

LOUISIANA PUBLIC SERVICE COMMISSION  
ADMINISTRATIVE HEARING DIVISION

DOCKET NO. S- 37321

1803 ELECTRIC COOPERATIVE, INC. AND  
POINTE COUPEE ELECTRIC MEMBERSHIP CORPORATION

---

*In Re: Petition for Approval of Asset Transfer by Pointe Coupee Electric to 1803 and  
Operation of Transmission Facilities by 1803.*

---

**18-POINT ANALYSIS**

NOW BEFORE THIS COMMISSION, through undersigned counsel, come Applicants, 1803 Electric Cooperative, Inc. ("1803") and Pointe Coupee Electric Membership Corporation ("PC Electric") who submit this 18-Point Analysis in conformity with the Louisiana Public Service Commission's (the "Commission" or LPSC") General Order of March 18, 1994, relating to the factors to be considered in connection with the application for approval of the transfer of ownership and management of certain delivery assets of PC Electric, including the assets and facilities which would transfer in ownership from Louisiana Generating LLC, Cleco Cajun LLC, or any of their affiliated entities (collectively, "LaGen") to PC Electric at the conclusion of the Power Supply and Service Agreement ("PSSA") with LaGen (the "Transaction"), which assets and facilities may include, without limitation, the high side of substations, delivery points, meter points, certain electric lines, meters and equipment associated with meters, and such similar assets (collectively the "Assets").

**1) Whether the transfer is in the public interest.**

Presently, the Assets of PC Electric are owned, operated, and managed by LaGen, the current power supply counterparty of PC Electric, or PC Electric itself. The Assets owned by LaGen, will by contract transfer to PC Electric at the conclusion of the PSSA. 1803 and PC Electric are proposing that the Assets transfer in ownership, operation, management,

and maintenance to 1803, whose executive management team has significant experience in owning, operating, and managing substation and transmission assets of generation and transmission cooperatives on behalf of the distribution cooperatives served by them, for the benefit of the distribution cooperatives and their members. The 1803 executive management team is also experienced in utilizing consultants and contractors to manage and provide for regulatory compliance of substation and transmission assets and are familiar with available and competent options for those services. 1803 intends to use such resources where such use can provide economies of scale and provide savings for PC Electric. As further detailed in the analysis below, the proposed transaction best aligns the PC Electric member-ratepayer interests with the management of the Assets for their exclusive benefit and also best provides for and protects the Commission's regulatory authority because 1803, as the acquirer, is fully regulated by the Commission. 1803 and PC Electric seek to achieve deduplication of services, costs, and staffing, economies of scale, efficiencies, savings through sharing of costs, efforts, and resources, improved transmission planning, reliability, and optimization all as a result of consolidating the ownership, operation, maintenance and compliance efforts associated with the Assets. Considering this and the analysis below, the proposed Transaction is in the public interest.

**2) Whether the purchaser is ready, willing, and able to continue providing safe, reliable, and adequate service to the utility's ratepayers.**

1803's executive management team has significant experience in owning, operating, and managing substation and transmission assets of generation and transmission cooperatives on behalf of the distribution cooperatives served by them, for the benefit of the distribution cooperatives and their members, and are familiar with available options for consulting and contracting services regarding the same. As a result, 1803 is prepared to own, operate, and

manage the Assets so that safe, reliable, and adequate service will be provided to PC Electric's member-ratepayers.

**3) Whether the transfer will maintain or improve the financial condition of the resulting public utility.**

The approval of this request will be the best manner of managing these Assets with the goal of improving the financial condition of PC Electric. 1803 is comprised of and governed by six (6) LPSC-regulated electric cooperatives: (1) Beauregard Electric Cooperative, Inc. ("BECi"); (2) Claiborne Electric Cooperative, Inc. ("Claiborne"); (3) Northeast Louisiana Power Cooperative, Inc. ("NELPCO"); (4) South Louisiana Electric Cooperative Association ("SLECA"); (5) Washington-St. Tammany Electric Cooperative, Inc. ("WST") (collectively the original five, BECi, Claiborne, NELPCO, SLECA, and WST are referred to herein as the "1803 Cooperatives"); and most recently, PC Electric. Those six cooperatives collectively are the member-owners of 1803. PC Electric is a new member of 1803. 1803 will not provide wholesale power to PC Electric, but 1803 will provide to PC Electric other services related to managing certain electric power delivery assets on behalf of PC Electric pursuant to the Transmission and Distribution Services Contract by and between 1803 and PC Electric dated June 12, 2024 (the "Member Services Contract"). Thus 1803's sole purpose will be to optimize reliability while controlling costs, all for the benefit of the 1803 Cooperatives, PC Electric, and their members. Any cost of debt will be lower for 1803 and PC Electric through the 1803 option and all returns will go to the 1803 Cooperatives, PC Electric, and their members. Also, as an electric cooperative, 1803 will be eligible for FEMA recovery with regard to the Assets. As a result, the financial condition of PC Electric will ultimately be maintained or improved because of the Transaction.

**4) Whether the proposed transfer will maintain or improve the quality of service to public utility ratepayers.**

PC Electric will continue to provide high quality service to its members/ratepayers. This request will not impact PC Electric's provision of service in any negative manner and will support the efforts of 1803 to utilize the Assets for the exclusive benefit of PC Electric's members. Additionally, improved transmission planning and modeling of these Assets in MISO can result in improved reliability and lower costs for PC Electric's members and other transmission ratepayers in the region.

