

Louisiana Public Service Commission



POST OFFICE BOX 91154
BATON ROUGE, LOUISIANA 70821-9154
www.lpsc.louisiana.gov

COMMISSIONERS

Eric F. Skrmetta, Chairman
District I
Mike Francis, Vice Chairman
District IV
Foster L. Campbell
District V
Lambert C. Boissiere III
District III
Craig Greene
District II

Telephone: 225-342-9888

BRANDON M. FREY
Executive Secretary
Executive Counsel

JOHNNY E. NELLGROVE, JR.
Deputy Secretary

December 14, 2018

VIA HAND DELIVERY

Ms. Terri Bordelon
Louisiana Public Service Commission
Records and Recordings Division
602 N. 5th Street

**Re: DOCKET NO. S-34426 – Louisiana Public Service Commission, ex parte. In re:
Status of Electric Rates in Louisiana: Where Are We and Where Are We Going?**

Dear Ms. Bordelon:

Enclosed for filing, please find the *Report on October 13, 2017 Technical Conference and Notice of Comment Period* for the above docket.

Thank you for your assistance in this matter. Should you have any questions please do not hesitate to contact me at (225) 342-5703.

Sincerely,

Lauren M. Temento
Staff Attorney

Encl.
cc: Service List

2018 DEC 14 AM 9:56
LOUISIANA PUBLIC SERVICE COMMISSION

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

2018 DEC 14 AM 9:56
LA PUBLIC SERVICE
COMMISSION

DOCKET NO. S-34426

**LOUISIANA PUBLIC SERVICE COMMISSION,
EX PARTE**

In re: Status of Electric Rates in Louisiana: Where Are We and Where Are We Going?

**REPORT ON OCTOBER 13, 2017 TECHNICAL CONFERENCE
AND NOTICE OF COMMENT PERIOD**

The Louisiana Public Service Commission (“LPSC” or “Commission”) Staff (“Staff”) conducted a technical conference in this docket on October 13, 2017. The purpose of the technical conference was to invite input from stakeholders on the status of electric rates in Louisiana – “where are we and where are we going,” including any recommended policy or other options the Commission should consider for the future. Further, this technical conference was scheduled to discuss any issues raised regarding the presentations from the first technical conference held on May 11, 2017, including opposing views, corrections, additions, or clarifications to these presentations. The agenda for the October 13, 2017 technical conference is attached to this Report as Exhibit A. Commission Staff opened the technical conference with brief introductions and requested that attendees sign in on the Attendance Sheet, which is included herein as Exhibit B.

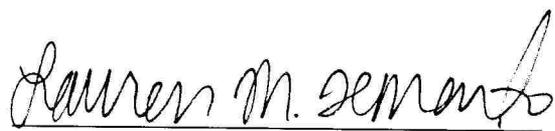
Opening remarks were made by Staff, and presentations were made by the Louisiana Energy Users Group (“LEUG”) and the Alliance for Affordable Energy. The technical conference was not transcribed or recorded.

Staff is seeking comments on the “Initial Report of Technical Conferences,” included as Exhibit C, for 30 days from the filing of this notice. Upon issuance of this report, Staff is specifically requesting feedback from stakeholders regarding whether all matters previously

discussed at the technical conferences have been adequately and accurately addressed. In addition, Staff requests comments on procedures and/or timelines that would be required to address stakeholder's respective recommendations. Staff continues to welcome the introduction of any new discussion or proposals related to the original scope of this docket, as set forth in the *Notice of Proceeding and Technical Conferences* issued on April 6, 2017. Once the comment period is closed, Staff will incorporate any appropriate feedback and issue a "Final Report of Technical Conferences," which will be presented to the Commission at the next appropriate Business and Executive Session.

Parties that are not currently on the service list for Docket No. S-34426 may be added to the service list by filing an intervention. For questions regarding this process, please contact undersigned counsel.

Baton Rouge, Louisiana this 14th day of December, 2018.



Lauren M. Temento (Bar Roll No. 35576)
Staff Attorney
Louisiana Public Service Commission
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154
Ph. (225) 342-9888
Fax (225) 342-3272
Lauren.temento@la.gov

cc: Service list (via email)

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET S-34426

**LOUISIANA PUBLIC SERVICE COMMISSION
EX PARTE**

In re: Status of Electric Rates in Louisiana: Where Are We and Where Are We Going?

AGENDA OF OCTOBER 13, 2017 TECHNICAL CONFERENCE

- I. Introductions
- II. Participants' responses to May 11, 2017 Technical Conference
- III. Invitation for public participation
- IV. Discussion of next steps/adjournment

EXHIBIT

A

LOUISIANA PUBLIC SERVICE COMMISSION

SIGN-IN SHEET FOR COUNSEL AND PARTY REPRESENTATIVES

DOCKET #: S-34426 NAME: Louisiana Public Service Commission, ex parte

DATE: 10/13/17

PLEASE PRINT CLEARLY

NAME	PARTY ON WHOSE BEHALF YOU ARE APPEARING	ADDRESS	PHONE # (INCLUDING AREA CODE)	EMAIL ADDRESS/FAX # (INCLUDING AREA CODE)
LANE SJUNG	LPSC	201 STAMMOS AVE STC 4201	(504) 544-7700	lsjung@sisung.com
Royal Alexander	LPSC	80 Box 1837 Spout LA 71166	(318) 344 7030	RoyalAlexander@aol.com
Charles Griffey	LEUG	2918 Tobville Seabrook, LA 77586	713 301 7409	cgriffey@aol.com
WALTER FERGUSON	MISO	3850 N. CAUSEWAY SUITE 440 METairie, LA	504 846 7114	WFERGUSON@MISOENERGY.ORG
Karen Hayman	EP2 Consultin	P.O. 1064 Alexandria, LA	318 290-7604	Karen@ep2consulting.com
Carrie Townillon	LUS / LEUC	9099 Baydus St. Ste. 3000 NO LA 70112	504- 585-3054	Carrie.Townillon@keconmiller.com 504-585-3051
PAUL GUY MISCO	Cleco	# city place, suite 1100 Baton Rouge, LA	225 376-0241	paul.guymisco@phelps.com

EXHIBIT

B

LOUISIANA PUBLIC SERVICE COMMISSION

SIGN-IN SHEET FOR COUNSEL AND PARTY REPRESENTATIVES

DOCKET #: S-34426 NAME: Louisiana Public Service Commission, ex parte
 DATE: 10/13/17

PLEASE PRINT CLEARLY

NAME	PARTY ON WHOSE BEHALF YOU ARE APPEARING	ADDRESS	PHONE # (INCLUDING AREA CODE)	EMAIL ADDRESS/FAX # (INCLUDING AREA CODE)
<i>Randy Young</i>	<i>LEUG</i>	<i>ITG Plaza BR LA</i>	<i>382-3451</i>	
<i>James Dauphinais</i>	<i>LEUG</i>	<i>BAI 16690 Swingley Reservoir Chesterfield, MO 63017</i>	<i>(636) 898-6725</i>	
<i>Commissioner Mike Francis</i>	<i>LPSC</i>	<i>Crowley</i>	<i>337-514-2000</i>	
<i>JOAN Finley</i>	<i>LPSC</i>	<i>Crowley</i>	<i>337-514-2000</i>	
<i>Luke Piontek</i>	<i>Oxy Chem</i>	<i>8440 Jefferson Hwy Ste 301 B.R., LA 70809</i>	<i>225-929-7333</i>	<i>lpionte@oxychem.com</i>
<i>Ashanie Zomon</i>	<i>PCE</i>		<i>225-638-3751</i>	<i>ashanie@pccmc.org</i>
<i>Alyson Lambert</i>	<i>PCE</i>		<i>"</i>	<i>mlambert@pccmc.org</i>

LOUISIANA PUBLIC SERVICE COMMISSION

SIGN-IN SHEET FOR COUNSEL AND PARTY REPRESENTATIVES

DOCKET #: S-34426 NAME: Louisiana Public Service Commission, ex parte
 DATE: 10/13/17

