Do we need a roll call or do we need to vote?

MS. BOWMAN: So we have a motion by Commissioner Greene and a second by Vice Chairman Francis. Is there any opposition?

CHAIRMAN BOISSIERE: I was -- yeah. Thank you. Any opposition?

COMMISSIONER FRANCIS: No.

CHAIRMAN BOISSIERE: Hearing none, so ordered. Thank you, Gentlemen.

Next item.

MS. BOWMAN: We’re going to move back to Exhibit Number 4.

CHAIRMAN BOISSIERE: Yeah. Let’s go back to Number 4.

COMMISSIONER SKRMETTA: Is it four or five?

CHAIRMAN BOISSIERE: Four I think. It’s four.

COMMISSIONER SKRMETTA: Four. It’s four. Right.
MS. BOWMAN: So Exhibit Number 4 is Docket Number S-36267. It’s 1803 Electric Cooperative, Beauregard, Claiborne, Northeast, SLECA, and Washington-St. Tammany’s petition for approval of letter of non-opposition for 1803 to establish a revolving line of credit and for supporting guaranties by Member Cooperatives. It’s a discussion and possible vote on Staff’s recommendation, and Staff recommends that the Commission approve -- let me read the exact language. Staff recommends that the Commission accept Staff’s recommendation filed into the record on July 13, 2022.

COMMISSIONER SKRMETTA: Request a roll call vote.

CHAIRMAN BOISSIERE: Yeah. Need a motion.

COMMISSIONER GREENE: Motion to accept Staff recommendation.

CHAIRMAN BOISSIERE: Chair seconds it. Roll call. I’ll start with Commissioner Skrmetta.

COMMISSIONER SKRMETTA: No.

COMMISSIONER BOISSIERE: Commissioner Greene?

COMMISSIONER GREENE: Yes.

COMMISSIONER BOISSIERE: Commissioner Francis?

COMMISSIONER FRANCIS: Yes.

CHAIRMAN BOISSIERE: And the Chair votes yes. Next item, please.

MS. BOWMAN: Exhibit Number 6 is Docket Number S-36315. This is Air Voice Wireless doing business as Air Talk Wireless. It’s an application for certification as an eligible telecommunications carrier in order to provide Lifeline services within Louisiana. It’s a discussion and possible vote on Staff’s report and
recommendation. On March 28, 2022, Air Voice Wireless doing business as Air Talk filed seeking designation as an ETC pursuant to Section 214(e) of the Communications Act of 1934, as amended and the Commission’s General Order Number R-27841 dated May 20, 2004. The application seeks this designation solely to provide Lifeline services to qualifying Louisiana consumers. Notice of the application was published in the Commission’s Official Bulletin dated April 1, 2022 and no intervention or protest was filed. Air Voice has been authorized to operate as a commercial mobile radio services within the State of Louisiana, with its primary place of business located in Houston, Texas. The company is currently designated as an ETC in ten other jurisdictions. Pursuant to Section 214(e) of the Act, state commissions are given the authority to designate as ETCs those common carriers that meet certain federal service requirements and whose designation would be consistent with the public interest, convenience, and necessity. Consistent with its authority under federal law, the Commission issued its ETC General Order, which created a list of public interest criteria to be applied on a case-specific basis to all requests for ETC designations in the areas served by rural telephone carriers. Air Voice certified that it will offer the services supported by federal universal service support mechanisms either using its own facilities or a combination of its own and resale of another carrier’s services and that it will advertise the availability of such services and the charges therefor using media of general distribution. Air Voice also adequately addresses all of the public interest factors enumerated in the Commission’s ETC General Order. On July 6, 2022, Staff filed its Staff report and recommendation on the company’s petition into the record of this proceeding, and
Staff found that the company demonstrated its ability to comply with the requirements of the Act, applicable FCC regulations, and the Commission’s ETC General Order. Therein, Staff also found that designation of the company as an ETC in the designated services areas for the purpose of receiving Lifeline support is in the public interest. Therefore, Staff recommends that the Commission accept the Staff report and recommendation filed into the record on July 6, 2022, and grant the company’s petition to be designated as an ETC in the designated service areas for the limited purpose of obtaining low-income Lifeline support, subject to the conditions contained in Staff’s report and recommendation.

COMMISSIONER GREENE: Motion to accept Staff’s recommendation.

COMMISSIONER SKRMETTA: Second.


MS. BOWMAN: Exhibit Number 7 is Docket Number S-36363. This is National Water Infrastructure’s request for a letter of non-opposition for an increase in its revolving line of credit and associated pledge of assets as security. It’s a discussion and possible vote on a Staff report and recommendation. On May 24, 2022, National Water Infrastructure filed a request for a letter of non-opposition for an increase in its revolving line of credit and associated pledge of assets for security. The request seeks to increase its existing line of credit with Chase Bank for an existing amount of less than $1 million up to a maximum amount of $6 million. NWI has indicated in its application that the funds from the revolving line of credit
would be used to fund, in the near term, general corporate activities, working capital
needs, and potential acquisitions. This matter was published in the Commission’s
Official Bulletin and no interventions were filed. Staff conducted a thorough
review of NWI’s request and all supporting documentation. NWI provided Staff
with an in-depth look at the company’s finances in support of this request and NWI
currently meets the necessary financial metrics required for the credit facility by its
lenders and its subsequent filing for rate relief in Docket Number U-36383 supports
the conclusion that NWI is following established regulatory guidelines to maintain
a positive financial position to meet or exceed the necessary ratios and loan
covenants as required by Chase Bank. On July 14, 2022, Staff filed into the record
a Staff report and recommendation where they found that the proposed transaction
and credit facility and related security appropriate for and consistent with NWI’s
performance of its service to the public, it will not impair NWI’s ability to perform
that service, and is consistent with the public interest and in the best interest of
ratepayers. Staff recommends that the Commission accept Staff’s report and
recommendation filed into the record on July 14, 2022 and express its non-
opposition to the petition subject to the conditions contained therein.

COMMISSIONER GREENE: Motion to accept Staff’s recommendation.

COMMISSIONER FRANCIS: Second.

