

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM APRIL 28, 2016
OPEN SESSION

MINUTES OF APRIL 28, 2016 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE VICE CHAIRMAN SCOTT ANGELLE, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER LAMBERT BOISSIERE, COMMISSIONER ERIC SKRMETTA AND EXECUTIVE SECRETARY EVE KAHAO GONZALEZ. CHAIRMAN CLYDE HOLLOWAY WAS ABSENT.

Open Session of April 28, 2016, convening at 10:27A.M., and adjourning at 12:42P.M., Natchez Room, 602 N. 5th Street, 1st Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Eve Kahao Gonzalez. Chairman Clyde Holloway was absent.

Ex. 1	<p>Next month's meeting will be held on May 18, 2016 in Baton Rouge, LA.</p> <p>The June B&E will be held on June 22, 2016 in Lake Charles, LA. Location and time TBA.</p>
Ex. 2	<p>T-33835 - Louisiana Public Service Commission vs. Out of the Box Moving Service, LLC (New Orleans, Louisiana). In re: Alleged violation of La. R.S. 45:161 through 180.1, by engaging in activities related to moving household goods prior to complying with the requirements of La. R.S. 45:164E(1) and General Order dated May 17, 2004 and for failure to comply with the requirements of General Order dated April 3, 2008.</p> <p>In re: Discussion and possible vote on ALJ Recommendation.</p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Skrmetta, with Vice Chairman Angelle concurring, Commissioner Campbell temporarily absent and Chairman Holloway absent, the Commission voted to accept the ALJ recommendation.</p>
Ex. 3	<p>T-33955 - Louisiana Public Service Commission vs. Superior Vacuum Services LLC (Cleveland, Texas). In re: Alleged violation of La. R.S. 45:161 through 180.1, by operating Intrastate without LPSC authority on Seventeen (17) counts; allegedly occurring on or about October 20, 2015 through November 19, 2015.</p> <p>In re: Discussion and possible vote to accept Affidavit and Stipulation signed by carrier pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Vice Chairman Angelle concurring, Commissioner Campbell temporarily absent and Chairman Holloway absent, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Vice Chairman Angelle concurring, Commissioner Campbell temporarily absent and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
Ex. 4	<p>T-33957 - Louisiana Public Service Commission vs. Warhorse Vacuum Services LLC (Joaquin, Texas). In re: Alleged violation of La. R.S. 45:161 through 180.1, by operating Intrastate without LPSC authority on Seven (7) counts; allegedly occurring on or about October 31, 2015 through November 01, 2015.</p> <p>In re: Discussion and possible vote to accept Affidavit and Stipulation signed by carrier pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Vice Chairman Angelle concurring, Commissioner Campbell temporarily absent and Chairman Holloway absent, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Vice Chairman Angelle concurring, Commissioner Campbell temporarily absent and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>

<p>Ex. 5</p>	<p>S-33811 - Colyell Community Water Association, Inc., ex parte. In re: Application for Increase in Water Rates. (non-profit system)</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>(Ex. 6 on the March 22, 2016 B&E Agenda)</p> <p>PASSED</p>
<p>Ex. 6</p>	<p>S-33630 - Pointe Coupee Electric Membership Corporation, ex parte. In re: Notification pursuant to the LPSC's 2011 Net Metering Order (R-31417) regarding .5% cap.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Vice Chairman Angelle concurring, Commissioner Campbell temporarily absent and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 7</p>	<p>S-33646 - Cecilia Water Corporation, Inc., ex parte. In re: Supplemental and Amending Petition for Approval of Rate Increase and Capital Financing.</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>(Ex. 9 on the March 22, 2016 B&E Agenda)</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Vice Chairman Angelle and Commissioner Campbell concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 8</p>	<p>S-33796 - Mt. Zion Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system).</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Boissiere, with Vice Chairman Angelle and Commissioner Skrmetta concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 9</p>	<p>S-33830 - Leton Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system).</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Boissiere, with Vice Chairman Angelle and Commissioner Skrmetta concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 10</p>	<p>S-33909 - Frost Town Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system).</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Boissiere, with Vice Chairman Angelle and Commissioner Skrmetta concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 11</p>	<p>S-33778 - Walker Community Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system).</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Boissiere, with Vice Chairman Angelle and Commissioner Skrmetta concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p> <p>Commissioner Skrmetta would like Staff to contact the Financial Accounting Standards Board ("FASB") in New York when talking about using the NARUC chart of accounting and ask them what is the status on treatment of purchase power agreements, as either contracts or debt.</p>