PLEASE PRINT CLEARLY

NAME	PARTY ON WHOSE BEHALF YOU ARE APPEARING	ADDRESS	PHONE # (INCLUDING AREA CODE)	EMAIL ADDRESS/FAX # (INCLUDING AREA CODE)
Kyle Marionneau	ALEC	1010 Sigan Ln. Building 3, Suite A BR, LA 70810	225-769-7473	kyle@mklawla.com 225-757-1709
Kara Kantrow	ALEC	"	"	kara@mklawla.com 225-757-1709
Polly Kaury	SEMCO	NE Evangeline Laf, LA	337-257-6603	Polly.Kaury@semco.com
Wayne Phillips	"	"	"	"
Howard Hughes	"	"	"	"
Fevii Brown	Baci	P.O. Drawer 970 De Ridder, LA 70531		
Gordon Polozel	La Generating	112 Telly Street New Roads, LA 70760	225-618-4084	gordon.polozel@nrg.com

LOUISIANA PUBLIC SERVICE COMMISSION

SIGN-IN SHEET FOR COUNSEL AND PARTY REPRESENTATIVES

DOCKET #: S-34426 NAME: Louisiana Public Service Commission, ex parte

DATE: 10/13/17

PLEASE PRINT CLEARLY

NAME	PARTY ON WHOSE BEHALF YOU ARE APPEARING	ADDRESS	PHONE # (INCLUDING AREA CODE)	EMAIL ADDRESS/FAX # (INCLUDING AREA CODE)
Cheryl Bredenbeck	Xcel Energy	414 Nicolet Mall Minneapolis MN 55401	(612) 330-5917	Cheryl.A.Bredenbeck@xcelenergy.com
Jennifer Vosburg	NRG / Laben	112 Telly St. New Roads, LA 70760	225-618-4489	jennifer.vosburg@nrg.com
Jamie watts	MUSO (Long Law Firm)	1800 City Farm Bldg Baton Rouge, LA 70800	225 922 5110	JHW@longlaw.com
Kent Farnville	MUSO	1700 Chestnut St Lafayette, LA	504 519 4525	kfarnville@musoenergy.org
Robert Cleyhin	Clerco	2030 Donahue Ferry Rd Pineville, LA 71360	318.484.7637	Robert.Cleyhin@clerco.com
Sohn Bruhl	WSTE	950 Pearl St Franklinton, LA 70438	985-807 6975	jbruhl@wste.coop
Brad Mithradat	SSG LA	543 Spanish Town Brazoria LA 70802	225.381.0166	

LOUISIANA PUBLIC SERVICE COMMISSION

SIGN-IN SHEET FOR COUNSEL AND PARTY REPRESENTATIVES

DOCKET #: S-34426 NAME: Louisiana Public Service Commission, ex parte

DATE: 10/13/17

PLEASE PRINT CLEARLY

NAME	PARTY ON WHOSE BEHALF YOU ARE APPEARING	ADDRESS	PHONE # (INCLUDING AREA CODE)	EMAIL ADDRESS/FAX # (INCLUDING AREA CODE)
Larry Heard	ELL	639 Loyola No LA	504 576 4001	
Mark Kleehammer	ELL	4809 Jefferson Orl LA	504 840 6500	
Gonetha Bourg	ELL			
Laurie Beauchamp	ELL			
Alan Pusner	ELL			
JEAL JANWAY	OLIN	PLAQUEMINE, LA	225-353- 8564	
John VRAUTC	DEMCO	Baton Rouge	225 978-4597	

LOUISIANA PUBLIC SERVICE COMMISSION

SIGN-IN SHEET FOR COUNSEL AND PARTY REPRESENTATIVES

DOCKET #: S-34426 NAME: Louisiana Public Service Commission, ex parte
 DATE: 10/13/17

PLEASE PRINT CLEARLY

NAME	PARTY ON WHOSE BEHALF YOU ARE APPEARING	ADDRESS	PHONE # (INCLUDING AREA CODE)	EMAIL ADDRESS/FAX # (INCLUDING AREA CODE)
Joe Tichel	SLECA	P.O. Box 4037 Houma, LA 70361	985- 804-0425	jtichel@sleca.com
STEVEN GIROIR	SLECA	P.O. Box 4037 Houma, LA 70361	985-876-6 980	Sgirouir@sleca.com
Jessica Hendricks	Alliance for Affordable Energy			jessica@all4energy.org
Logan Burke	" "			Logan@all4energy.org
Bobby J. Gilliam	SWEPCO	P.O. Box 1707 Shreveport, LA 71201	318-221-7196	Bjilliam@wco-lawfirm.com
Lynn-Jay Nelson	Regulatory - Supervision	SAR		lynjay-nelson@AEP- E-Correlators.com AEP.com
Emile Cordaro	SWEPCO	SAR		E.Cordaro@AEP.com

LOUISIANA PUBLIC SERVICE COMMISSION

SIGN-IN SHEET FOR COUNSEL AND PARTY REPRESENTATIVES

DOCKET #: S-34426 NAME: Louisiana Public Service Commission, ex parte

DATE: 10/13/17

PLEASE PRINT CLEARLY

NAME	PARTY ON WHOSE BEHALF YOU ARE APPEARING	ADDRESS	PHONE # (INCLUDING AREA CODE)	EMAIL ADDRESS/FAX # (INCLUDING AREA CODE)
Lauren Temento	LPSC	12th Fl. Galvez 2	342- 5703	lauren.temento@la.gov
Daniel Alcanzore	LPSC	12th Fl Galvez 2	342-4403	Daniel.Alcanzore@la.gov

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. S-34426

**LOUISIANA PUBLIC SERVICE COMMISSION,
EX PARTE**

In re: Status of Electric Rates in Louisiana: Where Are We and Where Are We Going?

INITIAL REPORT OF TECHNICAL CONFERENCES

Overview

Pursuant to the request of then-Chairman Scott Angelle, the Louisiana Public Service Commission (“LPSC” or “Commission”) Staff presented a report titled “Status of Electric Rates in Louisiana: where are we and where are we going” at the Commission’s Business and Executive Session (“B&E”) held on February 17, 2017. Subsequently, then-Chairman Angelle requested a follow up on the matter at the March 15, 2017 B&E. On April 6, 2017, then-Chairman Angelle requested that a consultant be procured to assist Staff in engaging in a series of technical conferences to (1) invite input from stakeholders on the status of electricity rates in Louisiana—where we are and where we are going, including any recommended policy or other options the Commission should consider for the future; (2) allow stakeholders to respond to each other’s respective views and recommendations; and (3) to obtain input from stakeholders on procedures and timelines needed to address their recommendations. Further, then-Chairman Angelle requested that Staff provide a report for consideration at the Commission’s September B&E meeting, including identification of the analysis that would be needed to consider the

EXHIBIT

C

recommendations by stakeholders.¹ The Commission Staff received a bid from United Professionals Company, LLC (“UPC”) for under \$50,000 to assist it with this matter.

The Commission Staff and UPC (collectively referred to as “Staff”) issued a *Notice of Proceeding and Technical Conferences* on April 6, 2017, with then-Chairman Angelle’s letter attached thereto. As of the date of this initial report, two technical conferences were held on May 11, 2017, and October 13, 2017.² The first technical conference was held to receive input from stakeholders on the status of electricity rates in Louisiana—where are we and where are we going—and to receive any recommended policy or other options the Commission should consider for the future. The purpose of the second technical conference was receiving feedback from stakeholders on the presentations made at the first technical conference. In this report, Staff has identified and compiled the analyses that would be needed for the Commission to consider the recommendations by stakeholders

REPORT OF FIRST TECHNICAL CONFERENCE

The first technical conference was held in the Natchez Room at the Galvez Building in Baton Rouge Louisiana on May 11, 2017. After introductions by Staff (Lauren Temento, Lane Sisung of UPC, and Royal Alexander of UPC), then-Chairman Angelle made opening remarks. Staff then explained that the purpose of this technical conference was to open an initial dialogue and receive information and that there would be a second technical conference to allow stakeholders to respond to any comments and proposals introduced. The remainder of the technical conference was comprised of presentations from the following:

¹ Due to various delays, the timeline has been modified.

² At this time, Staff believes the third technical conference is not necessary, as all remaining issues can be resolved in the comment period.