CHAIRMAN BOISSIERE: Moved by Commissioner Greene, second by
Commissioner Francis. Any opposition? [NONE HEARD] Hearing none, so
ordered. Next item.
MS. BOWMAN: Exhibit Number 8 is Docket Number S-35579. This is Water Treatment & Controls Company doing business as Peoples Water Service Company of Bastrop and Peoples of Bastrop. It’s a request for letter of non-opposition and/or approval to transfer and sell water utility system, incur indebtedness, grant security interest, and amend Commission Order Number U-34690. This is a discussion and possible vote on an unopposed motion to amend Commission Order Number S-35579. On June 23, 2020, Water Treatment & Controls Company and Peoples of Bastrop filed a request for a letter of non-opposition. Notice of that request was published in the Commission’s Official Bulletin and no interventions were filed. On May 5, 2021, Staff filed an amended Staff report into the record of that proceeding recommending approval. The Commission voted to accept this amended Staff report and recommendation and Order Number S-35579 was issued on May 21, 2021. On June 29, 2022, Peoples of Bastrop filed an unopposed motion to amend that order into the record. Peoples of Bastrop is seeking to amend Ordering Paragraph Number 17. Under the current ordering language, Peoples of Bastrop would be required to file a rate case by September 16, 2022. This rate case would consist of two partial fiscal years as a test year. Peoples of Bastrop would only have audited financials for a portion of the test year, specifically those months in the calendar year of 2021. This proposed amendment seeks to extend the deadline for filing the rate case until no later than June 15, 2023 and by that date, Peoples of Bastrop will file a rate case with audited financials from one single fiscal year. Peoples of Bastrop proposes that Ordering Paragraph 17 be amended to read: Peoples of Bastrop shall submit to a full base
rate proceeding before the Commission following the 2022 test year. Peoples of Bastrop’s filing for the full base rate proceeding shall be made no later than June 15, 2023 with the remaining Paragraph 17 unchanged. Staff does not oppose Peoples of Bastrop’s request to amend Commission Order Number S-35579 and therefore recommends that the Commission accept the unopposed motion to amend Order S-35579 filed into the record on June 29, 2022.

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

**COMMISSIONER FRANCIS:** Second.

**CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, second by Commissioner Francis. Any opposition? [NONE HEARD] Hearing none, so ordered. Next item.

**MS. BOWMAN:** Exhibit Number 9 is Docket Number S-35961. This is Moving NOLA, LLC’s application to increase tariff rates for Common Carrier Certificate Number 8003. It’s a discussion and possible vote pursuant to Rule 57 on an uncontested stipulated settlement. So this will need two votes. On April 14, 2021, Moving NOLA filed an application with the Commission requesting authorization to redesign and increase its tariff rates pursuant to Commission General Order dated October 2, 2012. Notice of the application was published in the Commission’s Official Bulletin and republished in a later Bulletin after the LPSC approved a name change of the company. There are no interventions in this proceeding. Following discovery on Moving NOLA’s application and accompanying testimony, Commission Staff filed its report and recommendation with exhibits and recommended tariff on July 8, 2022. Subsequently, Moving NOLA and
Commission Staff reached an agreement, and executed an uncontested stipulated settlement, which was filed into the record on July 15, 2022. The major terms are as follows: Moving NOLA shall be authorized an increase in revenue of approximately $83,000 in order to earn an operating margin ratio of 20 percent and update its scope of operations pursuant to Staff’s recommendation; Moving NOLA be ordered to continue its compliance with all applicable LPSC rules, regulations, and orders; Moving NOLA be ordered to file into the record of this proceeding, along with a copy to the Commission’s Transportation Division, a new or revised tariff reflecting the Commission’s actions, within 30 days of issuance of an order in this proceeding; and that any newly approved rates charged to customers prior to satisfying the above-stated conditions shall be considered a direct violation of this proceeding and subject to refund with interest. As there are no unresolved issues, Staff recommends that the Commission approve the uncontested stipulated settlement filed into the record on July 15, 2022.

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

CHAIRMAN BOISSIERE: Chair seconds. Moved by Commissioner Greene, second by the Chair to take the item under Rule 57. Any opposition? [NONE HEARD] None.

COMMISSIONER GREENE: Motion to accept Staff recommendation.

CHAIRMAN BOISSIERE: Moved by Commissioner Greene. Second by the Chair. Any opposition?

COMMISSIONER FRANCIS: No, no opposition. No.

CHAIRMAN BOISSIERE: Did you have a comment?
COMMISSIONER FRANCIS: Discussion, yeah.

CHAIRMAN BOISSIERE: Okay. Discussion.

COMMISSIONER FRANCIS: I just wanted to give -- make a point to Ms. Burl and Pendergrass. We got a lot of inflation, fuel’s going up, operating costs on all these companies are going up a lot. And we’ve got -- we’re setting their rates and holding them to it. And we don’t want to raise anybody’s rates, but we don’t want these people going out of business because of inflation. So I just want to remind you guys -- I was a small business owner at one time, went through some of these same problems. We need to make sure that we’re kind to everyone across the board, even these small businesses. So thank you.

COMMISSIONER SKRMETTA: Mr. Chairman. One other thing -- and for the Staff on this. I know that most of the trucking and other companies have the ability to come in and look for an automatic 10 percent increase upon application. You know, there’s still sort of nudging between CPI and Producer’s Price Index. These trucking companies and anything used in transportation, it’s more inclined with Producer’s Price Index because that includes fuel. The Consumer’s Price Index doesn’t include fuel in it. And it’s a big differential when you look at this, but I think it’s important for these companies instead of what we find and especially when we see severe rate impact in water companies, they just don’t come in for years and years, and then they come in and seek massive increases.

COMMISSIONER FRANCIS: Yeah.

COMMISSIONER SKRMETTA: That if they just managed their business by interacting with the Staff, they could come in and get these manageable requested
increases, they could stay up to speed on stuff. So, you know, my sort of request for these companies, as they pay attention, as they do that, is to, you know, engage with them and tell them, look, keep up with your paperwork, keep up with your reviews and look at this as a way to manage your need for emergency rates down the road. So thank you.

COMMISSIONER FRANCIS: And along with that, I would remind the -- our tow truck people, the Chairman and I are meeting with the State Police and some of the major tow truck folks to try to make sure we have a happy medium there with the vendors and the customers. So just for anyone’s information, we’re working on that and should have some results here pretty soon.

CHAIRMAN BOISSIERE: All right. Great. Thank you.