<p>Ex. 12</p>	<p>S-33648 - Dixie Electric Membership Corporation (DEMCO), ex parte. In re: Notification pursuant to Section 5.02 of the Commission's General Order dated July 26, 2013 regarding the net metering cap.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 13</p>	<p>S-33781 - Total Environmental Solutions, Inc. (TESI). In re: Amended Request for a Letter of Non Opposition Concerning transfer of sewer system in Woodridge Estates, Lafayette Parish to Lafayette Consolidated Government, Lafayette Parish.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>PASSED</p>
<p>Ex. 14</p>	<p>U-32814 - Southwestern Electric Power Company (SWEPCO), ex parte. In re: Application for Certification of Contracts for the Purchase of New Long-Term Renewable Resources in Accordance with the Commission's General Order dated September 20, 1983.</p> <p>In re: Discussion and possible vote on Stipulated Agreement.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, with Commissioner Boissiere and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 15</p>	<p>U-33434 - Cleco Power LLC, ex parte. In re: Joint Application of Cleco Power LLC and Cleco Partners L.P. for: (1) Authorization for the Change of Ownership and Control of Cleco Power LLC and (ii) Expedited Treatment.</p> <p>In re: Discussion and possible vote on motion for rehearing.</p> <p>Item failed for lack of motion.</p> <p>Vice Chairman Angelle issued the following statement regarding the directive he issued at the February 24, 2016 B&E:</p> <p>The impetus of the directive was that in review of an application for a change of control questions were raised with regards to proposed tax treatments of related party debt and consolidation for tax purposes. Based on this concern, the purpose for the directive was for the LPSC staff to research tax issues related to consolidation, especially involving related party debt, and to make a report to the Commission so that it may review the results and determine if a change to any policies are warranted.</p> <p>Further, there seems to be a lack of understanding with regards to parent/holding company practices related to its tax credit investments made for the purpose of mitigating tax liabilities and/or tax payments and how the risks and rewards of such investments are currently treated. It is my desire for the LPSC Staff to provide the Commission with an understanding of these practices and whether any other jurisdictions have adopted any policies related to these practices, so that the Commission can determine if any further consideration of its policies with regards to this matter is warranted.</p>
<p>Ex. 16</p>	<p>U-33434 - Cleco Power LLC, ex parte. In re: Joint Application of Cleco Power LLC and Cleco Partners L.P. for: (1) Authorization for the Change of Ownership and Control of Cleco Power LLC and (ii) Expedited Treatment.</p> <p>In re: Discussion and possible vote on update by Staff on Allocation of Rate Credits.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>

<p>Ex. 17</p>	<p>S-33951 - Southwestern Electric Power Company, ex parte. In re: Notification Pursuant to Section 5.02 of the LPSC's Net Metering General Order R-31417, dated July 26, 2013.</p> <p>In re: Discussion and possible vote on Staff recommendation.</p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Angelle, with Commissioner Campbell and Commissioner Boissiere concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 18</p>	<p>U-33595 - Utilities Inc. of Louisiana and Louisiana Water Service, Inc., ex parte. In re: Request for Consolidation, Application for an Increase and Adjustment in Retail Rates, and Request for Interim Rates.</p> <p>In re: Discussion and possible vote on Stipulated Agreement.</p> <p>(Ex. 7 on the March 22, 2016 B&E Agenda)</p> <p>PASSED</p>
<p>Ex. 19</p>	<p>U-33739 - Parish Water Company, Inc., ex parte. In re: Request for an increase in water rates.</p> <p>In re: Discussion and possible vote on Uncontested Stipulated Settlement.</p> <p>PASSED</p>
<p>Ex. 20</p>	<p>U-33983 - Entergy Gulf States Louisiana, LLC, ex parte. In re: Motion for Extension of Entergy Louisiana, LLC's Gas Rate Stabilization Plan.</p> <p>In re: Discussion and possible vote to hire technical consultant.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Boissiere and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to hire United Professionals Company to assist Staff throughout completion of the docket for a budget of \$45,000 in fees, \$4,500 in expenses, for a total not to exceed budget of \$49,500.</p>
<p>Ex. 21</p>	<p>I-33015 - Cleco Power LLC, ex parte. In re: 2013 Integrated Resource Planning (“IRP”) process for Cleco Power LLC pursuant to General Order dated April 20, 2012.</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>(Ex. 13 on the March 22, 2016 B&E Agenda)</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Boissiere, with Vice Chairman Angelle and Commissioner Skrmetta concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 22</p>	<p>R-33929 - Louisiana Public Service Commission, ex parte. In re: Review of policies related to customer-owned solar generation and possible modification of the Commission’s current net metering rules.</p> <p>In re: Discussion and possible vote on Staff’s Phase I recommendation.</p> <p>PASSED</p>
<p>Ex. 23</p>	<p>FERC Docket No. ER15-1826 - Entergy Services, Inc., ex parte. In re: Ninth Annual filing implementing Service Schedule MSS-3 Rough Production Cost Equalization Bandwidth Calculation</p> <p>In re: Possible Executive Session pursuant to La. R.S. 42:17 to discuss litigation strategy.</p> <p>Ex. 23 was taken up with Ex. 31.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to adopt the settlement agreement.</p>