- 1) Entergy Louisiana (“Entergy” or “ELL”);
- 2) Cleco Power (“Cleco”);
- 3) South Western Electric Power Company Louisiana (“SWEPCO”);
- 4) Association of Electric Cooperatives (“ALEC”);
- 5) Dixie Electric Membership Corporation (“DEMCO”);
- 6) Louisiana Energy Users Group (“LEUG”);
- 7) Alliance for Affordable Energy (“Alliance”);

Opening Comments

Then-Chairman Angelle opened the discussion by stating his concern for the current status of electric rates in Louisiana and what the future of rates is likely to be. He pointed out that, because it appears Investor Owned Utilities (“IOUs”) will have to invest multiple billions of dollars in infrastructure in the coming years, he hoped this docket would provide an overview of that future and justification for that spending in Louisiana. He also stated great concern for the rising cost of utility rates among Louisiana’s electrical cooperatives (“co-ops”) and posed the question, “how do we approach and solve that problem for rural Louisiana?”

Entergy Louisiana Presentation

Jonathan Bourg and Mark Kleehammer on behalf of Entergy Louisiana, LLC presented a power point presentation, which emphasized ELL’s position that Louisiana “is in a good place.” Based upon data from the U.S. Energy Information Administration (“EIA”), Louisiana has the lowest total rates in the country at \$7.41 cents/kWh compared to national average of \$10.28 cents/kWh for 2016. Entergy pointed out that natural gas prices have remained low in recent years

and that ELL has made productive investments over the last 15 years, contributing to low rates. ELL illustrated that retail rates in Louisiana only increased 6% over the last fifteen years as opposed to 41% in the United States as a whole. Further illustrations were provided, comparing the 6% increase in natural gas prices to the increased prices of staple items such as bread, gas, and other food items whose growth ranges from 37% to 107%.

ELL further pointed out that Louisiana has the fourth lowest average industrial rates in the country at \$5.03 cents/kWh, which is below the comparable Texas industrial rates of \$5.22 cents/kWh and also below the US average of \$6.75 cents/kWh (according to the EIA data). Further, studies have shown that since deregulation began in Texas, Electric Reliability Council of Texas (“ERCOT”) rates have risen while non-ERCOT rates have not. The EAI data also illustrated that Louisiana has the lowest residential rates in the United States at \$9.11 cents/kWh compared to the national average of \$12.55 cents/kWh. ELL pointed out that the \$9.11 cents/kWh included retail rates for all of Louisiana, not just ELL, and that ELL’s rates were even lower than the state average.

ELL concluded their discussion of “where we are” by highlighting that ELL’s rates have declined between 17% and 20% since 2008, while the U.S. average has increased by 11%. Then-Chairman Angelle asked why ELL believed this was the case: What good policy decisions had Entergy made that allowed it to achieve such competitive rates? ELL responded by stating that much of ELL’s success was because Louisiana has a “great structure” for infrastructure, including the low cost of natural gas in a gas-dependent state. ELL also cited the LPSC’s willingness to work with ELL to discontinue the Little Gypsy project prior to construction, even though ELL was granted in excess of \$200 million in cost recovery for the project. The prudence of this decision has been validated, especially when viewed in the light of other jurisdictions who are currently seeing material rate increases due to their continuation of non-gas generation projects.

ELL further noted that participating in the Midcontinent Independent System Operator (“MISO”) market has allowed ELL to gain certain efficiencies and that its need to rely on Qualified Facilities (“QFs”) has substantially decreased. ELL stated that MISO provides a market monitor, providing ratepayers with an independent party with the ability “to call balls and strikes.” ELL further noted that while Entergy benefitted from a system agreement even before it joined MISO, Entergy estimates an additional \$266 million of savings had been achieved as a result of its MISO membership.

ELL also noted that it always looks for smart ways to diversify, including exploring options such as new nuclear and converting a gas plant to a coal plant. ELL then reiterated that abundant natural gas was the primary driver. ELL also pointed out that ELL’s generation acquisitions, including Perryville, Ouachita, and Union allowed ELL to strengthen its generation portfolio, contributing to its low bills. ELL pointed out that ELL’s energy breakdown is 69% natural gas, 28% nuclear, and 3% coal. ELL concluded the discussion of historically low bills by pointing out that while average retail bills are likely to rise here in Louisiana and across the country, ELL’s rates will be rising from a lower starting point because of Entergy’s lower rates. The point was also made that average bills would be decreasing by approximately \$5.00 as the Katrina/Rita portion of the bill would roll off in 2018.

ELL then shifted its presentation to “where are we going?” ELL discussed the need for the entire electrical industry to invest in capital expenditures, with a large emphasis on transmission. ELL stated that costs will rise in the U.S. and in Louisiana as a result of investing in capital expenditures; however, there is a need to invest in order to maintain reliability and to meet increasing environmental regulations. ELL then stated that in anticipation of these growing investment needs, it is always actively seeking mitigating measures as is evidenced recently by:

1. Entergy Joining MISO.
2. Making productive investments (i.e. investments that will generate fuel savings that over time will significantly reduce if not pay for the investment).
3. Growing sales – its low rates attract industrial and the associated residential load.
4. Staying innovative: Looking at how to protect low natural gas prices going forward and being open to innovative financings to benefit ratepayers (ex: the storm securitizations, etc.).

Entergy concluded its presentation by discussing the need for a change in its rate recovery mechanism, using Arkansas and Mississippi (which both have forward looking FRPs) and Texas (which has included a transmission rider to costs/bills) as examples.

Then-Chairman Angelle questioned whether ELL's low bills/rates were just good fortune due to the low cost of natural gas. Entergy responded that low natural gas prices were a factor, along with the other factors previously mentioned.

Cleco Power Presentation

Robert Cleghorn and Francisca Comeaux presented an analysis of Cleco's average rates over time (1995-2015) as compared to other Louisiana utilities, Ark/MS/TX, and the US average. This analysis showed that Cleco went from having the lowest rates in the state to the highest rates in the state. The analysis attributed the shift to, among other things, prudent investments like Madison III. Cleco also pointed out that the national rates are higher than Cleco's rates.

Cleco believes that as a result of all of its past capacity additions, Cleco can absorb more load growth now and in the future without the need for adding more capacity. Cleco anticipates an expanding customer base and has historically experienced customer growth rates as high as

1.5% and as low as 0.2%, showing that the rate of load growth has fluctuated over time. Currently, the rate of growth is less than in years past. Staff questioned whether that was customer count growth or load growth. Cleco stated that it referred to customer count and the Company would later inform Staff about load growth.³

Cleco stated that while the impact of solar and energy efficiency are difficult to quantify, their impact on load growth will be more quantifiable in the years ahead. Cleco further stated that because it has already made capacity investments, it does not anticipate having to invest in major capacity projects anytime in the near future, perhaps not needing any more capacity investment until the late 2020s. Cleco stated that if gas prices were still at \$6-\$10, Cleco's rates would be lower than some of the other utilities.

Then-Chairman Angelle observed that Cleco was long on power and ELL was short, and queried if there was a way for the two utilities to work together.

Cleco stated that if the opportunity arises, Cleco remains ready to sell power to anyone. ELL pointed out that MISO's role is key to power exchanges between utilities. ELL pointed out the Lafayette Utilities System-Cleco-Entergy joint effort regarding the Acadiana load pocket is an example of efficiencies achieved among utilities and that with MISO, this sort of efficiency happens every day.

Then-Chairman Angelle reiterated that Cleco must have no need to build because they have the extra 300 megawatts. Cleco said the only immediate capacity planning was a couple of renewable projects slightly below 50 MW each, and Cleco was not planning on a major build until

³ Cleco provided an email response to Staff on April 19, 2017, which stated "We don't have weather normalized peaks, so we've used 5 year rolling averages. In that framework, we've seen load growth in the 4.5% range back in 1990s. As low as 0.7% in 2000's. Last several years around 1.5%-2.0%."

the late 2020s. Cleco has already met the environmental costs in its power plants and is up to code on everything. Then-Chairman Angelle further questioned the impact of energy efficiency, and Cleco said there has been some reduction in power use due to energy efficiency; however, Cleco did not know the exact amount.

SWEPCO Louisiana Presentation:

Bobby Gillam and Emile Cordaro presented and noted that SWEPCO has ongoing rate proceedings and that nationally there is a trend of increased rates. SWEPCO further noted that SWEPCO is in Southwest Power Pool (“SPP”) and that SPP now has the Day-Ahead market, allowing for a reduction in energy costs.