MS. BOWMAN: So Exhibits 10 through 14 are deferred, so we’re jumping to Exhibit 15. Exhibit 15 is Docket Number U-36268. It’s 1803 Electric Cooperative, Beauregard Electric Cooperative, Claiborne Electric Cooperative, Northeast Louisiana Power Cooperative, South Louisiana Electric Cooperative Association, and Washington-St. Tammany Electric Cooperative’s application for approval of the 1803 Electric Cooperative’s wholesale formula rate and member wholesale power contracts. This is a discussion and possible vote on an uncontested stipulated settlement. On February 3, 2022, 1803, Beauregard, Claiborne, Northeast, SLECA, and Washington-St. Tammany filed a petition seeking approval of: The wholesale power contract and first amendment thereto between 1803 and each of the 1803 Member Cooperatives; 1803’s right to recover costs from the five 1803 Member Cooperatives pursuant to the formula rate plan; Permission for each 1803 Member
Cooperative to pass through such costs to its end use consumer-members; and the $10 million capitalization plan including each 1803 Member’s share of the capitalization plan and cost recovery. The application was published in the Commission’s Official Bulletin and no interventions were filed. After discovery and a submission of testimony by the parties, Staff, 1803, and the Member Cooperatives reached an agreement and filed an uncontested stipulated settlement into the record on July 1, 2022. An uncontested stipulation hearing was held on July 13th wherein the parties confirmed their agreement to the specific settlement terms, that the proposed settlement resolved all issues in the docket, and that it was just, reasonable, and in the public interest. The terms of the uncontested stipulated settlement provide for a wholesale rate tariff, power cost adjustment, and fuel cost adjustment set to go into effect on August 1, 2022, as further specified therein. The formula rate plan will be effective for the test years ending 2023, 2024, and 2025. The settlement discusses the approval and certification of the wholesale power contracts, the Commission’s retention of jurisdiction over 1803, and the requirement that each of the 1803 Member Cooperatives will submit to a full rate review within three calendar years of an order in this proceeding. Further, the settlement provides for biennial fuel audits once 1803 begins supplying power to the 1803 Members. Staff recommends that the Commission accept the uncontested stipulated settlement filed into the record on July 1, 2022.

COMMISSIONER GREENE: Motion to accept Staff recommendation.

COMMISSIONER FRANCIS: Second.

COMMISSIONER SKRMETTA: Request roll call vote.
CHAIRMAN BOISSIERE: All right. Moved by Commissioner Greene, second by Commissioner Francis. Roll call starting with Commissioner Skrmetta.

COMMISSIONER SKRMETTA: No.

CHAIRMAN BOISSIERE: Commissioner Greene?

COMMISSIONER GREENE: Yes.

CHAIRMAN BOISSIERE: Commissioner Francis?

COMMISSIONER FRANCIS: Yes.

CHAIRMAN BOISSIERE: And Chair votes yes. Item passes, next item.

MS. BOWMAN: Exhibit Number 16 is Docket Number U-36350. This is Entergy’s application for recovery in rates of costs related to Hurricane Ida and related relief. This is a discussion and possible vote to hire an outside securitization consultant. Staff issued an RFP which two bids were received, but one was non-conforming. Therefore, the one qualifying bid was from Estrada Hinojosa and Company for 275,000 in fees and 15,000 in expenses for a total budget not to exceed of $300,000. And Staff makes no recommendation as the sole conforming bidder is qualified.

COMMISSIONER GREENE: Motion to accept the sole bid.


MS. BOWMAN: Exhibit Number 17 is the same docket, Docket Number U-36350 - Entergy’s application for recovery in rates of costs related to Hurricane Ida and related relief. This is a discussion and possible vote to retain the conduit issuer. Staff solicited bids from the two conduit issuers in Louisiana, which are the
Louisiana Community Development Authority and the Louisiana Public Facilities Authority and both provided bids. The first is from Louisiana Community Development Authority for 387,000 in fees and zero in expenses for a total budget not to exceed of $387,000, and a second was from Louisiana Public Facilities Authority for 577,800 in fees and 2,000 in expenses for a total budget not to exceed of $579,800. And Staff makes no recommendation as both of the bidders are qualified.

COMMISSIONER FRANCIS: Motion to accept Number 1, low bid.

COMMISSIONER SKRMETTA: Second.

CHAIRMAN BOISSIERE: Wait. We have a motion by Commissioner Francis for low bid and did we get -- did I hear a second?

COMMISSIONER SKRMETTA: Second.

CHAIRMAN BOISSIERE: Second by Commissioner Skrmetta. Any opposition.

[NONE HEARD] Item’s approved. Next item, please.

MS. BOWMAN: Exhibit Number 18 is Docket Number X-36400. This is the Commission’s audit of purchased gas adjustment filings for Atmos Energy Corporation’s Louisiana Regulatory Division for the period of April 2020 through March 2022. This is a discussion and possible vote to retain an outside consultant.

Staff issued an RFP and we received two qualifying bids. The first is Exeter and Associates for 36,300 in fees and 1,200 in expenses for a total budget not to exceed of $37,500, and the second was from United Professionals Company of 45,000 in fees and 950 in expenses for a total budget not to exceed of $45,950. Staff makes no recommendations as both bidders are qualified.
COMMISSIONER FRANCIS: Motion for Number 1.

COMMISSIONER GREENE: Second.

CHAIRMAN BOISSIERE: Okay. Moved by Commissioner Francis, second by Commissioner Greene to accept the bid of Number 1. Is that Exeter?

MS. BOWMAN: Exeter.

CHAIRMAN BOISSIERE: Exeter and Associates.

COMMISSIONER FRANCIS: The low bid.


MS. BOWMAN: Exhibit Number 19 is undocketed. This is the Commission’s temporary waiver from certain reporting requirements of General Order dated May 31, 2022, which is the Max Gen General Order, for Louisiana utilities. This is a discussion and possible vote to authorize a temporary waiver at the request of Commissioner Greene. The Commission issued General Order dated May 31, 2022, which set forth the rules regarding the timely disclosure of facts and notices from Max Gen alerts and related matters. All Louisiana utilities, including electric cooperatives, were required to comply with a series of reporting requirements concerning generation performance information for the power and energy supplied to Louisiana utilities via owned generation or through wholesale contracts. In recent hearings in Docket Numbers U-36133 and U-36135 an issue arose as to whether the power supply agreements for DEMCO and JDEC comply with those reporting requirements of the Max Gen Order. This issue will continue to recur.
both in the context of power supply agreements for the Louisiana distribution cooperatives as well as for the IOUs. It is important that there be a single resolution of this issue that is applicable to all Louisiana electric utilities. If accepted, the enforcement and applicability of certain reporting provisions in the Max Gen General Order will be temporarily waived and the consideration of those issues will be transferred to the ongoing Minimum Capacity Obligation rulemaking in Docket Number R-36263. This will ensure that all Louisiana electric utilities are treated fairly according to the same standards. In addition, although consideration by the Commission will be moved to the MCO Docket, all parties will have an opportunity to weigh in and express their opinions on these issues, and the Commission will have the opportunity to consider the positions of all stakeholders in making its determination. The specific provisions of the Max Gen Order whose applicability and enforcement will be temporarily waived are the first and last sentences of the last full paragraph on Page 27 of the Max Gen Order, as well as paragraphs 24, 25, 26, 31, 32, 33, and 34 on Pages 26 and 27 of the Max Gen Order. Staff recommends that the Commission temporarily waive these certain provisions of General Order dated May 31, 2022 and transfer consideration of those issues into Docket Number R-36263.