**5) Whether the transfer will provide net benefits to ratepayers in both the short term and the long term and provide a ratemaking method that will ensure, to the fullest extent possible, that ratepayers will receive the forecasted short and long term benefit.**

Yes, the proposed Transaction and Asset transfer will make certain that the ownership, operation, and management of the Assets is fully aligned with the interests of PC Electric in managing the Assets for the sole benefit of the member-ratepayers of PC Electric. 1803 is a not-for-profit electric cooperative and as such, net benefits inure to PC Electric and its members. Moreover, because 1803 is an LPSC-regulated entity, the LPSC will have regulatory oversight of the Asset owning entity. LaGen, the current owner of the assets, is not regulated by the Commission. Thus, the immediate benefit will be for ratepayers. Each 1803 member cooperative, now including PC Electric, has two members on the 1803 Board who will provide oversight of 1803's management and operation of these Assets and, from a long term standpoint, should 1803 operations conclude at the end of the contractual term or if an 1803 member cooperative ceases to be a member of 1803, the Transaction provides for each of the 1803 member cooperative's portion of the Assets to return to that member cooperative, thus ensuring the net benefits will continue for the member-ratepayers in the long term.

**6) Whether the transfer will adversely affect competition.**

No, the approval of this request will not adversely impact competition. Pursuant to La. R.S. 45:123 and the LPSC's General Order dated October 6, 2005 (300 Foot Rule), absent approval by PC Electric or the LPSC, there is no retail competition or switching of electric service providers available to existing customers. To the extent that this request enables PC Electric to deliver reliable power at the lowest reasonable cost, this may increase and promote healthy competition between electric service providers in PC Electric's service areas. As stated above, more effective inclusion of the Assets in the MISO planning processes can create benefits for all ratepayers in the region.

**7) Whether the transfer will maintain or improve the quality of management of the resulting public utility or common carrier doing business in the State.**

1803 and PC Electric will experience no change in management as a result of this request. The management of the Assets will be placed under 1803's control with its experienced and competent management team and will improve the quality of the management of the Assets in that they will be managed for the exclusive benefit of PC Electric, as the electric cooperative utilizing them. Additionally, because 1803 will be providing these services to the 1803 Cooperatives and PC Electric, 1803 can provide the associated operations, maintenance, and compliance of the Assets at a fundamentally lower cost than PC Electric could achieve providing those functions individually.

**8) Whether the transfer will be fair and reasonable to the affected public utility or common carrier employees.**

As a result of the proposed transaction, no current PC Electric employee will be negatively impacted. The proposed transaction will result in a need for 1803 to add quality jobs, while at the same time provide the lowest cost option for the member-ratepayers of PC Electric.

9) **Whether the transfer would be fair and reasonable to the majority of all affected public utility or common carrier shareholders.**

PC Electric has no “shareholders” but as cooperative membership organization, its member-ratepayers will benefit directly as a result of the subject request facilitating PC Electric’s ability to obtain and provide reliable electric service at the lowest reasonable cost. Although 1803 has no “shareholders,” the 1803 member cooperatives, including PC Electric, agree that this request is fair, reasonable, and in the best interest of their respective members.

10) **Whether the transfer will be beneficial on an overall basis to State and local economies and to the communities in the area served by the public utility or common carrier.**

Yes, the proposed Transaction will be beneficial to the local communities and the State of Louisiana by allowing for the long-term stability for utility service and lower rates in PC Electric’s service area by providing for local ownership, operation, and management of the Assets for the benefit of PC Electric. Additionally, inclusion of the Assets in the MISO planning processes can reap benefits for all ratepayers in the region through more effective and efficient use of transmission assets.

11) **Whether the transfer will preserve the jurisdiction of the Commission and the ability of the Commission to effectively regulate and audit public utility's or common carrier's operations in the State.**

The proposed transaction will increase and positively impact the Commission’s ability to regulate the rates and services of 1803 and PC Electric. Since 1803 is LPSC-regulated, the Commission’s ability to regulate and audit the Asset owner will increase as a result of the Transaction. As stated above, the Assets are currently owned and managed by an entity that is not regulated by the LPSC.

**12) Whether conditions are necessary to prevent adverse consequences which may result from the transfer.**

1803 and PC Electric do not foresee any adverse consequences as a result of the proposed Transaction. 1803 and PC Electric are required by LPSC Order No. S-35709, issued July 2, 2021, to abide by all present and future requirements in regards to affiliate transactions enacted by statute or adopted by the Commission. Those involve transactions between a regulated entity and an unregulated affiliate. All of the involved entities here – 1803 and PC Electric – are LPSC-regulated with full Commission oversight. Thus, affiliated transaction rules are not invoked by this Transaction.

**13) The history of compliance or noncompliance of the proposed acquiring entity or principals or affiliates have had with regulatory authorities in this State or other jurisdictions.**

1803 and PC Electric have a history of compliance and working with the Commission and all regulatory authorities.

**14) Whether the acquiring entity, persons, or corporations have the financial ability to operate the public utility or common carrier system and maintain or upgrade the quality of the physical system.**

The 1803 executive management team has significant experience in owning, operating, and managing substation and transmission assets of generation and transmission cooperatives on behalf of the distribution cooperatives served by them, for the benefit of the distribution cooperatives and their members, and are familiar with available options for consulting and contracting services regarding the same. 1803's management team is prepared to own, operate, and manage the Assets, to provide for maintenance, restoration, and upgrades, reliability compliance, MISO interactions and planning, and provide for the 24-hour operation of the same, so that safe, reliable, and adequate service will be provided to PC Electric's member-ratepayers at the lowest reasonable cost. 1803 has access to reasonably

priced financing, should such financing become necessary, to operate and maintain the quality of the physical Assets.