SWEPCO pointed out that it has completed the installation of environmental retrofits at all plants, with these costs totaling approximately \$700 million. The Turk Plant, completed in 2012, is a clean coal plant, and no new environmental retrofits were required.

SWEPCO pointed to its just-completed Integrated Resource Plan (“IRP”) in which SWEPCO is projected to acquire more wind generation—up to about 1200 MW—including the potential of SWEPCO building its own wind facility. It was noted that SWEPCO currently has 400 MW of wind generation in its portfolio. SWEPCO also stated it anticipates needing a combined cycle unit by 2026.

SWEPCO also noted increasing expenditures due to a few day-to-day projects such as the upgrades in the Valley Electric District, which included \$18 million in tree trimming and vegetation management.

SWEPCO stated that although it is not projected to build large-scale plants in the near future, the company still needs increased transmission capacity. SWEPCO does not see future

environmental retrofits in the near future, as all plants meet Environmental Protection Agency (“EPA”) standards.

SWEPCO pointed to the benefit of the Service Quality Improvement Plan (“SQUIP”), noting that, for example, Valley Electric needed improvements when they took it over, and there are costs associated with those improvements that are addressed through the SQUIP.

SWEPCO summarized its position by noting that there is an upward pressure of costs over time, but SWEPCO is well-situated because of its abundance of natural gas and investment in wind generation. SWEPCO pointed out that some gas contracts for the Madison Plant will expire in 2019 with the possibility of more favorable contracts based on gas prices. Finally, SWEPCO noted that due to the new Trump Administration, federal corporate tax rates could well be reduced and that would benefit ratepayers.⁴

Association of Louisiana Electric Cooperatives Presentation

Kyle Marionneaux presented for the ALEC and began by pointing out that Louisiana electric cooperative providers (“co-ops”) are member-owned and not-for-profit and that the co-ops have over a million member/customers in 50 out of the 64 parishes. ALEC noted that the co-ops have provided electricity at or below the state’s average price of electricity. ALEC also noted that Louisiana co-ops have significantly lower rates compared to neighboring states. ALEC stated that co-ops struggle with building and maintaining infrastructure, as they have fewer than 10 member/customers per mile of line, which is well less than the IOUs.

⁴ After the technical conference Congress passed and the President signed the Tax Cuts and Jobs Act which lowered tax rates to 21%. The Commission issued General Order dated November 30, 2018 (Docket No. R-34754), addressing the appropriate manner to flow through to ratepayers the benefits of this reduction.

ALEC stated that all co-ops, except DEMCO, currently get their power from Louisiana Generating, LLC/NRG energy Co. (“LAGEN”), while DEMCO gets its power from Cleco Power. ALEC further noted that the majority of current co-op generating contracts with LAGEN expire in 2025.

ALEC opined that the issues co-ops face today are not enough to prevent them from keeping cost of service low. ALEC pointed to economic development and possible growth in rural areas as positives and to the fact that co-ops are looking to assist in the growth of other businesses. However, ALEC also pointed out the possibility of new costs because transmission issues remain at play and that environmental regulations/issues have to be addressed, also causing increased costs.

Regarding the rates and rate structure of co-ops, ALEC stated that monthly service charges should better reflect the actual cost of service and that the co-ops will keep seeking these cost increases at the LPSC. Monthly service charges need to be revisited and become a better reflection of actual costs of service, allowing the energy cost to be a direct flow through. SLECA, for example, charges a monthly service fee of approximately \$5 per month, while the true cost of service typically exceeds a \$30/month range. Allowing for a monthly charge reflecting the actual cost of service will assist in allowing for fair payment for maintenance, upkeep, and improvements to electric utility facilities and limit unfair subsidization.

Then-Chairman Angelle posed this question: while co-ops have seen a 10% increase in growth in kilowatt sales per year, is it true that they have had about a 40% increase in sales revenue? He further opined that costs keep going up in rural areas because they do not have enough members to socialize the cost and that growth numbers for kilowatt hours are simply not growing

fast enough in our rural areas. Then-Chairman Angelle asked if co-ops could join to increase economic development.

ALEC responded that electric cooperatives have been marketing for additional load in their communities and seeking ways to attract economic development, while also meeting with the Department of Economic Development to provide for an increased awareness of electric cooperative options for new developments. Electric co-ops have also been exploring opportunities to work together with each other and their power suppliers to provide competitive and reliable options for electric service.

Dixie Electric Membership Corporation Presentation

John Vranic presented for DEMCO and stated that DEMCO had recently completed a contract for its power needs with Cleco Power. DEMCO surmised that due, in part, to the fact that the capacity charge was the lowest they had analyzed, and the fact that no environmental charges (except if a carbon tax is passed) would be passed through to DEMCO, that the Cleco contract presented the lowest evaluated present value over the life of the contract for DEMCO's ratepayers. DEMCO acknowledged that there are other negative rate drivers, such as those associated with MISO service and pointed out that although there are clearly benefits to being in MISO, there are also greater transmission costs being borne by co-op customers because of MISO.

DEMCO pointed out that the average monthly cost of transmission service has increased from approximately \$2,150/mW-month before MISO to now over \$3,600/mW-month on average in 2016, an increase of 60%. DEMCO pointed out that the increased transmission costs have increased for all co-ops and that, because the co-ops do not own transmission and generation assets, MISO costs are passed through to the co-ops who are forced to live with it. Since the capacity and

energy rates are fixed in the co-ops power supply contracts, any savings are not seen or passed on to the co-ops. Thus co-ops are burdened with the full transmission costs. DEMCO summarized by saying that the co-ops are the big losers with MISO in Louisiana, and the benefits have gone to the IOUs and their customers.

Then-Chairman Angelle asked “were you getting something in the past—i.e benefit of transmission—and not paying for it?” ELL stated that the increased costs are not attributable to Entergy’s participation in MISO, but to increases in transmission investment. Entergy continued that the transmission investment is being made either for reliability, which benefits the co-ops, or to generate fuel charge savings by reducing congestions. Whether the co-ops receive those energy savings was not a MISO issue, but rather a product of the contract between the co-ops and their provider.

DEMCO also noted that it is currently unaware of the exact impact the August 2016 flood will have on its costs, loss of sales, and loss of customers. DEMCO stated that it was experiencing a 1.6% growth in customers, but only 0.6 in new energy sales and that energy efficiency could be a contributing factor. DEMCO concluded by stating that its Formula Rate Plan helped with recovery of costs by allowing the company to timely recover costs within a certain bandwidth.

Louisiana Energy Users Group Presentation

LEUG presentation was given by Randy Young, Jim Dauphinais, and Maurice Brubaker. LEUG stated that it acknowledges that there will be a need for new infrastructure in the coming years that will apply upward pressure on customer bills. LEUG expressed concern over the need for reliability in forecasting by pointing to changing load forecasts between 2013 and 2017, which suggests that while there may have been a thought that load growth would help stabilize rates in

the face of new investment, that is no longer the case because the most recent projections are that costs will increase much faster than sales.

LEUG stated that ELL has an aging fleet, and that LEUG has an enhanced concern because the proposed retirement of some of those aged assets has recently been significantly accelerated. LEUG is concerned that ELL has a natural incentive to build new infrastructure, the costs of which can be recouped through rates.

LEUG proffered that base rates could increase 40% or more due to building new infrastructure, but also acknowledged that the investments causing these increases should produce reductions in net variable energy costs that will partially offset these increases. The purpose of LEUG's presentation was to offer proposals to help slow and/or avoid these approaching increased costs to allow competitive energy costs to be maintained.

LEUG then presented several tools that may be able to assist with deferring capital cost and thereby stabilizing rates.

LEUG's first proposal was an "Industrial Customer Market Option." This proposal's design is that (1) the customer would self-supply or purchase all of its capacity, energy, operating reserve, and transmission requirements through a combination of bilateral contracts, the MISO market, and Combined Heat and Power ("CHP") generation via a LPSC-certified retail supplier; (2) the customer would have the option to be certified by the LPSC as its own retail supplier; and (3) ELL would still be responsible for providing the ultimate delivery of the power to the participating customers under a LPSC-jurisdictional delivery service tariff (customer charges, metering charges, and distribution service). LEUG pointed out that the availability of MISO greatly simplifies the implementation of this option versus the past.