COMMISSIONER SKRMETTA: Mr. Chairman, I have a point for a question.

CHAIRMAN BOISSIERE: Commissioner Skrmetta.

COMMISSIONER SKRMETTA: Kathryn.

MS. BOWMAN: Yes, sir.

COMMISSIONER SKRMETTA: Can you define temporary?
MS. BOWMAN: Temporary would be until the Commission issues an order in the MCO docket.

COMMISSIONER SKRMETTA: And when’s that anticipated to take place?

MS. BOWMAN: I would have to ask Staff.

MS. EVANS: Lauren Evans on behalf of Staff. We have issued data requests and have received responses. UPC is on the docket with me and we are reviewing the responses right now. We do not have a date specific so --

COMMISSIONER SKRMETTA: Second quarter, third quarter, fourth quarter, first quarter?

MS. EVANS: If you want, we can call Lane up?

COMMISSIONER SKRMETTA: Of course, I do. That’s why he gets the big bucks to give us a date.

MR. LANE SISUNG: Good morning, Commissioners. Lane Sisung --

CHAIRMAN BOISSIERE: Identify yourself, please.

MR. SISUNG: Lane Sisung, United Professionals Company, Staff consultant. So for the MCO docket as Ms. Temento had stated, we have received our first round of requests. We are further awaiting some analysis that has been promised as a follow-up from some of the participants which should arrive sometime in August. It is certainly our goal to move this expeditiously before the end of the year, and that’s what we’re shooting for, but sometimes it just depends on the pace of the information. But we definitely want to get this resolved before the end of the year.

COMMISSIONER SKRMETTA: Okay. Thank you.
COMMISSIONER FRANCIS: Wait, Lane. It sounded like when I read it, make a decision on it then, we don’t have all the pieces?

MR. SISUNG: Well, just to clarify, that’s the MCO docket, that’s the MCO rule. What the -- your motion before you today is to suspend some pieces of the Max Gen rule and have them considered in the MCO rule, so the goal of this is to take two conflicting provisions and consider them together in one rule and get it done expeditiously.

COMMISSIONER FRANCIS: Does Commissioner Greene have anything to say about this here?

CHAIRMAN BOISSIERE: He does. Commissioner Greene.

COMMISSIONER GREENE: Yeah, first of all, I motion to accept this Staff recommendation. I want to thank Staff for their hard work on clarifying this. Can you explain how it got to this point?

MR. SISUNG: Certainly. So you have the Max Gen rule, which got issued, was a result of the Uri and the winter storms which caused a lot of outages, and when those outages occurred we were directed by this Commission to go find out what happened. And as part of that directive, it was we want to know for every utility we have, every generator that was obligated to serve their load, we want to know how it performed. We did that. As we went through that process and we were dealing with some of the wholesale contracts, the response we got from some of the providers of those wholesale contracts was well, we really can’t give you that information from all regulated utilities. So the goal of what we put into this rule was that we wanted to put the onus on the regulated entity, the utility to be able to
provide us with that information. And so the rule was drafted and put out to
comment with that goal in mind. Contemporaneously with that, you had 1803
occurring and within 1803 there was a question that came up about whether or not
specific generators need to be identified associated with contracts of load. And the
way that 1803 got passed was, it was passed subject to a rulemaking being opened
which would decide whether or not this Commission would put the requirements
on utilities that they absolutely identify all their generators, none of their generators,
or some percentage thereof. When you combine the two rules, what winds up
happening is the Max Gen rule effectively negates the MCO rule’s entire purpose
because if you tell every utility they have to tell you a hundred percent of the
generators that performed, you’re essentially imposing a hundred percent physical
generator rule, which is clearly wasn’t the intent of the Max Gen rule and it's
conflicting with the directive we were given in the MCO rule. So the best solution
that we came up with was suspend the rule in the Max Gen rule, put it in the MCO
rule and it’s very important that it go in the MCO rule, because when this
Commission goes to make the decision of whether or not you have to identify
physical generation, part of that consideration is your ability to know after a storm
which of the utilities actually provided the generation to serve their load and which
ones did not. So it is the appropriate place for all to be considered in one place and
that’s why Staff has made this recommendation.

COMMISSIONER FRANCIS: My constituents would want to know who
produced and who didn’t. When is the rulemaking going to -- timeline on that?
When will be doing that?
MR. SISUNG: The rulemaking is active. We’ve got our first round of comments.
I have a second round of questions getting ready to go out. In the meantime, some
of the constituents have asked to provide some very detailed economic analysis,
which they promised in August. The goal of Staff is certainly to wrap this up by
the end of the year and that’s what we’ll shoot with with the stakeholder
community.

COMMISSIONER GREENE: Does this provision currently treat every utility
fairly and also is MISO involved in the MCO docket?

MR. SISUNG: Two questions. When you said this rule, I think that --

COMMISSIONER GREENE: The solution for today.

MR. SISUNG: Yeah. I believe the solution treats everyone equally and everyone
fairly and with regards to MISO’s involvement, I don’t know if they’re an
intervenor, they may be an interested party.

MS. BOWMAN: They are not. MISO is not an intervenor in the docket.

MR. SISUNG: Okay. So they have -- whether they’re involved or not because
they want to, they will be involved because they have a lot of answers to the
questions that we will engage them with, and it’s their entire resource adequacy
auction construct that is in question.

COMMISSIONER GREENE: I think I have a motion to accept Staff
recommendation.

COMMISSIONER FRANCIS: So Lane, it’s true that MISO would advise or
recommend, maybe tell us what some of the other 14 states are doing but it’s up to
us totally to make that rule to live by; isn’t that true?
MR. SISUNG: This would be a state-specific rule, yes.

COMMISSIONER FRANCIS: Okay. All right.

CHAIRMAN BOISSIERE: I have a question.

MR. SISUNG: Yes.

CHAIRMAN BOISSIERE: It’s kind of broad but I believe that it actually goes to the heart. Do we have confidence that the public is protected with this new rule change until we -- until such time as that we finish the rulemaking?