**15) Whether any repairs and/or improvements are required and the ability of the acquiring entity to make those repairs and/or improvements.**

This request for approval of this Transaction does not cause a need for repairs and improvement by 1803 or PC Electric. However, regardless of whether PC Electric, 1803, or another party were to take ownership and control of the Assets, repairs and improvements will be needed. The Transaction and Asset ownership by 1803 will best ensure that the repairs and improvements undertaken will be those necessary and best for PC Electric's member-ratepayers in a managed, planned approach. 1803 is currently conducting an assessment of the in-service condition and maintenance records of the Assets to develop a comprehensive work plan to ensure the continued health of the existing Assets and timely replacement of end-of-life Assets.

**16) The ability of the acquiring entity to obtain all necessary health, safety and other permits.**

1803 and PC Electric have the ability to obtain and maintain all necessary health, safety, and other permits necessary to continue to provide electric service.

**17) The manner of financing the transfer and any impact that may have on encumbering the assets of the entity and the potential impact on rates.**

The financing related to the proposed Asset acquisition will be done in accordance with reasonable, commercially accepted practices within the electric utility industry and will be consistent with industry practices regarding financing and financing terms and any such financing will require Commission oversight and approval. 1803 is in discussions with typical rural electric cooperative lenders regarding the required financing.



**18) Whether there are any conditions which should be attached to the proposed acquisition.**

1803 and PC Electric do not believe any conditions should be attached to the proposed acquisition of the Assets by 1803. In sum, either the Assets will be acquired and managed independently by PC Electric or collectively with the 1803 Member Cooperatives through 1803 to facilitate a reliable lower cost solution. Because of the relationship of 1803 and the 1803 Member Cooperatives and the fact that the Assets are reverting to PC Electric, the Transaction simply takes additional advantage of 1803 as a generation and transmission cooperative to improve cost and service to the end use member rate payers. Additionally, if that relationship ends, the Assets belong to PC Electric again.

**LOUISIANA PUBLIC SERVICE COMMISSION  
ADMINISTRATIVE HEARING DIVISION**

**DOCKET NO. S-\_\_\_\_\_**

**1803 ELECTRIC COOPERATIVE, INC. AND  
POINTE COUPEE ELECTRIC MEMBERSHIP CORPORATION**

---

***In Re: Petition for Approval of Asset Transfer by Pointe Coupee Electric to 1803 and  
Operation of Transmission Facilities by 1803.***

---

**DIRECT TESTIMONY AND EXHIBITS**

**OF**

**BRIAN W. HOBBS**

**ON BEHALF OF**

**1803 ELECTRIC COOPERATIVE, INC.**

**JUNE 2024**

## TABLE OF CONTENTS

I.	INTRODUCTION AND BACKGROUND .....	3
II.	PURPOSE AND SUMMARY OF TESTIMONY .....	5
III.	GENERAL OVERVIEW OF THE REQUESTED TRANSFER.....	6
IV.	FACTORS IN SUPPORT OF THE TRANSFER.....	8
VIII.	CONCLUSION .....	19

### EXHIBITS:

HSPM Exhibit BWH-1	Confidential (Highly Sensitive Protected Materials) – <i>In Globo</i> Transmission and Distribution Services Contract between 1803 and PC Electric
--------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------

1 I. INTRODUCTION AND BACKGROUND

2  
3 Q. Please state your name and business address.

4 A. My name is Brian W. Hobbs, and my business address is 4601 Bluebonnet Boulevard,  
5 Baton Rouge, LA 70809.  
6

7 Q. By whom are you employed and what is your position?

8 A. I am employed by 1803 Electric Cooperative, Inc. ("1803") as its Chief Executive Officer.  
9

10 Q. Please summarize your educational and professional background.

11 A. I have a bachelor's degree from the University of Oklahoma and a Juris Doctor degree  
12 from the Oklahoma City University School of Law. I am a licensed attorney in Oklahoma.  
13 I practiced law for 5 years as a Partner with Pain Garland and Hobbs, LLP. During that  
14 time, relevant clients included several rural electric cooperatives, including two (2)  
15 wholesale power supply cooperatives and numerous retail distribution cooperatives. I have  
16 appeared before the Oklahoma Corporation Commission as counsel of record in various  
17 proceedings. Prior to my employment with 1803 and my private law practice, I spent forty  
18 (40) years employed by a wholesale generation and transmission cooperative, serving  
19 twenty-one (21) member rural electric distribution cooperatives in Oklahoma and New  
20 Mexico. My employment there was in increasing areas of responsibility, and I retired as  
21 the Vice President of Legal and Corporate Services responsible for many areas of the  
22 organization. Most relevant to my testimony in this matter is that I managed the  
23 organization's market and transmission interactions with the Southwest Power Pool

1 (“SPP”), regulatory, environmental, safety and reliability compliance, revenue budgeting,  
2 wholesale rate, transmission formulary rate, as well as other aspects of the organization.

3 That generation and transmission cooperative had twenty-one (21) distribution  
4 cooperative members, owned numerous generation assets, including generation fueled by  
5 natural gas, coal, and solar, a 260 MW hydro power allocation from the Southwest Power  
6 Administration, and numerous power purchase agreements for coal, hydro, gas-fired, wind,  
7 and solar generation. The cooperative also owns, operates, and maintains over 3,800 miles  
8 of transmission line and more than 330 electric substations and switch stations, all in the  
9 Southwest Power Pool.

10  
11 **Q. Have you previously testified before regulatory commissions?**

12 A. Yes. I have testified before the Oklahoma Corporation Commission. I have also testified  
13 before the Louisiana Public Service Commission (“LPSC”) on behalf of 1803, specifically  
14 in LPSC Dockets U-35927, U-36268, U-36974, U-37212, and U-37134.