LEUG stated that there would be benefits delivered by the proposed Industrial Customer Market Option to both participating and non-participating customers. To participating customers, the proposal provides access to off-site CHP generation, the bilateral wholesale power market, and the MISO capacity, energy, and operating reserve markets. For non-participating customers, the proposal could reduce the need for ELL to replace capacity and thus lower base rates. However, LEUG acknowledged that several issues would need to be addressed in order for this type of proposal to be implemented, including: (i) Certification of Retail Suppliers, (ii) Reporting Requirements of Retail Suppliers, (iii) Metering, (iv) Temporary Default Service, (v) return to regulated service, (vi) stranded costs, and (vii) Securitization costs, which would include changes to Commission Rules.

LEUG's second proposal was to add a new "Industrial Customer Interruptible Service Rider Option." This proposal's design is that (1) with a minimum notice, a customer must curtail down to firm service level during system emergencies; (2) there would be daily and annual limits on curtailments; and (3) the customer would receive a monthly demand charge credit. This proposal is not intended to replace the existing interruptible rate schedules which are currently closed to new customers.

LEUG stated that the benefits to participating customers is that it provides the customer with the ability to reduce its cost for power by committing to curtail its load during emergencies and during high cost periods. The benefit to non-participating customers is that ELL would no longer be responsible for providing capacity for the interruptible portion of the participating customer's load, thus lowering the need for ELL capital investment. LEUG proffered that the topics that would need to be addressed to implement this Interruptible Service Rider Option are:

(i) notice and duration of curtailments, (ii) limits on curtailment, (iii) Terms of Service, and (iv) magnitude of monthly demand charge credit.

LEUG pointed out that the percentage of ELL's peak system demand that is currently interruptible (3%) is very low compared to other utilities such as Northern Indiana Public Service Company (NIPSCO) at 16%. ELL pointed out that the NIPSCO service territory included a different type of industrial customer than south Louisiana. There was then a discussion over which type of industrial activity may impact the usefulness of interruptible tools.

LEUG's third proposal was the "Industrial Customer Real-Time Pricing Option Rider." This proposal would create a rider that would allow industrial customers to time their load usage to incur lower hourly energy costs. The proposed benefit to participating customers is that it would provide customers the ability to reduce cost for power by shifting the timing of energy consumption. The potential benefit to non-participating customers would be if ELL's peak demand were able to come down, it could reduce need for new capacity, thus providing the potential for a reduction in base rates.

LEUG's final proposal was a new "Standby Service Rate Option." Under this proposal, the utility purchases capacity necessary for service from MISO Planning Resource Auction based on expected standby service demand at the time of the annual MISO system peak. When drawing standby power, the customer pays for capacity at a daily demand charge equal to the daily MISO Auction Clearing Price and for energy at the actual, real-time Locational Marginal Price ("LMP"). This proposal is not intended to replace existing standby service rate schedules.

LEUG proposed that the benefit of this option to participating customers is that it provides customers with the option to pay for standby capacity and energy based on MISO market prices for capacity and energy and that the benefit to non-participating customers is that ELL would no

longer be responsible for providing capacity and energy from its own generation to provide standby service to the participating customers. Topics needing to be addressed would include: (i) specifics of rate design, and (ii.) maintenance outage provisions.

LEUG concluded this portion of its presentation by addressing proposed implementation steps and timelines for its proposals. LEUG proposed that the “Industrial Customer Market Option” might take a 9-month proceeding and that the other three proposals could be potentially accomplished in 90 days.

In the final portion of its presentation, LEUG shared a proprietary comparison of regulated electric prices in the Southeastern U.S., based upon calendar year 2016. LEUG stated that a number of other utilities have lower rates, particularly as compared to legacy ELL. For comparison, LEUG used a large load (50MW) with a high load factor (90%) and averaged prices for January, April, July, and October 2016. LEUG noted that based on its comparisons, rates for Energy Arkansas, Energy Texas, and Energy Mississippi are all lower than both ELL and EGSL. LEUG then made a comparison of industrial power cost between Louisiana and Texas (ERCOT), concluding that industrial rates in Texas (ERCOT) were lower than Louisiana industrial rates. ELL and LEUG representatives then engaged in a discussion over their disagreement of the rate benchmarks used by LEUG and those of EIA.

Then-Chairman Angelle stressed that it was important for the Commission to understand which data it should be looking to because the Commission had to understand the starting point before it could understand where they were going.

LEUG opined that the higher electric rates in Louisiana that were presented can add \$5-10 million of additional costs for a medium-sized 50 MW load, depending upon a multiple factors. LEUG concluded its presentation by stating that taking the state-wide average revenue per kWh

from industrial customers is not a valid measure of difference in rates. It then offered data to support this conclusion.

In its presentation, LEUG also highlighted the fact that LEUG provides approximately 35,000 good, high-paying jobs to the residents of Louisiana and impacts the state economy each year to the tune of several billions of dollars.

Alliance for Affordable Energy:

Logan Atkinson-Burke presented for the Alliance and focused on the future of electricity rates in LA. The Alliance stated that the focus is often on “rates” and that from the Alliance’s perspective the focus should be on monthly “bills” paid by ratepayers. The Alliance stated it would be helpful to know what portion of monthly or yearly income is being spent on the customers’ monthly energy bill. The Alliance opined that, for example, a low-income customer would be paying a disproportionate amount of their monthly income on their energy bill and discussed how costs could be spread out and lightened. The Alliance was very encouraged with Entergy using the Advanced Metering Infrastructure (AMI)/smart meter because it will help people keep track of their usage. Cleco and numerous co-ops have smart meters, and Entergy has filed in the past year to seek approval for implementation.⁵ The Alliance was very supportive of this effort and appreciative of the Commission’s foresight.

⁵ Between the time of the technical conference and the issuance of this report the Commission has approved Entergy using the AMI.

REPORT OF SECOND TECHNICAL CONFERENCE

The second technical conference was held in the Natchez Room at the Galvez Building in Baton Rouge Louisiana on October 13, 2017. The purpose of the second technical conference was for stakeholders to be able to respond to the presentations and discussions from the first technical conference and/or supplement their first presentation. LEUG was the only stakeholder who requested to make an additional presentation.

LEUG provided a recap of its comments made during the May 2017 technical conference, focusing on LEUG's concern for the future of industrial rates, given Entergy's plans to replace 6,000 MW through deactivation, as well as the potentially accelerated nature of those deactivations. LEUG noted that the cost of new plants is approximately \$900 million, and fuel savings from the new plants to be built/come online will decline over time per unit. Regarding solutions, LEUG specifically re-addressed the Industrial Customer Market Access Option and an examination of the proposed Industrial Customer Interruptible Service Rider Option. LEUG further maintained that now is the time to examine all avenues for new power, before the requests of new plants are made by IOUs, specifically Entergy.

LEUG queried what would be the impact of new plant builds by regulated utility companies or "Industrial Market Access" on the three (3) customer classes: residential, industrial, and commercial. LEUG noted that in the last Technical Conference, when rate comparisons were discussed, LEUG advised not to depend solely on EIA rate design as its formula/computation does not fit into industrial customers.

LEUG's discussion focused primarily on "What will rates look like going forward, and how to maintain competitive rates for LA business and industry?" LEUG's concern is with the

potential increase in base rates, and although LEUG recognizes that there will be an offset from fuel savings, it does not know what the impact of those fuel savings will be.

Based upon this concern, LEUG proposed that the Commission should focus on the tedious, but very important work of identifying possible alternatives and solutions to the new MWs being proposed. LEUG stated that the Commission needs a separate proceeding to work through this, and it further stated now is the time to engage in this effort, prior to the utilities push to go forward with new construction.

Staff asked what protections there could be against Entergy planning its system without the industrial load opting for these new options and then the industrial load changing its mind and wanting to come back on standard tariffs, potentially providing a sudden shortage in capacity at a time when capacity could be potentially costly. LEUG stated that would be one of the issues that would need to be looked at in full proceedings.

LEUG then addressed rate comparisons given the average rates across the U.S. LEUG pointed out that EIA data does not really fit the Louisiana situation because this data addresses a very different size of industrial customer and that the focus should be on Louisiana customers. LEUG pointed out that it had measured thirty (30) utilities in the southeast and Entergy has been in the middle of the pack. LEUG further pointed out that it believes that Texas rates were lower than the rates of ELL.