MR. SISUNG: Yes. The public is adequately protected. Even without the rule changes we put under the current construct, the major wholesale provider of the co-ops was very cooperative with us and allowed us to get the information. So we had a Max Gen between now and December, which, God, I hope we don’t, I do believe that history has shown we would be able to get you the information you need while we work this out.

CHAIRMAN BOISSIERE: Okay. Great. That answered it for me. Anyone else?

COMMISSIONER FRANCIS: You know, Chairman, this is a waiver, right?

CHAIRMAN BOISSIERE: Yes, it is.

COMMISSIONER FRANCIS: It reminds me of a waiver I’ve always tried to get. The Scriptures say love your neighbor, you know. I’ve been trying to figure out a way to get a waiver on that. I’m just -- from one end of the scripture to the other, I can’t find a hole in it anywhere.

MR. SISUNG: Well, I certainly hope I’m not the cause of that.
CHAIRMAN BOISSIERE: I don’t think there’s any way to wiggle out of that one. We can’t get out of that one.

COMMISSIONER FRANCIS: I’m going to vote for this. Okay.

COMMISSIONER SKRMETTA: That’s why Lane’s smart.

CHAIRMAN BOISSIERE: Okay. Thank you very much, Mr. Sisung. That was moved by Commissioner Greene, second by Chair. Any opposition? [NONE HEARD] Hearing none, so ordered. Thank you. It passes. Next item, please.

MS. BOWMAN: Next item is Exhibit Number 20, which is reports, resolutions, discussions, and votes. We have already conducted the report from Staff on the high electric utility bills, so we will move on to the two vote ratifications that we have. The first is undocketed, and it’s a discussion and possible vote to ratify the Commission’s interventions in RTO or ERSC related FERC proceedings. Pursuant to the scope of work approved in connection with the retention of Stone Pigman and UPC at the February 24, 2021 B&E for MISO, SPP, ERSC participation, an intervention was filed on the Commission’s behalf in FERC Docket EL22-60, which was a dockless intervention. Due to short deadlines allowed for these interventions, if advanced Commission approval is not possible, the executive secretary on the recommendation of UPC or Stone Pigman or on its own determination may authorize the initial interventions, comments, or protests subject to ratification at a following B&E. For any pleading the Commission does not ratify, all work related to such dockets shall immediately cease and any pleadings filed shall be withdrawn at the direction of the Commission. This intervention was filed for the purpose of monitoring issues related to MISO and a complaint against
MISO challenging its capacity auction process. Staff recommends that the
Commission ratify this intervention.

**COMMISSIONER SKRMETTA:** Move to ratify the intervention.

**COMMISSIONER GREENE:** Second.

**CHAIRMAN BOISSIERE:** Moved by Commissioner Skrmetta, second by
Commissioner Greene. Any opposition? [NONE HEARD] Hearing none, so
ordered. Next.

**MS. BOWMAN:** The second under Exhibit 20 is the OMS vote. It’s a discussion
and possible vote to ratify votes taken by Commissioner Greene acting as the
Commission’s representative on the Board of Directors of the Organization of
MISO States. An email vote was taken on June 3, 2022 by Commissioner Greene
as the Commission’s representative of the Organization of MISO States Board of
Directors. Staff followed the protocols set forth in Special Order 17-2019 to consult
with the Executive Secretary and Chairman and to make a recommendation to
Commissioner Greene prior to the vote. The protocols also require that the votes
taken be ratified at a following B&E. The OMS sought approval to submit
comments in FERC Docket ER22-1640, the FERC proceeding related to the MISO
Order Number 2222 compliance filings. The OMS comments generally expressed
concerns with MISO’s proposed timeline for Order Number 2222 compliance, and
based upon Staff’s recommendations, Commissioner Greene voted in favor of the
OMS reply comments. Staff recommends that the Commission ratify
Commissioner Greene’s email vote taken on June 3, 2022 as the Louisiana Public
Service Commission’s representative to the OMS Board of Directors.
COMMISSIONER SKRMETTA: Move to ratify the vote of Commissioner Greene at the OMS.

COMMISSIONER FRANCIS: Second.


MS. BOWMAN: We are moving Exhibit 21 to the end of the agenda since there is a potential executive session. Exhibit 22 is Docket Number U-29157. This is Cleco’s application of Cleco Power for recovery --

CHAIRMAN BOISSIERE: Wait, wait, wait, wait. We passed -- we changed -- we’re finished with our Number 20?

MS. BOWMAN: Yes, sir.

CHAIRMAN BOISSIERE: Okay. I wanted to make one announcement under that section. I know it’s -- let me make sure. Hold on. You caught me off guard. You were so fast.

MS. BOWMAN: Apologies.

CHAIRMAN BOISSIERE: All right. I just wanted to make one thing. It’s not - - it’s not a resolution, but it’s a -- no, have we moved to the directive yet?

MS. BOWMAN: No, sir. That’s the supplemental. It’s a standalone exhibit item.

CHAIRMAN BOISSIERE: Okay. Gotcha. Okay. But I just wanted to make more or less and announcement. It doesn’t necessarily fit the docket. I figured it would fit in right here. Something simple, but it talks to some of the things we talked about today, the Kendall Magnolia -- not Magnolia -- the Kendall plant had
closed yesterday on financing, so it’s moving quite ahead on 1803 and that’s something to be proud of that we have a -- pretty much the financing and the go ahead on a new plant being constructed in Louisiana to help serve the people of Louisiana, but more especially in the co-ops and then 1803. I did want to get that in. And then once again, I also wanted to -- if you don’t mind me sticking it in right here, if it hadn’t been said enough, I just wanted to thank the people of Shreveport for allowing us to have these facilities on such short notice and to be so accommodating to our Public Service Commission meeting today. I didn’t get a chance to meet or introduce the Mayor or any of the council members, but I wanted to say on behalf of the Commission how thankful we are for their cooperation. And now, let’s move on to the next exhibit. Thank you.