15  
16 **Q. On whose behalf are you testifying in this proceeding?**

17 A. I am providing testimony on behalf of 1803 Electric Cooperative, Inc.

18  
19 **Q. Has this testimony been prepared by you or under your supervision?**

20 A. Yes.  
21  
22

1                                   **II.     PURPOSE AND SUMMARY OF TESTIMONY**

2   **Q.     What is the purpose of your testimony?**

3   A.     My testimony will provide support for the 18-Point Analysis, which is an Exhibit to the  
4           Petition, in conformity with the Commission’s General Order of March 18, 1994, relating  
5           to the factors to be considered in connection with the application for approval of the transfer  
6           of ownership and management of certain delivery assets of Pointe Coupee Electric  
7           Membership Corporation (“PC Electric” or the “Cooperative”), including the assets and  
8           facilities which would transfer in ownership from Louisiana Generating, LLC, Cleco Cajun  
9           LLC, or any of their affiliated entities (collectively “LaGen”) to PC Electric at the  
10          conclusion of its Power Supply and Service Agreement (“PSSA”) with LaGen (the  
11          “Transaction”). When the eighteen (18) factors for consideration under the March 18, 1994  
12          General Order are analyzed, the transfer of assets requested in this application is clearly in  
13          the public interest and should be approved.

14  
15   **Q.     Please describe 1803 Electric Cooperative.**

16   A.     1803 is a not-for-profit generation and transmission electric cooperative corporation  
17           organized by its five (5) original member distribution cooperatives to supply and deliver  
18           electric power, on a wholesale basis, to meet all the electric power requirements of the  
19           1803 Cooperatives. 1803 will serve its Member Cooperatives’ power requirements and  
20           deliver such pursuant to long-term all-requirements wholesale power contracts. 1803’s  
21           Member Cooperatives, in turn, supply power on a retail basis to their end-use member-  
22           consumers. 1803 is owned entirely by its Member Cooperatives, which are the purchasers  
23           of the power 1803 sells. 1803 is governed by its Board of Directors which consists of two

representatives from each of its Member Cooperatives. PC Electric is a new member of 1803. 1803 will not provide wholesale power to PC Electric, but 1803 will provide to PC Electric other services related to managing certain electric power delivery assets on behalf of PC Electric pursuant to the Transmission and Distribution Services Contract by and between 1803 and PC Electric dated June 12, 2024 (the "Member Services Contract").

**Q. What is 1803 requesting in this proceeding as applicable to your testimony?**

A. 1803 is, among other things, requesting approval of the Member Services Contract and the Transaction which will result in the transfer in ownership of certain high-voltage assets and facilities from PC Electric, including those assets which will transfer from LaGen, which assets and facilities may include, without limitation, the high side of substations, delivery points, meter points, certain electric lines, meters and equipment associated with meters, and such similar assets (collectively, the "Assets"). See the testimony of Mr. Repsher on behalf of 1803 for more information regarding the Assets and 1803's plan to own and manage such Assets.

### **III. GENERAL OVERVIEW OF THE REQUESTED TRANSFER**

**Q. Please provide a general overview of the transfer of Assets.**

A. Presently, the Assets at issue are either owned, operated, and managed by LaGen, the current power supply counterparty of PC Electric, or owned by PC Electric itself, and may currently be operated and managed by the cooperative, LaGen, or other third parties. The Assets owned by LaGen will, by contract, transfer to PC Electric at the conclusion of the PSSA, at an identified cost. 1803 and PC Electric is proposing that the ownership,

operation, management, and maintenance of the Assets currently owned by LaGen transfer to 1803, rather than to PC Electric first, and then to 1803 thereafter. Additionally, as discussed below, other of the Assets would be transferred to 1803 by PC Electric, consistent with actions of the other respective 1803 Cooperatives.

**Q. Why are 1803 and PC Electric making this request?**

**A.** The impetus behind this request can be explained in straightforward terms. PC Electric currently owns and wears the operation, maintenance, and compliance obligations associated with certain high voltage equipment and assets that it is providing or contracting with third-parties to provide the required services and activities. Additional significant high-voltage, delivery point, metering and associated assets will be conveyed to PC Electric at the end of its current power supply agreement with LaGen. Collectively, these are the Assets. The Assets are critical to the delivery of electric power to PC Electric and its end-use member-consumers. PC Electric must decide how best to manage these Assets, from an operation, maintenance, and reliability compliance perspective, which are 24-hour obligations requiring a NERC certified 24-hour transmission operations control desk and backup, coordination with owners of interconnected transmission systems, coordination with MISO, and compliance with NERC/SERC reliability standards.

**Q. What are the alternative solutions to the obligations and requirements identified in your answer just above?**

**A.** PC Electric essentially has three alternative solutions to the obligations and requirements identified in my answer above. **(Alternative 1)** PC Electric can acquire and manage the



Assets itself with the help of various contractors, identify a 24-hour transmission control center to provide the necessary transmission operations functions, staff up or contract for the operation and maintenance of the Assets, and either take the necessary steps to comply with applicable NERC/SERC reliability standards or contract for those services. **(Alternative 2)** PC Electric could sell the Assets to a third-party, possibly with the understanding that that third-party would continue to provide necessary delivery of power to the Cooperative and its end-use member-consumer, including timely maintenance, repair, and replacement of Assets. Or, **(Alternative 3)**, PC Electric could use the G&T Cooperative that it has an interest in and governance of with the other 1803 member cooperatives to consolidate these needs, gain efficiencies, retain long-term ownership and control of the Assets, and use 1803 to provide these services at cost, as a not-for-profit entity, that has no goal other than to provide reliable, economic service to its Members. The Board of PC Electric chose Alternative 3 as being in its, and its member-consumers', best interest.