LEUG then presented Brubaker Analytics, Inc. (“BAI”) proprietary information suggesting that in June 2017, ELL and EGSL were the 11th and 25th most expensive utilities respectively out of 35 utilities surveyed for an industrial customer with a 50,000 kW Load, 90% Load Factor, and a 90% Power Factor at Transmission Level. The same information for July indicated that ELL and EGSL were 5th and 11th most expensive, which LEUG deemed to be a “big jump,” largely

attributable to a \$10 increase in the Fuel Adjustment Clause (“FAC”). ELL responded that change may have been in response to a nuclear outage in Waterford.

LEUG then presented a slide intending to show a comparison of six actual loads to the costs of ELL and EGSL, all showing that ELL and EGSL result in significantly higher cost. Four of the loads were in ERCOT and two of the loads were in price-regulated, neighboring areas. Staff asked if LEUG could identify the price regulated neighboring areas, and LEUG stated it would get back to Staff on that issue.⁶

ELL additionally stated that the current low rates in Texas are attributed to intermittent wind generation, which was supported by production tax credits driving the market down. LEUG responded that ERCOT currently has lower rates, regardless of why. Staff questioned if ERCOT had identified any reliability concerns associated with large amounts of intermittent capacity. Some discussion ensued regarding reliability issues, and no one present saw reliability issues currently in TEXAS/ERCOT. ELL commented that the lack of any other states opting to implement and maintain de-regulation since ERCOT in 2002 has happened for a reason. ELL opined that there is a lack of an incentive for a capacity market going forward and that may be risky for Texas. LEUG stated that investors/builders of new plants take all of the risks, unlike investor owned/regulated electricity companies in Louisiana.

At this point, LEUG introduced gave a presentation on ERCOT. LEUG stated that ERCOT has seen strong load growth since deregulation, growing from 44 to 66 million MWh from 2002 to 2016, including annual industrial sales growth of 2.9% and annual residential and small commercial sales growth of 1.3% and 1.4%, respectively. LEUG indicated that customers in

⁶ As of the date of this report, Staff has not received follow-up information on this issue.

ERCOT could currently contract for fixed prices for up to three years, and for less than \$40 per MWh.

LEUG stated that with regard to pricing for large industrial customers, the EIA data is flawed because it is based on Standard Industrial Classification (SIC) Code, not size. In ERCOT, this leads to higher reported prices than can be obtained by >1 megawatt industrial customers. In ERCOT, large customers can typically contract for the forward price plus a pass through of transmission charges, where ERCOT charges a very small mark-up. There are a large number of variations in contracting, depending on how much forward price risk the customer chooses to hedge.

LEUG then presented data comparing Louisiana CHP Production to Texas. LA has 33.6 GWh, with 13.3 GWh sold to the grid, and Texas has 84.6 GWh, with 49.7 GWh sold to the grid. Staff asked how capacity is planned in ERCOT. LEUG responded that it is not planned and that the free market system determines if and when capacity is built.

LEUG also discussed a report titled “Competitive Wholesale Power Market for Industrial Customers in Louisiana.” The report concluded that allowing industrial customers the option to directly participate in a competitive market will allow them to more effectively compete for projects that will benefit the economic development of Louisiana. In addition, allowing alternative electric supply options for these industrial customers could benefit other customers of Entergy by avoiding the cost for Entergy to construct new regulated generating plants.

DEMCO noted that co-ops serve over 1 million people in Louisiana and that including co-ops is the way to inject more competition into load growth. DEMCO further noted that choice and competition is the best way to do that. LEUG agreed stating that competitive options should/must include co-ops.

Logan Atkinson-Burke, representing the Alliance, asked what impacts would exist for residential customer rates/costs. LEUG responded that potential impacts would have to be carefully examined, but using Texas as a point of reference, individuals and companies would be able to shop and find their prices. Last summer's prices were around \$0.05 per kWh

Staff questioned if LEUG could point to any other states where this type of limited industrial open access had been implemented. LEUG responded that Montana had implemented something remotely related to their proposals and that they could provide supplemental information in a formal proceeding.⁷

Staff's Discussion of Next Steps

Staff stated that it would submit into this docket an *Initial Report of Status Conferences* for comments, which would allow all stakeholders the opportunity to provide feedback and to correct or supplement the report. Entergy expressed a concern over the nature of this endeavor in that presentations on very technical and impactful matters were being made with no advance copy and that there was not really a forum for a truly open dialogue and debate. LEUG reiterated that in its opinion, this forum was meant as an introductory review for the Commission to consider before potentially taking this issue up in a docketed proceeding. Staff stated that it understood that its direction from then-Chairman Angelle was to receive proposals from any and all stakeholders on options to maintain Louisiana's currently low rates, and this forum was not intended to make any recommendations. Staff stated that its final report to the Commission would simply summarize all proposals and related dialogue for presentation to the Commission. At that time, the

⁷ As of the date of this report, Staff has not received follow-up information on this issue.

Commission may consider whether there should be further examination in a separate docketed proceeding.

SUMMARY AND OBSERVATIONS

The Commission established the scope of this proceeding as: (1) to invite input from stakeholders on the status of electricity rates in Louisiana—where we are and where we are going, including any recommended policy or other options the Commission should consider for the future; (2) to allow stakeholders to respond to each other’s respective views and recommendations; and (3) to obtain input from stakeholders on procedures and timelines needed to address their recommendations. Staff is to provide the Commissioners a report identifying the analysis that would be needed to consider any recommendations by stakeholders.

In adherence to this scope, Staff has held two technical conferences to receive input from stakeholders and to allow stakeholders to respond to each other’s respective views and recommendations. The discussions of these technical conferences have been summarized in this Report. From these technical conferences, Staff reports the following:

1. There is no disagreement on the utilization of EIA data for the purpose of comparing residential and commercial bills to other states and the national average.
2. There is significant disagreement on the appropriate data to use to compare Louisiana’s industrial bills to other states and the national average. Entergy presented EIA data showing Louisiana possesses one of the lowest average industrial rates in the nation. LEUG contends that utilization of that average misrepresents the actual experience of the most typical industrial customers in Louisiana. LEUG alternatively presented its consultant’s proprietary survey results and anonymous examples to illustrate that ELL’s industrial bills are high in relation to bills experienced by industrial customers in ERCOT and other regulated jurisdictions. Staff has concerns with using the proprietary data of an interested party in establishing a benchmark for comparison.
3. The IOUs acknowledged that significant capital investment will be needed over the long term, which will put upward pressure on rates. However, the IOUs also pointed out that a lot of this investment results in more efficient generation which can lower, if not eliminate, the impact of those base rate increases by providing lower fuel bills. SWEPCO and Cleco

indicated that their near-term capital needs were not seen as a significant factor in raising customer bills in the short-term. ELL acknowledged that it does have significant short-term capital needs that will be placing upward pressure on the base rates, but once again, that the capital investment should yield efficiencies and savings in the fuel charges, moderating the overall customer bill impact.