**MS. BOWMAN:** Exhibit Number 22 is Docket Number U-29157. This is Cleco Power’s application for recovery in rates of amortization of storm damage costs incurred as a result of Hurricanes Katrina and Rita effective January 1, 2006. It’s a discussion and possible vote on Cleco Power’s request to refund certain amounts to customers and it’s at the request of Vice Chairman Francis. In Order Number U-29157B dated September 17, 2007, the Commission authorized and directed the establishment of a collection account by Cleco Katrina/Rita Hurricane Recovery Funding, LLC, the special purpose entity formed to serve as an issuer of storm recovery bonds. The collection account was held by the storm recovery bond indenture trustee as collateral to ensure the payment of the principal, interest, and other costs related to the storm recovery bonds in full and on a timely basis. The 2007 order states that upon maturity of those bonds and the discharge of all
obligations thereof, the remaining amounts in the collection account are to be released by the indentured trustee to the special purpose entity and equivalent amounts are to be credited by Cleco Power to its customers. On June 20, 2022, Cleco Power filed correspondence informing the Commission that all of the storm recovery bonds issued by the special purpose entity have been retired and all principal, interest, and other charges associated with the storm recovery have been paid. Further, the correspondence states that the funds have been released by the indentured trustee and are available for refund. Therefore, Cleco Power requests that the funds be refunded to customers as quickly as possible in the form of a bill credit of September of 2022 bills, when customer usage is typically high. Staff has reviewed Cleco Power’s request as well as the requirements contained in the 2007 order and agrees that the funds should be refunded to customers in the form of a bill credit on September of 2022 bills. Staff recommends that the Commission accept Cleco Power’s request to issue the refund in the form of a bill credit.

COMMISSIONER GREENE: Motion to accept Staff recommendation.

COMMISSIONER SKRMETTA: Before moving on, what’s the total value of the credit?

MS. EVANS: Lauren Evans on behalf of Staff, it’s about 1.6 million.

COMMISSIONER SKRMETTA: Okay. Thank you. Second on the motion.

CHAIRMAN BOISSIERE: Moved by Commissioner Greene, second by Commissioner Skrmetta to accept the -- is it a refund?

COMMISSIONER SKRMETTA: Yes.

MS. BOWMAN: Yes.

COMMISSIONER FRANCIS: Got some comment here.

CHAIRMAN BOISSIERE: Comment, Commissioner Francis.

COMMISSIONER FRANCIS: It’s not often do we get a credit. Somebody ought to come up here and take a little credit for it. If anybody here with Cleco, just stand up.

CHAIRMAN BOISSIERE: There’s nobody here from Cleco, huh? Nobody wants to take credit.

SECRETARY FREY: John [INAUDIBLE].

CHAIRMAN BOISSIERE: Mr. Shirley. Anyone else?

MR. JOHN SHIRLEY: I’m here to take that credit.

COMMISSIONER FRANCIS: It’s really not fair when we do that and they don’t get any recognition. And so anyhow, thank y’all for your hard work at Cleco.

SECRETARY FREY: And Mr. Vice Chair, I think someone else who should get credit is Mr. Zimmering and those who worked on the securitization. Because this is just proof that securitization continues to provide benefits.

CHAIRMAN BOISSIERE: Exactly. And I think first of all, two great points. Thank you, Commissioner Francis, for bringing that up.

COMMISSIONER FRANCIS: I tell you what, is Z here? Where is Z?

CHAIRMAN BOISSIERE: There he is. There he is.
COMMISSIONER FRANCIS: Come up here a minute. Come up here a minute.

Tell us briefly about, you know, we have a lot of people listening in to this event today and securitization is a complicated thing. It’s been hard for me to explain. I don’t even know how to say that word hardly, you know, but in this particular case, we followed this securitization and we wound up we had some money left over at the end. And that was your job to do the accounting and follow it; is that true, Paul?

MR. PAUL ZIMMERING: That’s true. Thank you, Commissioner. This was when -- way back when Katrina and Rita were securitized, and there’s always a little extra that’s collected to ensure that the bonds can be retired and all the interest can be paid. But when the Commission passed the order back in 2007, it said if there’s any money left over, it’s got to go back to ratepayers, dollar for dollar outside of any sharing mechanism in an FRP and it should go back in the same manner in which it was collected. There’s about $1.6 million, as Lauren said, that was left. We spoke with Cleco about it. They agreed with our interpretation of the Commission order, and it’s going to go back roughly to a 1,250 kWh customer at just less than $3 a month ranging all the way to a 4,000 kWh customer that’s going to get about $9 and change a month. It will be in September reflecting August usage, which is normally high, so fortuitously, that worked out well.

COMMISSIONER FRANCIS: So that was actually like 15 years ago that the Commission did was to securitize some debt, we were replacing storm damage, right?

MR. ZIMMERING: The Katrina and Rita damage.
COMMISSIONER FRANCIS: We follow that patiently all the way through as we’re going to do on some of these new securitization orders for these storms that we’re doing now.

MR. ZIMMERING: Yes. In every one of the new securitization orders, there’s a parallel type provision that says if there’s any dollars left over, they go back to customers, dollar for dollar as they were collected.

COMMISSIONER GREENE: Z, I have a question. Do customers get interest?

MR. ZIMMERING: Do customers get interest on this money? I think any interest has been accrued in the account already. If I’m wrong about that, somebody from Cleco tell me. I think the interest has been accrued in the account, so this the gross amount that goes back.

SECRETARY FREY: And one other point while Z’s up there, another good news bit is that the Gustav/Ike bonds are going to be paid off early and should come off the bills in August.

CHAIRMAN BOISSIERE: Right.

SECRETARY FREY: And same thing, if there’s any accounting, you know, that’s one thing I didn’t point out on my bill, but I’m actually still getting credits back, as are other Entergy customers, from the additional tax savings that we achieved. So you’re constantly seeing credits back, and that’s another beauty of this securitization.

MR. ZIMMERING: And just to add to what Brandon said, those credits will continue even after the charges fall off the bill.
COMMISSIONER SKRMETTA: You mean from regulated utilities?

SECRETARY FREY: Yes.

MR. ZIMMERING: Yes.

COMMISSIONER SKRMETTA: Okay. I was just checking.

MR. ZIMMERING: Yes. Just -- in this case, it’s just from Cleco and this will be the end for Cleco, but it will be from the remaining Entergy securitizations.

CHAIRMAN BOISSIERE: Right. Right.

COMMISSIONER FRANCIS: Now, the interest rate from securing the Katrina loans versus what we’re doing today on this new damage. It was an interesting point for the people should know and the customers. About -- what was the interest rate on the -- and I don’t want to put you on the spot.

SECRETARY FREY: Kathryn’s got those numbers.

MR. ZIMMERING: No. That’s all right. I wish I had my chart in front of me.

SECRETARY FREY: Kathryn’s got it.

MR. ZIMMERING: I think it’s about 5.85.

COMMISSIONER FRANCIS: What? How much?

MS. BOWMAN: So for Katrina/Rita under EGSL, it was 5.74 and for ELL, it was 5.56.