#### IV. FACTORS IN SUPPORT OF THE TRANSFER

**Q. Do you believe that the proposed transfer is in the public interest?**

A. Yes. 1803's executive management team has significant experience in owning, operating, and managing substation and transmission assets of generation and transmission cooperatives on behalf of the distribution cooperatives served by them, for the benefit of the distribution cooperatives and their members. As outlined above, I personally have extensive background in managing transmission and generation assets. Before going into private legal practice, I spent 40 years with Western Farmers Electric Cooperative, a

1 generation and transmission cooperative serving 21-member distribution cooperatives  
2 providing retail electric service in parts of Oklahoma, Texas, Kansas, and New Mexico.  
3 That G&T cooperative owns coal, natural gas, and solar generation resources, contracted  
4 for numerous other gas, hydro, wind, and solar resources, owns more than 3,800 miles of  
5 transmission line and more than 330 sub and switch stations, serving more than 2,000 MWs  
6 of load. I also provided senior management leadership for rates and revenue, formula  
7 transmission rate, information technology, regulatory compliance, risk management, safety  
8 and security, environmental compliance, and Southwest Power Pool market interactions.  
9 While with the G&T, I was actively involved in efforts to transition and incorporate 4 new  
10 member distribution cooperatives located in New Mexico as the long-term wholesale  
11 power contract for each of the four cooperatives with an investor-owned utility were  
12 coming to an end.

13 Moreover, Ron Repsher, 1803's Chief Operating Officer ("COO"), has extensive  
14 related experience in MISO pertaining to transmission and transmission operations and  
15 maintenance. See Mr. Repsher's testimony.

16 1803 is also experienced in utilizing consultants and contractors to manage and  
17 provide for regulatory compliance of substation and transmission assets and is familiar with  
18 available and competent options for those services. 1803 intends to use such resources  
19 where such use can provide economies of scale and savings for PC Electric and the other  
20 1803 Cooperatives. Mr. Repsher provides more information on this topic in his testimony.  
21 In general, this proposed Transaction best aligns PC Electric's and its end-use member-  
22 consumers' interests with the management of the Assets and best provides for and protects  
23 the Commission's regulatory authority since 1803 as the acquirer is fully regulated by the

Commission. 1803 and PC Electric seek to achieve deduplication of services, costs and staffing, economies of scale, efficiencies, savings through sharing of costs, efforts, and resources, improved transmission planning, reliability, and optimization all as a result of consolidating the ownership, operation, maintenance, and compliance efforts associated with the Assets. Considering this, and considering the below analysis, the proposed Transaction is in the public interest.

**Q. Please discuss 1803's willingness and ability to provide safe, reliable and adequate service to ratepayers.**

A. As I stated in my testimony above, 1803's executive management team has significant experience in owning, operating, and managing substation and transmission assets of generation and transmission cooperatives on behalf of, and for the benefit of, their member distribution cooperatives and their end-use member-consumers. 1803 is familiar with available options for consulting and contracting services regarding the same. 1803's management team is prepared to own, operate, and manage the Assets so that safe, reliable, and adequate service will be provided to PC Electric and the end-use member-consumers.

**Q. Will the requested Asset transfer maintain or improve the financial condition of 1803 and PC Electric?**

The approval of this request will enable the best opportunity of managing these Assets for the benefit of PC Electric with the goal of improving the financial conditions of PC Electric.

These Assets will either be managed by PC Electric, by a third-party, or by 1803. PC Electric is one of the member-owners of 1803, along with the other five 1803 member

1 cooperatives, and thus 1803's sole purpose will be to optimize reliability while controlling  
2 costs, all for the benefit of the 1803 cooperatives and their members. Any cost of debt will  
3 be lower for 1803 and PC Electric, as one of the members of 1803, through the 1803 option,  
4 as compared to third-party options, and all returns will go to the 1803 cooperatives and  
5 their members. The ownership and control of the Assets will be maintained within 1803  
6 and PC Electric, and if that relationship ends, revert to PC Electric. The Assets are critical  
7 to the delivery of electric power to PC Electric. PC Electric and the other 1803  
8 cooperatives can pool resources to own and manage these Assets through 1803, rather than  
9 each of the 1803 member cooperatives individually managing its respective assets. Also,  
10 as an electric cooperative, 1803 will be eligible for FEMA recovery with regard to the  
11 Assets. The financial condition of PC Electric will ultimately be maintained or improved  
12 as a result of the Transaction.

13  
14 **Q. Will the transfer of the Assets maintain or improve the quality of service to PC**  
15 **Electric's members?**

16 A. The transfer of the Assets will have no negative impact on ratepayers. PC Electric will  
17 continue to provide high quality service to its member-consumers. Moreover, consolidated  
18 operation, maintenance, and compliance activities along with improved transmission  
19 planning and modeling of its Assets and the assets of the other 1803 member cooperatives  
20 in MISO is likely to result in gained efficiencies, improved reliability and lower costs for  
21 PC Electric's members as compared to alternative solutions.

1   **Q.    How will the transfer of Assets to 1803 provide a net benefit to the members of PC**  
2   **Electric?**

3   A.    The Asset transfer proposed will make certain that the ownership, operation, and  
4       management of the Assets is fully aligned with the interests of PC Electric in managing the  
5       Assets for the benefit of its member-consumers and retaining ownership and control of  
6       these critical assets with PC Electric. 1803 is a not-for-profit electric cooperative and as  
7       such all net benefits inure to the PC Electric and the other 1803 cooperatives and their  
8       respective members. Moreover, because 1803 is an LPSC-regulated entity, the LPSC will  
9       have regulatory oversight of it as the Asset owning entity, which it does not presently  
10      exercise over the owner of the Assets, LaGen, and likely would not over a third-party  
11      purchaser. Thus, the immediate benefit will be for ratepayers. Each 1803 cooperative has  
12      two members of the 1803 Board who will provide oversight of 1803's management and  
13      operation of these Assets and, from a long term standpoint, should 1803 operations  
14      conclude at the end of the contractual term or if PC Electric ceases to be a member of 1803,  
15      the Transaction provides for PC Electric's portion of the assets to return to PC Electric,  
16      thus ensuring the net benefits will continue for its member-consumers in the long term.