4. Then-Chairman Angelle expressed concern over the rising revenues of co-op providers with flat to low-rising load. He further questioned if this is an unsustainable trend that will inevitably lead to unaffordable rates in the rural areas of Louisiana.
 - a. The co-ops responded that economic development efforts may assist with this issue, but no specific solution was proposed.
 - b. The co-ops additionally stated that a restructuring of their rate design may help them better cover costs; however, this did not directly address then-Chairman Angelle's concerns.
 - c. DEMCO identified increasing transmission costs to co-ops and related those costs as a charge out of their control, attributable to Entergy and Cleco's participation in MISO. Entergy responded that the increases are attributable not to participation in MISO, but to increases in transmission investment. Entergy further stated that transmission investment is being made either for reliability, which benefits the co-ops, or to generate fuel charge savings by reducing congestions, and that the co-ops receipt of those energy savings was a product of the contract between the co-ops and their provider.
5. LEUG recommended policy options for the Commission to consider ways to help address potentially rising customer bills, along with recommended procedures and timelines to implement its recommendations. Those recommendations are:
 - a. Industrial Customer Market Option
 - i. This proposal would allow industrial customer to procure all of its capacity, energy, and operating reserve and transmission requirements through a combination of bilateral contracts, the MISO market, and CHP via a LPSC certified retail supplier.
 - ii. This proposal would also allow customers to be certified by the LPSC as its own retail supplier.
 - iii. ELL would still be responsible for providing the ultimate delivery of the power to the participating customers under a LPSC-jurisdictional delivery service tariff (customer charges, metering charges, and distribution service)
 - iv. The proposed benefit to industrial customer is access to cheaper electricity. The proposed benefit to others is a reduction in the capacity Entergy would otherwise have to procure, thus saving ratepayers money with reduced base rates.
 - v. Topics that would need to be addressed:
 1. LPSC Certification of Retail Suppliers
 2. LPSC Reporting Requirements for Retail Suppliers
 3. Metering
 4. Temporary Default Service

5. Return to Regulated Service
 6. Stranded Costs
 7. Securitization Costs
 8. Changes to Commission Rules
- vi. LEUG proposed that this procedure could be accomplished in a nine-month proceeding.⁸
- b. Industrial Customer Interruptible Service Rider Option
- i. With a minimum notice, customer must curtail down to firm service level during system emergencies.
 - ii. There would be a daily and annual limit on curtailments.
 - iii. Customer would receive a monthly demand charge credit.
 - iv. Proposed benefit to industrial customer is the ability to reduce its cost for power by committing to curtail its load during emergencies and during high cost periods. Proposed benefits to other ratepayers is that ELL would no longer responsible for providing capacity for the interruptible portion of participating customer's load, thus saving ratepayers money with reduced base rates.
 - v. Topics that would need to be addressed:
 1. Notice and Duration of Curtailments
 2. Limits on Curtailments
 3. Term of Service
 4. Magnitude of Monthly Demand Charge Credit
 - i. LEUG proposed that this option could be accomplished with a new rider and rate options and further proposed that it could be accomplished in a 90-day proceeding.⁹
- c. Industrial Customer Real-Time Pricing Rider Option
- i. Would apply as a rider to Industrial Customer Firm Service Rate.
 - ii. Non-Fuel Tariff charges remain the same.
 - iii. Customer pays fuel adjustment charge for its pre-established baseline of hourly consumption.
 - iv. Customers settle the difference between its actual hourly consumption and its baseline hourly consumption at an hourly energy rate.
 - v. There would be Day-Ahead, Hour-Ahead, and Real-Time pricing options of the hourly rate (based on the forecasted or actual MISO real-time LMP depending on the option selected).
 - vi. Proposed benefit to industrial customer is the ability to reduce its cost for power by shifting the timing of its energy consumption. Proposed benefits to other ratepayers is the shifting of timing of the industrial customer's energy consumption could reduce ELL's peak demand, resulting in less needed capacity and lower base rates for customers.
 - vii. Topics that would need to be addressed:

⁸ Staff notes that nine months would be an aggressive timeline.

⁹ Staff notes that 90 days would be an aggressive timeline.

1. Establishing customer baselines
2. Magnitude of administrative adders
- viii. LEUG proposed that this option could be accomplished with a new rider and rate options and further proposed that it could be accomplished in a 90-day proceeding.¹⁰
- d. Industrial Customer Market-Based Standby Service Rate Option
 - i. The utility purchases the capacity necessary for service from MISO Planning Reserve Auction based on expected standby service demand at the time of the annual MISO system Peak.
 - ii. When drawing standby power, the customer would pay for capacity at a daily demand charge equal to the daily MISO Auction Clearing Price and for energy at the actual real-time LMP.
 - iii. Customer maintenance outages of its generation would be scheduled outside of the summer period.
 - iv. Proposed benefit to industrial customer is that it would provide customers the option to pay for standby capacity and energy based on MISO market prices for capacity and energy. The proposed benefit to other ratepayers is that ELL would no longer have to provide capacity and energy from its fleet, reducing the need for additional capacity and thus lowering base rates.
 - v. Topics that would need to be addressed:
 1. Specifics of rate design
 2. Maintenance outage provisions
 - vi. LEUG proposed that this option could be accomplished with a new rider and rate options and further proposed that it could be accomplished in a 90-day proceeding.¹¹
6. The co-ops provided support for LEUG's recommendations and stated that providing the co-ops with access to these proposals could assist in addressing Commissioner Angelle's earlier stated concerns.
7. The Alliance is supportive of any effort to examine ways to reduce customer bills, but it wants to ensure that any proposals examined in this effort do not have the unintended consequences of raising costs to residential and small business ratepayers.

¹⁰ Staff notes that 90 days would be an aggressive timeline.

¹¹ Staff notes that 90 days would be an aggressive timeline.

Service List for S-34426
as of 12/14/2018

LPSC Staff Counsel

Don Dewald, LPSC Executive Counsel
Lauren Temento, LPSC Staff Attorney

LPSC Consultant

Lane Sisung
201 St. Charles Avenue, Suite 4240
New Orleans, LA 70170
Email(s): lane@sisung.com
Telephone 1:(504)544-7730; Fax:(504)544-7701;

Paul Thomas Chastant III.
201 St. Charles Avenue, Ste. 4240
New Orleans, LA 70170
Email(s): paul@sisung.com
Mobile:(337)298-1693; Telephone 1:(504)544-7730; Fax:(504)544-7701;

Jake Chapman
201 St. Charles Avenue, Suite 4240
New Orleans, LA 70170
Email(s): jake@sisung.com

Intervenor: **Alliance for Affordable Energy**

Jessica Hendricks
Alliance for Affordable Energy
4505 S. Claiborne Ave
New Orleans, LA 70125
Email(s): jessica@all4energy.org
Telephone 1:(504)208-9761;

Alliance for Affordable Energy

Logan Atkinson Burke
The Alliance for Affordable Energy
4505 S. Claiborne Avenue
New Orleans, LA 70125
Email(s): logan@all4energy.org
Fax:(504)313-3478; Telephone 1:(504)208-9761;

Association of Louisiana Electric Cooperatives, Inc. ("ALEC")

Kara B. Kantrow
Marionneaux Kantrow, LLC
10202 Jefferson Highway
Building C
Baton Rouge, LA 70809-3183
Email(s): kara@mklawla.com
Telephone 1:(225)757-1709; Fax:(225)769-7473; Fax:(225)769-7473;

Kyle C. Marionneaux
Marionneaux Kantrow, LLC
10202 Jefferson Highway
Building C
Baton Rouge, LA 70809
Email(s): kyle@mklawla.com
Fax:(225)757-1709; Telephone 1:(225)769-7473;

Nicholas T. LaCour
Marionneaux Kantrow, LLC
10101 Siegen Lane, Building 2, Suite A
Baton Rouge, LA 70810-4982
Email(s): nick@mklawla.com
Fax:(225)767-1709; Telephone 1:(225)769-7473;

Cleco Power LLC

Francisca M. M. Comeaux
Phelps and Dunbar, LLP
400 Convention Street, Suite 1100
P. O. Box 4412
Baton Rouge, LA 70802
Email(s): comeauxf@phelps.com
Telephone 1:(225)376-0216; Fax:(225)381-9197;

Cleco Power LLC

John O. Shirley
Phelps Dunbar, LLP
II City Plaza, 400 Convention Street, Suite 1100
P. O. Box 4412
Baton Rouge, LA 70802-5618
Email(s): john.shirley@phelps.com
Fax:(225)381-9197; Telephone 1:(225)346-0285;

Mark D. Pearce, General Counsel
Cleco Power LLC
2030 Donahue Ferry Road
Pineville, LA 71360
Email(s): mark.pearce@cleco.com
Fax:(318)484-7685; Telephone 1:(318)484-7744;

Paul F. Guarisco
Phelps Dunbar, LLP
II City Plaza, 400 Convention Street, Suite 1100
P. O. Box 4412
Baton Rouge, LA 70802
Email(s): paul.guarisco@phelps.com
Fax:(225)381-9197; Telephone 1:(225)376-0241;

Concordia Electric Cooperative, Inc.