COMMISSIONER SKRMETTA: They actually went as far down as we got into later storms, didn’t we?

MS. BOWMAN: And we did. For Gustav/Ike, it was 3.35 --

COMMISSIONER SKRMETTA: Right.
MS. BOWMAN: -- for EG and then 3.33 for EL and then when we got to Isaac, it was under 3. It was 2.86 --

COMMISSIONER SKRMETTA: Right.

MS. BOWMAN: -- and 2.97.

MR. ZIMMERING: And the most recent ones have been in the 4s.

COMMISSIONER SKRMETTA: Yeah. I think we’re on the up track now.

MR. ZIMMERING: And we’re on a big upswing, particularly with what the Fed may do in the next day or so.

CHAIRMAN BOISSIERE: Thank you.

COMMISSIONER FRANCIS: Okay, Professor Paul.

CHAIRMAN BOISSIERE: First of all, Professor Zimmering, I’d like to, once again, compliment you and your staff and for working so hard for the Commission, that help save so many people in Louisiana money and get stable utilities and stable financing here, not only the work you’ve done but the projects you’ve been a part of. You know, you’ve tirelessly worked and helped find solutions for all of us. Believe it or not, it makes our jobs a lot easier. Probably makes yours a little more difficult. But the benefits are being felt across the state, so I’m glad that Commissioner Francis made a point to congratulate not only Cleco but the whole idea of securitization and to impromptu bring you up here to explain it. But it needs explaining because right now a lot of people are looking at these high bills and are thinking that there’s a problem with the storm damage being put on the bills, and I understand that. But one of the things that storm damage represents is the lowest possible cost of an expense that we will have to pay one way or another. And when
we vote for it, we’re not voting to put expenses on the bills because they’re going
to be put on there anyway, we’re voting for the lowest possible method of
recovering those costs over time through securitization -- thank you for making me
fumble through the word now, Mike -- securitization and also over time, so it’s the
least amount that we can do. And it’s the best -- and I remind people, it’s not just
the five of us coming up with this plan, it’s people like yourself and people like the
banks and the bankers, the finance people and the lawyers and the experts, who sit
down and sharpen their pencil and really work on behalf of the people of Louisiana.
And it gives us a chance to help the people get the lowest possible way of incurring
some of the expenses that we have to have by these storms that we continue to
receive here in Louisiana. All that to say, thank you very much.

MR. ZIMMERING: Thank you very much, Mr. Chairman.

COMMISSIONER FRANCIS: Professor Zimmering, when you teach at Tulane,
do you teach your students all these nuggets of truth to help people?

MR. ZIMMERING: We do teach, actually, along with David Guerry and Jamie
Watts, I do teach a class on securitization.

COMMISSIONER FRANCIS: Good. Well, listen, going back to that word
we’re having a hard time pronouncing, I’ll just say, we’re going to appropriate some
money to pay for storm damage, you know, keep it simple. All right.

MR. ZIMMERING: That works. Thank you all, Commissioners.

MS. BOWMAN: Thank you, Z.

CHAIRMAN BOISSIERE: All right. We’re almost everybody, almost there.
MS. BOWMAN: So we have a motion and a second on Exhibit 22. Is there any opposition?

COMMISSIONER GREENE: Motion to accept.

CHAIRMAN BOISSIERE: Okay.

MS. BOWMAN: Yeah. Yeah, we’re good.

CHAIRMAN BOISSIERE: Moved my Commissioner Greene, second by Commissioner Francis. I know there’s no opposition because there’s three of us.

SECRETARY FREY: [INAUDIBLE] Skrmetta.

MS. BOWMAN: Yeah.

CHAIRMAN BOISSIERE: It approved.

MS. BOWMAN: Okay.

SECRETARY FREY: We got it for the [INAUDIBLE].

MS. BOWMAN: Exhibit Number 23 is undocketed. This is a directive to Staff regarding analysis of a potential utility pilot industrial shared solar tariff option with benefits for low- and moderate-income residents. And it’s at the request of Chairman Boissiere. The Commission directs Staff to open a rulemaking to review the potential to provide an optional pilot industrial solar tariff that may meet the power needs and objectives of Louisiana’s largest industrial customers. Some large industrial customers apparently desire to establish minimum program capacity limits of green tariff options they believe may make both a meaningful impact on the reduction of greenhouse gas emissions in Louisiana and sustain the required power needs of the industrials’ operations. These needs should be studied in the potential development of any rule pursuant to this directive. As part of this review,
Staff is directed to study a program that may dedicate a portion of the gross revenue generated by qualified developers under an optional pilot industrial solar tariff to benefit low- and moderate-income residents in the parishes where participating industrial customers are located. Finally, the Commission directs Staff to ensure that this rulemaking analyzes criteria that may encourage third-party development in and investment in solar facilities. Any opposition?

CHAIRMAN BOISSIERE: Did we do a second or? [INAUDIBLE] No, you’re right. No, you’re right. Any opposition?

COMMISSIONER GREENE: I don’t, but I have a comment.

CHAIRMAN BOISSIERE: Comment from Commissioner Greene.

COMMISSIONER GREENE: I appreciate the Chairman bringing this to the Commission so we can further create pathways for industrials to support our resource needs here in Louisiana, also ensuring there are some advantages for low-income customers. It’s another way that the Commission can mitigate constantly increasing utility bills. When there’s so many different ways to finance renewables, exploring programs that allow larger commercial and industrial customers to take on risks to build at their own cost is really a good thing for Louisiana utility customers.

CHAIRMAN BOISSIERE: Thank you, Commissioner Greene. I really appreciate -- thank you so much. All right. So it’s no opposition, so let’s go over to the next one. Thank you.