17           The Transaction is provided for in the Member Services Contract, which has been  
18      entered into, subject to Commission approval, which approval is requested as a part of this  
19      application. The Services Contract is attached *in globo* to my testimony confidentially as  
20      HSPM Exhibit BWH-1.

1   **Q.     Will this proposed transfer adversely affect competition?**

2   A.     No. Pursuant to La. R.S. 45:123 and the LPSC's General Order dated October 6, 2005  
3           (300 Foot Rule), absent approval by PC Electric or the LPSC, there is no retail competition  
4           or switching of electric service providers available to existing customers, and this  
5           Transaction does not seek to change PC Electric's electric service provider. Thus, to the  
6           extent that this request results in PC Electric obtaining more reliable service of its Assets  
7           at the lowest reasonable cost, this may increase and promote healthy competition between  
8           electric service providers in PC Electric's service areas. Moreover, as I stated in my  
9           testimony above, more effective inclusion of the Assets in the MISO planning processes  
10          can create benefits for all ratepayers in the region.

11  
12   **Q.     Will the transfer of the Assets maintain or improve the quality of management of 1803**  
13          **or PC Electric, as one of 1803's member cooperatives?**

14   A.     There will be no change in the management structure of either 1803 or PC Electric as a  
15          result of the requested Asset transfer. The management of the Assets will be placed under  
16          1803's control with its experienced and competent management team. This will improve  
17          the quality of the management of the Assets in that said Assets will be managed for the  
18          benefit of PC Electric. Additionally, 1803 providing the associated operations,  
19          maintenance, and compliance of the Assets is fundamentally lower cost and more efficient  
20          than PC Electric providing those functions itself, because those costs can be spread across  
21          all of the 1803 cooperatives.

1   **Q.     Will the requested Asset transfer be fair and reasonable to the employees of 1803 and**  
2       **PC Electric?**

3   A.    Yes. As a result of the proposed Transaction, no current PC Electric employee will be  
4       negatively impacted. The proposed Transaction will result in a need for 1803 to add quality  
5       jobs, while at the same time provide the lowest cost option for the member-ratepayers of  
6       PC Electric.

7  
8   **Q.     Will the requested transfer of Assets to 1803 be fair and reasonable to the majority of**  
9       **shareholders?**

10  A.    Neither 1803 nor PC Electric have “shareholders” bur rather, as each are organized as  
11       cooperatives, the end-use member-consumers are the ultimate bearer of costs and benefits.  
12       The Asset conveyance sought here will benefit the end-use member-consumers by  
13       aggregating cost, taking advantage of economies of scale, and the provision of reliable  
14       electric service. PC Electric likewise benefits and has joined in this request indicating that  
15       it believes that the transfer of Assets is fair and reasonable and in its best interest and in the  
16       best interest of its member-consumers.

17  
18  **Q.     Will the transfer of Assets to 1803 be beneficial overall to the State of Louisiana and**  
19       **to local economies and the communities in the area served by 1803 and its member**  
20       **cooperatives?**

21  A.    Yes, the proposed Transaction will be beneficial to both the local communities and the  
22       State of Louisiana by allowing for the long-term stability for utility service and rates in the  
23       1803 cooperatives’ service areas by providing for local ownership, operation, and

1 management of the Assets for the benefit of the local 1803 cooperatives and end-use  
2 member-consumers, and PC Electric in particular in this case. Additionally, inclusion of  
3 the Assets in the MISO planning processes can result in benefits for all ratepayers in the  
4 region through more effective and efficient use of transmission assets.

5  
6 **Q. Will the transfer of Assets to 1803 preserve the jurisdiction of the Commission and**  
7 **the ability of the Commission to effectively regulate and audit 1803's operation in the**  
8 **State?**

9 A. This Transaction will actually increase and positively impact the Commission's ability to  
10 regulate the rates and services of 1803 and PC Electric. Currently, the Assets are owned  
11 and managed by an entity that is not regulated by the LPSC. It is possible to likely that  
12 selling the Assets to a third-party would involve an entity not regulated by the LPSC. Since  
13 1803 is regulated by the LPSC, the Commission's ability to regulate and audit the Asset  
14 owner will increase as a result of this Transaction.

15  
16 **Q. Are there any conditions that are necessary to prevent adverse consequences that may**  
17 **result from the proposed Asset transfer?**

18 A. No, 1803 and PC Electric do not foresee any adverse consequences as a result of the  
19 proposed transaction. 1803 and its member cooperatives are required by LPSC Order No.  
20 S-35709, issued July 2, 2021, to abide by all present and future requirements in regards to  
21 affiliate transactions enacted by statute or adopted by the Commission. Those involve  
22 transactions between a regulated entity and an unregulated affiliate. All of the involved



1 entities here – 1803 and PC Electric – are LPSC-regulated with full Commission oversight.

2 Thus, affiliated transaction rules are not invoked by this Transaction.

3  
4 **Q. Please describe the history of compliance of 1803 and PC Electric with regulatory**  
5 **authorities.**

6 A. 1803 and PC Electric have a history of compliance and working with the Commission and  
7 all regulatory authorities.