<p>Ex. 24</p>	<p>FERC Docket No. ER13-432 - Entergy Services, Inc.,</p> <p>In re: Possible Executive Session pursuant to La. R.S. 42:17 to discuss decision and litigation strategy.</p> <p>Special Counsel Michael Fontham and Dana Shelton gave a report.</p>
<p>Ex. 25</p>	<p>1) Reports</p> <p>Report On Projected Gas Cost by Utilities – PULLED</p> <p>Chairman Holloway directs staff and the affected utilities to report their views of gas markets and implications for the long-term natural gas hedging pilot programs at May B/E meeting.</p> <p>2) Resolutions 3) Discussions 4) ERSC/OMS Business</p> <p>In re: Discussion and possible vote to ratify votes taken by Commissioner Skrmetta as LPSC Representative to OMS Board of Directors.</p> <p>On motion of Vice Chairman Angelle, seconded by Commissioner Boissiere, with Commissioner Campbell concurring, and Chairman Holloway absent, the Commission voted to ratify votes taken by Commissioner Skrmetta as LPSC Representative to OMS Board of Directors.</p> <p>5) Directives</p> <p>Commissioner Skrmetta asked Staff to verify that our current Do Not Call rules specifically relating to certain exemptions are consistent and in compliance with federal law.</p>
<p>Ex. 26</p>	<p><u>Chairman Holloway directs Staff to look into the possibility of removing the requirement of proving PC&N for Waste Haulers</u></p> <p>At the request of Chairman Holloway.</p> <p>I direct Staff to examine exempting motor carriers of waste from having to prove public convenience and necessity when applying for a common carrier certificate or contract carrier permit, but maintaining the requirement that the carriers register with the Commission and satisfy all rules, regulations and requirements of the Commission, including proof of fitness to operate.</p>
<p>Ex. 27</p>	<p>U-33434 - Cleco Power LLC, ex parte. In re: Joint Application of Cleco Power LLC and Cleco Partners L.P. for : (1) Authorization for the Change of Ownership and Control of Cleco Power LLC and (ii) Expedited Treatment.</p> <p>In re: Discussion and possible vote on proposed counsel and consultant budget increases.</p> <p>At the request of Chairman Holloway.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Boissiere, with Vice Chairman Angelle concurring, Commissioner Skrmetta temporarily absent and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>
<p>Ex. 28</p>	<p>S-33845 - Mamou Road Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system, streamlined application)</p> <p>In re: Discussion and possible vote Staff recommendation.</p> <p>At the request of Chairman Holloway.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Boissiere, with Vice Chairman Angelle and Commissioner Skrmetta concurring, and Chairman Holloway absent, the Commission voted to accept the Staff recommendation.</p>

<p>Ex. 29</p>	<p>LPSC, ex parte, IN RE: Exemption of NonProfit Water Cooperatives and Corporations Wholly Owned by Members from Commission Jurisdiction.</p> <p>In re: Discussion and possible vote on proposed order.</p> <p>At the request of Chairman Holloway.</p> <p>Representative Montoucet spoke on House Bill 729. No vote required.</p>
<p>Ex. 30</p>	<p>Louisiana Public Service Commission v. Entergy Corp, FERC Docket No. EL09-61, Opinion Nos. 521-A and 548</p> <p>In re: Special Counsel report on FERC decisions concerning alleged violation of Entergy System Agreement.</p> <p>At the request of Commissioner Skrmetta.</p> <p>Special Counsel Michael Fontham and Dana Shelton gave a report.</p>
<p>Ex. 31</p>	<p>FERC Docket No. ER15-1826 - Entergy Services, Inc., ex parte. In re: Ninth Annual filing implementing Service Schedule MSS-3 Rough Production Cost Equalization Bandwidth Calculation</p> <p>In re: Discussion and possible vote on settlement agreement.</p> <p>At the request of Commissioner Skrmetta.</p> <p>Ex. 31 was taken up with Ex. 23.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Campbell and Vice Chairman Angelle concurring, and Chairman Holloway absent, the Commission voted to adopt the settlement agreement.</p>
<p>Ex. 32</p>	<p><u>Directive to Staff regarding consultant for EMP issues at the request of Commissioner Angelle.</u></p> <p>At the request of Commissioner Angelle.</p> <p>As you are aware, the Commission has opened a docket to study and possibly implement rules regarding both the physical and cyber security of utility assets and computer systems. One issue that Staff is reviewing as part of its study is the potential impact of an electro-magnetic pulse or EMP. Additionally, the Commission is in the process of segregating the docket into a physical security and cyber security docket, with the EMP-related issues to be considered in the physical security docket.</p> <p>Given the technical nature of the EMP issue, it is important that the Commission engage an expert in the field to provide assistance in the docket. Therefore, I direct Staff to issue a request for proposals to experts in the field to assist the Commission Staff and consultants with the ultimate recommendation in the docket.</p>

On motion of Commissioner Campbell, seconded by Commissioner Boissiere, with Vice Chairman Angelle and Commissioner Skrmetta concurring, and Chairman Holloway absent, the Commission voted to adjourn.

MEETING ADJOURNED

The next Business and Executive Session will be held on Wednesday, May 18, 2016 at 9:00 a.m. in Baton Rouge, Louisiana.