MS. BOWMAN: Exhibit Number 24 is a docket to be determined. This is Cleco Power’s request for proposals for the acquisition of solar generating capacity and
it's a discussion and possible vote to change the scope of services of United Professionals Company at the request of Vice Chairman Francis. In August of 2021, Cleco Power provided the Commission notice of its intent to conduct an RFP for the acquisition of solar generating capacity. UPC was subsequently retained to assist the Commission with this RFP and any certification proceedings arising therefrom. Since Cleco Power’s notice and the retention of UPC, but prior to Cleco Power initiating its RFP, the company provided notice to the Commission of an unsolicited offer it received from a solar developer who would develop, own, and operate a Louisiana-sited solar generating facility with Cleco Power entering into a purchase power agreement with the developer. Cleco Power believes that the economic and other terms of the proposed PPA transaction could result in substantial benefits to its customers, and especially in light of the current high prices for natural gas and other commodities for the generation of electricity, and seeks to enter into the proposed PPA transaction in lieu of conducting the anticipated RFP. Cleco Power is also requesting that the Commission authorize a change in scope of UPC’s hiring for the anticipated RFP to allow UPC to evaluate this proposed PPA. UPC was retained at the November 2021 B&E to assist in Cleco Power’s upcoming RFP and any certification proceedings arising therefrom for 75,000 in fees and 2,000 in expenses. No services have been rendered by UPC under this proposal. Given that UPC was retained to assist in an evaluation and certification of new resources for Cleco Power, Staff supports the requested change in scope. Should the Commission authorize this change in scope, Cleco Power will pursue the Commission’s certification of the proposed PPA transaction. Therefore,
Staff recommends that the Commission authorize a change in scope of services from the November 2021 retention of UPC for 75,000 in fees and 2,000 in expenses, for a total budget not to exceed of $77,000 to allow for the evaluation of an unsolicited offer received by Cleco Power.

COMMISSIONER FRANCIS: Motion.

COMMISSIONER GREENE: Second.

CHAIRMAN BOISSIERE: Moved by Commissioner Francis, second by Commissioner Greene.

COMMISSIONER FRANCIS: And Chairman, this is just another step to try to utilize solar in a cost effective way to lower the bills for all of our Cleco customers.


MS. BOWMAN: Exhibit Number 25 is another docket to be determined. It’s Cleco Power’s formula rate plan upcoming monitoring reports. It’s a discussion and possible vote to expand the scope of services of United Professionals Company and this is at the request of Commissioner Greene. In Docket Number U-35299, Cleco Power filed an application for implementation of change in rates, an extension of an existing formula rate plan. Staff issued a request for proposal, 19-05, seeking an outside consultant to assist in the review of that application. And in response to that RFP, United Professionals Company was retained by the Commission for a budget of 180,000 in fees and 15,000 in expenses for a total budget not to exceed of $195,000. In Order Number U-35299 dated June 22, 2021, the Commission approved an uncontested stipulated settlement entered into by all
parties, which included a three year extension of Cleco Power’s FRP. Historically, when Staff issues an RFP associated with a request to initiate or extend a utility’s FRP, Staff includes the annual review analysis as part of the anticipated scope of services. However, Staff recently realized it inadvertently excluded annual reviews as part of the scope of the services in RFP 19-05 and thus no consultant was retained to assist in Cleco Power’s FRP annual reviews. Upon this realization, Staff inquired as to UPC’s remaining budget under Docket Number U-35299. UPC has a budget of approximately $90,000 remaining in the budget. Given that UPC was retained to assist in the evaluation and approval of Cleco Power’s FRP extension and that Staff historically includes FRP annual reviews within the scope of services for any FRP extension request, Staff recommends that the scope of services of UPC’s hire for Docket Number U-35299 be expanded to include the three years of annual reviews. Should the Commission authorize this expansion, UPC would utilize the remaining budget under Docket Number U-35299 for these reviews. Further, UPC’s hourly rates would stay at $60 to $295 (sic) per hour as provided in the initial hire. Staff recommends that the Commission expand the scope of services provided for in RFP 19-05 to include the three years of annual reviews of Cleco Power’s formula rate plan.

COMMISSIONER GREENE: Motion to accept Staff recommendation.

CHAIRMAN BOISSIERE: Moved by Commissioner Greene, seconded by Commissioner Francis. Any opposition? [NONE HEARD] Hearing none, so ordered. Thank you. Is that -- next? Or do we have -- is that it?

MS. BOWMAN: We will move back to Exhibit Number 21.
COMMISSIONER SKRMETTA: Can I interrupt for a second, Mr. Chairman?

CHAIRMAN BOISSIERE: Yes.

COMMISSIONER SKRMETTA: Point of privilege, I’d like to point out that David Guerry says it’s a boy, he is now a grandfather. Congratulations.

CHAIRMAN BOISSIERE: Congratulations.

COMMISSIONER SKRMETTA: I hope they named him Davis just to punish you.

CHAIRMAN BOISSIERE: Congratulations, Mr. Guerry. Let’s go back to 21, is it?

MS. BOWMAN: It is Exhibit 21. It is an executive session, but I ask that everyone stay seated and quiet until I read the entire in re into the record and then we will ask for everyone except the --

SECRETARY FREY: Or we can go in the side room, right?

MS. BOWMAN: Can we?

SECRETARY FREY: Yeah. I think we might --

COMMISSIONER SKRMETTA: There are several meeting rooms in the back.

CHAIRMAN BOISSIERE: Yeah, we should probably move the Commissioners.

MS. BOWMAN: All right. Well, that’ll be easier than everyone leaving.

CHAIRMAN BOISSIERE: Yeah. We’ll move the Commissioners.

COMMISSIONER SKRMETTA: Yeah, there are several conference rooms starting over here.

MS. BOWMAN: Okay. Exhibit Number 21 is FERC Docket Numbers EL17-41, which is consolidated with EL18-142 and EL18-204; EL18-152; ER18-1182;
EL20-72; ER21-117, which is consolidated with ER21-129, EL21-24, ER21-748, and EL21-46; EL21-56; and ER22-958. These are various FERC dockets and this is a possible executive session to discuss litigation strategy pursuant to Louisiana Revised Statute 42:16, et seq. Do we have a motion to go into executive session?

COMMISSIONER SKRMETTA: Move to go into executive session.

CHAIRMAN BOISSIERE: Moved by Commissioner Skrmetta, second by the chair to go into executive session.

[OFF THE RECORD]

[BACK ON THE RECORD]

CHAIRMAN BOISSIERE: I need someone to move to take us out of -- to bring us out of executive session and then to --

COMMISSIONER SKRMETTA: Second.

CHAIRMAN BOISSIERE: Moved by Commissioner Francis, second by Commissioner Skrmetta. Now we need to adjourn. I need a motion.

COMMISSIONER SKRMETTA: Move to adjourn.

CHAIRMAN BOISSIERE: Moved by Commissioner Skrmetta, second by Commissioner Francis to adjourn. So ordered. Next meeting is when and where?

MS. BOWMAN: September 14th at the Galvez Building in Baton Rouge.

CHAIRMAN BOISSIERE: September 14th in Baton Rouge, see you then.

(WHEREUPON THE MEETING WAS ADJOURNED)
I certify that the forgoing pages 1 through 134 are true and correct to the best of my knowledge of the Open Session of the Business and Executive Meeting held on July 27, 2022 in Shreveport, Louisiana.

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