8  
9 **Q. Does 1803 have the financial ability to operate the Assets and to maintain and upgrade**  
10 **the quality of the physical system?**

11 A. The 1803 executive management team has significant experience in owning, operating, and  
12 managing substation and transmission assets of generation and transmission cooperatives  
13 on behalf of the distribution cooperatives served by them, for the benefit of the distribution  
14 cooperatives and their members, and are familiar with available options for consulting and  
15 contracting services regarding the same. 1803's management team is prepared to own,  
16 operate, and manage the Assets, to provide for maintenance, restoration, and upgrades,  
17 reliability compliance, MISO interactions and planning, and provide for the 24-hour  
18 operation of the same, so that safe, reliable, and adequate service will be provided to PC  
19 Electric's member-ratepayers at the lowest reasonable cost. Moreover, 1803 is in  
20 discussions with typical rural electric cooperative lenders regarding the required financing,  
21 which will help support 1803's financial ability to operate the Assets and to maintain and  
22 upgrade the quality of the physical system. 1803 has prepared and filed a revised wholesale

rate that accommodates owning, financing, and managing these assets and appropriate rate recovery.

**Q. Are any repairs and/or improvements required, and if so, does 1803 have the ability to make those repairs and/or improvements?**

A. The Assets are likely in need of repairs and improvements or will be in the near future, but those repairs and improvements are needed no matter what entity ultimately takes over ownership of the Assets. The transfer of the Assets requested by 1803 will best ensure that the repairs and improvements undertaken will be those that are necessary and best for PC Electric's member-consumers in a managed, planned approach. 1803 is currently conducting an assessment of the in-service condition and maintenance records of the Assets to develop a comprehensive work plan to ensure the continued health of the existing Assets and timely replacement of end-of-life Assets. Mr. Repsher discusses this in his testimony.

**Q. Does 1803 have the ability to obtain all necessary health, safety and other permits?**

A. Yes, 1803 and PC Electric have the ability to obtain and maintain all necessary health, safety, and other permits necessary to continue to provide electric service.

**Q. How is the proposed Asset transfer being financed?**

A. The financing related to the proposed Asset acquisition will be done in accordance with reasonable, commercially accepted practices within the electric utility industry, will be consistent with industry practices regarding financing, and financing terms and any such

1 financing will require Commission oversight and approval. As stated above, 1803 is in  
2 discussions with typical rural electric cooperative lenders regarding the required financing.  
3

4 **Q. What impact will that financing have on rates?**

5 A. To the extent that the financing has any impact on rates, that impact will be less than the  
6 rate impact that would occur if the Assets either transferred back to PC Electric directly  
7 from LaGen, or if some other third party took ownership of the Assets. As described above,  
8 transferring the Assets to 1803 will result in savings to ratepayers because the economies  
9 of scale realized by having the assets managed by one entity (1803), rather than each of the  
10 1803 member cooperatives having to hire and pay for the management of the Assets,  
11 individually. Moreover, if some third party took ownership of the Assets, that entity would  
12 be incentivized to spend money on infrastructure, which costs would be passed on to  
13 ratepayers. As a not-for-profit entity with no earnings for shareholders to satisfy and that  
14 passes its costs through to its ratepayers, 1803 has no such incentive.  
15

16 **Q. Should any conditions be attached to the proposed Asset transfer?**

17 A. 1803 and PC Electric do not believe any conditions should be attached to the proposed  
18 acquisition of the Assets by 1803. In a nutshell, either the Assets will be sold to a third-  
19 party entity, acquired and managed independently by PC Electric, or acquired and managed  
20 collectively with the assets from the other 1803 member cooperatives by 1803 to facilitate  
21 a reliable lower cost solution. Because of the relationship of 1803 and PC Electric, the  
22 Transaction simply takes additional advantage of 1803 as a generation and transmission

cooperative to improve cost and service to the its member cooperatives and their end-use member-consumers.

## VIII. CONCLUSION

**Q. Do you believe that the requested transfer of Assets from PC Electric, and potentially from LaGen directly to 1803, is supported by the 18-point analysis in conformity with the Commission's General Order dated March 18, 1994?**

A. Yes, for all the reasons stated above in my testimony.

**Q. Does this conclude your testimony?**

A. Yes, it does.

LOUISIANA PUBLIC SERVICE COMMISSION  
ADMINISTRATIVE HEARING DIVISION

DOCKET NO. U-\_\_\_\_\_

1803 ELECTRIC COOPERATIVE, INC. AND  
POINTE COUPEE ELECTRIC MEMBERSHIP CORPORATION

---

*In Re: Petition for Approval of Asset Transfer by Pointe Coupee Electric to 1803 and  
Operation of Transmission Facilities by 1803.*

---

AFFIDAVIT OF WITNESS

I, Brian W. Hobbs, being duly sworn, depose  
that the Direct Testimony and Exhibits in the  
above referenced matter on behalf of  
1803 Electric Cooperative, Inc.

are true and correct to the best of my knowledge, information, and belief.



Brian W. Hobbs

Subscribed and sworn before

me this 28<sup>th</sup> day of

June, 2024.



Kyle C. Marionneaux, La. Bar Roll No. 25785  
Notary Public

PLACEHOLDER\* FOR  
CONFIDENTIAL  
EXHIBIT BHW-1  
– REDACTED –  
ORIGINAL SUBMITTED  
CONFIDENTIALLY  
UNDER RULE 12.1 OF  
THE LPSC’S RULES OF  
PRACTICE AND  
PROCEDURE

\* Confidential Exhibit BHW-1 is submitted separately from the public filing under seal.