Dewayne Bailey
Concordia Electric Cooperative
PO Box 98
Jonesville, LA 71343
Email(s): baileydcec@gmail.com
Telephone 1:(318)339-7969;

V. Russell Purvis
Smith, Taliaferro & Purvis
407 Mound Street
P. O. Box 298
Jonesville, LA 71343
Email(s): vrpurvis@bellsouth.net
Fax:(318)339-8528; Telephone 1:(318)339-8526;

Dixie Electric Membership Corporation

Dixie Electric Membership Corporation

James L. Ellis
Taylor, Porter, Brooks & Phillips, LLP
P. O. Box 2471
Baton Rouge, LA 70821
Email(s): jim.ellis@taylorporter.com
Fax:(225)346-8049; Telephone 1:(225)387-3221;

Louisiana Energy Users Group

Carrie Tournillon
Kean Miller LLP
400 Convention Street
Suite 700 PO Box 3513
Baton Rouge, LA 70821
Email(s): carrie.tournillon@keanmiller.com
Fax:(0)388-9133; Telephone 1:(0)387-0999;

Katherine W. King
Kean Miller LLP
400 Convention Street, Suite 700
PO Box 3513
Baton Rouge, LA 70821
Email(s): Katherine.King@keanmiller.com
Fax:(225)388-9133; Telephone 1:(225)387-0999;

Randy Young
Kean Miller, LLP
400 Convention Street, Suite 700
P. O. Box 3513
Baton Rouge, LA 70821-3513
Email(s): randy.young@keanmiller.com
Telephone 1:(225)388-9133; Telephone 1:(225)388-9133;

Marathon Petroleum Company, LP

John H. Chavanne
c/o Chavanne Enterprises
111 West Main Street, Suite 2B
PO Box 807
New Roads, LA 70760-8922
Email(s): jchav@bellsouth.net
Fax:(225)638-8933; Telephone 1:(225)638-8922;

Marathon Petroleum Company, LP

Marland L. Turner
Marathon Petroleum Company LP
539 South Main Street
Findlay, OH 45840-3295
Email(s): mturner@marathonpetroleum.com
Fax:(419)421-8471; Telephone 1:(419)421-3131;

NRG Energy, Inc.

Jennifer J. Vosburg, Director of Regulatory and Governmental Affairs
NRG Energy, Inc.
112 Telly Street
New Roads, LA 70760
Email(s): Jennifer.vosburg@nrgenergy.com
Fax:(225)618-4370; Telephone 1:(225)618-4000;

Occidental Chemical Corporation

Gayle Thomasson Busch
Roedel, Parsons, Koch, Blache, Balhoff & McCollister
8440 Jefferson Highway, Suite 301
Baton Rouge, LA 70809
Email(s): gbusch@roedelparsons.com
Fax:(225)928-4925; Telephone 1:(225)929-7033;

J. Kenton Parsons
Roedel, Parsons, Koch, Blache, Balhoff & McCollister
8440 Jefferson Hwy. Suite 301
Baton Rouge, LA 70809
Email(s): KParsons@RoedelParsons.com
Telephone 1:(225)928-4925; Fax:(225)929-7033;

Luke F. Piontek
Roedel, Parsons, Koch, Blache, Balhoff & McCollister
8440 Jefferson Highway, Suite 301
Baton Rouge, LA 70809
Email(s): lpiontek@roedelparsons.com
Telephone 1:(225)929-7033;

Shelley Ann McGlathery
Roedel, Parsons, Koch, Blache, Balhoff & McCollister
8440 JEFFERSON HWY STE 301
Baton Rouge, LA 70809-7654
Email(s): SMcGlathery@roedelparsons.com

Southwest Louisiana Electric Membership Corp. (SLEMCO)

Southwest Louisiana Electric Membership Corp. (SLEMCO)

Jordan T. Precht
Davidson, Meaux, Sonnier, McElligott, Fontenot, Gideon & Edwards
810 S BUCHANAN ST"ADDRESS2"P. O. DRAWER 2908
Lafayette, LA 70501-6863
Email(s): jprecht@davidsonmeaux.com
Fax:(337)237-3676; Telephone 1:(337)237-1660;

Theodore G. Edwards IV.
Davidson, Meaux, Sonnier, McElligott, Fontenot, Gideon & Edwards
810 South Buchanan Street
Lafayette, LA 70501
Email(s): gedwards@davidsonmeaux.com
Fax:(337)237-3676; Telephone 1:(337)237-1660;

Southwestern Electric Power Company (SWEPCO)

Bobby S. Gilliam
Wilkinson Carmody & Gilliam
400 Travis Street, Suite 1700
Shreveport, LA 71101
Email(s): bgilliam@wcglawfirm.com
Fax:(318)221-3705; Telephone 1:(318)221-4196;

Jonathan P. McCartney
Wilkinson Carmody & Gilliam
400 Travis Street, Suite 1700,
Shreveport, LA 71101
Email(s): jmccartney@wcglawfirm.com
Fax:(318)221-3705; Telephone 1:(318)221-4196;

Intervenor (Pending): Advanced Energy Management Alliance (AEMA)

Katherine Hamilton
Advanced Energy Management Alliance
1200 18th St, NW Suite 700
Washington, Dc, WA 20036
Email(s): katherine@aem-alliance.org
Telephone 1:(202)524-8832;

Interested Party:

Cyrus Bhedwar
Southeast Energy Efficiency Alliance
50 Hurt Plaza, Suite 1250
Atlanta, GA 30303
Email(s): cbhedwar@seealliance.org
Telephone 1:(404)602-9659;

Katherine Lee
Southeast Energy Efficiency Alliance
50 Hurt Plaza, Suite 1250
Atlanta, GA 30308
Email(s): klee@seealliance.org
Telephone 1:(404)602-9665;

Maggie Molina
ACEEE
529 14th Street NW, Suite 600
Washington, DC 20045
Email(s): mmolina@aceee.org
Telephone 1:(202)507-4004;

Neal Elliott
ACEEE
529 14th Street N.W., Suite 600
Washington, DC 20045
Email(s): nelliott@aceee.org
Telephone 1:(202)507-4009;

Entergy Louisiana, LLC

Alyssa Maurice-Anderson
Entergy Services, Inc.
639 Loyola Avenue
Mail Unit L-ENT-26E
New Orleans, LA 70113
Email(s): amauric@entergy.com
Fax:(504)576-5579; Telephone 1:(504)576-6523;

Jonathan R. Bourg
Entergy Services, Inc.
4809 Jefferson Highway
Mail Unit L-JEF-357
Jefferson, LA 70121
Email(s): jbourg@entergy.com
Fax:(504)840-2681; Telephone 1:(504)840-2657;

Lawrence J. Hand Jr.
Entergy Services, Inc.
639 Loyola Avenue
Mail Unit L-ENT-26E
New Orleans, LA 70113
Email(s): lhand@entergy.com
Fax:(504)576-5579; Telephone 1:(504)576-6825;

Entergy Louisiana, LLC

Mark D. Kleehammer, Vice President
Entergy Services, Inc.
4809 Jefferson Highway
Mail Unit L-JEF-357
Jefferson, LA 70121
Email(s): mkleeha@entergy.com
Fax:(504)840-2681; Telephone 1:(504)840-2528;

EP2 Consulting, LLC.

Karen Haymon
EP2 Consulting, LLC.
P O Box 13604
Alexandria, LA 71315-3604
Email(s): karen@ep2consulting.com
Telephone 1:(318)290-7606;

Midcontinent Independent System Operator, Inc. ("MISO")

David L. Guerry
Long Law Firm, LLP
1800 City Farm Drive, Building 6
Baton Rouge, LA 70806
Email(s): dl@longlaw.com
Fax:(225)922-5105; Telephone 1:(225)922-5110;

Jamie Hurst Watts
Long Law Firm, LLP
1800 City Farm Drive, Building 6
Baton Rouge, LA 70806
Email(s): jhw@longlaw.com
Fax:(225)922-5105; Telephone 1:(225)922-5110;

Michael L. Kessler
Midcontinent Independent System Operator, Inc.
720 CITY CENTER DR
Carmel, IN 46032-3826
Email(s): mkessler@misoenergy.org
Fax:(317)249-5912; Telephone 1:(317)249-5400;

Walter C. Ferguson
Midcontinent Independent System Operator, Inc.
3850 North Causeway Boulevard, Suite 442
Metairie, LA 70002
Email(s): wferguson@misoenergy.org
Fax:(317)249-5912; Telephone 1:(504)846-7114;