**LOUISIANA PUBLIC SERVICE COMMISSION  
ADMINISTRATIVE HEARING DIVISION**

**DOCKET NO. S-\_\_\_\_\_**

**1803 ELECTRIC COOPERATIVE, INC. AND  
POINTE COUPEE ELECTRIC MEMBERSHIP CORPORATION**

---

***In Re: Petition for Approval of Asset Transfer by Pointe Coupee Electric to 1803 and  
Operation of Transmission Facilities by 1803.***

---

**DIRECT TESTIMONY AND EXHIBITS**

**OF**

**RON REPSHER**

**ON BEHALF OF**

**1803 ELECTRIC COOPERATIVE, INC.**

**June 2024**

## TABLE OF CONTENTS

<b>I.</b>	<b>INTRODUCTION AND BACKGROUND .....</b>	<b>3</b>
<b>II.</b>	<b>DESCRIPTION OF PROPOSED TRANSACTION AND SUPPORTING FACTORS .....</b>	<b>5</b>
<b>III.</b>	<b>CONCLUSION .....</b>	<b>8</b>

### **EXHIBITS:**

**RR-1** *In Globo* Asset List with Redacted Values (Public Version)

**RR-2** *In Globo* Asset List with Values Included (Confidential Version)



1 I. INTRODUCTION AND BACKGROUND

2 Q. Please state your name and business address.

3 A. My name is Ron Repsher, and my business address is 4601 Bluebonnet Boulevard, Baton  
4 Rouge, LA 70809.

5  
6 Q. By whom are you employed and what is your position?

7 A. I am employed by 1803 Electric Cooperative, Inc. ("1803") as its Chief Operating Officer.  
8

9 Q. Please summarize your educational and professional background.

10 A. I have a bachelor's degree in Electrical Engineering from Mississippi State University and  
11 an MBA from Mississippi State University. I am a licensed professional engineer in the  
12 state of Mississippi. Prior to my employment with 1803, I spent twenty years employed  
13 by two wholesale generation and transmission ("G&T") cooperatives. For the vast  
14 majority of my career, I was employed at Cooperative Energy, headquartered in  
15 Hattiesburg, MS. Cooperative Energy serves eleven (11) member rural electric distribution  
16 cooperatives in Mississippi. My employment there was in increasing areas of  
17 responsibility, and I left as the Vice President of Power Supply. Immediately prior to  
18 joining 1803, I was employed at Big Rivers Electric Corporation ("Big Rivers"),  
19 headquartered in Owensboro, KY, as the Vice President of Energy Services. Big Rivers  
20 serves three (3) member rural electric distribution cooperatives in Kentucky and is  
21 regulated by the Kentucky Public Service Commission. Most relevant to my testimony in  
22 this matter is that I have managed and provided senior leadership for market, generation,  
23 and transmission operations and its associated interactions with the Midcontinent

1 Independent System Operator (“MISO”), fuel procurement, budgeting, regulatory, and  
2 reliability compliance, wholesale rate, as well as other aspects of the organization.

3 Both of the G&T cooperatives with which I was previously employed owned  
4 extensive transmission systems with thousands of miles of transmission lines and  
5 numerous substations. Both G&T cooperatives also owned many generation units of  
6 different types, including natural gas, coal, solar, and nuclear, and maintained power  
7 purchase agreements for different resources, including coal, hydro, natural gas, and solar  
8 generation.

9  
10 **Q. Have you previously testified before regulatory commissions?**

11 A. Yes. I have provided testimony to the Kentucky Public Service Commission and to the  
12 Louisiana Public Service Commission in Docket No. U-37134.

13  
14 **Q. On whose behalf are you testifying in this proceeding?**

15 A. I am providing testimony on behalf of 1803 Electric Cooperative, Inc.

16  
17 **Q. Has this testimony been prepared by you or under your supervision?**

18 A. Yes.

1    **II.     DESCRIPTION OF PROPOSED TRANSACTION AND SUPPORTING FACTORS**

2    **Q.     Please describe the Assets involved in the requests made in this Application.**

3    A.     As has been described in the testimony of Brian Hobbs, the Assets<sup>1</sup> can be broken down  
4           into two categories. The first category consists of the assets that are owned by LaGen<sup>2</sup>  
5           today, which by contract will revert to PC Electric upon termination of its Power Supply  
6           and Service Agreement. This first category comprises the vast majority of the Assets. The  
7           second category includes assets that are owned by PC Electric today, and may currently be  
8           operated and managed by the cooperative, LaGen, or other third parties. This second  
9           category includes a smaller portion of the overall Assets. The Assets as they are known at  
10          the time of this filing are identified in Exhibit RR-1 (Public Version, with values redacted)  
11          and RR-2 (Confidential Version, with Asset values shown). The Asset List is provided to  
12          the best knowledge of 1803 and PC Electric at the time of this filing and may need to be  
13          supplemented as further assets are identified and as further information becomes known.

14           The Assets generally consist of equipment commonly found in high voltage  
15          substations and transmission systems. This includes without limitation breakers, switches,  
16          motor operated switches, transformers, transmission lines, control and protective  
17          equipment, metering, and communication equipment. The operating voltage of the Assets  
18          ranges from 230kv to 69kv. Due to portions of the Assets being part of the Bulk Electric  
19          System as well as the network transmission nature of the equipment, the Assets require  
20          adherence to many obligations which are not easy to achieve. The major obligations

---

<sup>1</sup> The term “Assets” as used herein collectively refers to the assets and facilities as described in Mr. Hobbs’ Direct Testimony, which may include, without limitation, the high side of substations, delivery points, meter points, certain electric lines, meters and equipment associated with meters, and such similar assets.

<sup>2</sup> “LaGen” as used herein refers to Louisiana Generating LLC, Cleco Cajun LLC, or any of their affiliated entities, which presently owns, operates, and manages Assets which will revert by contract to PC Electric.

1 include real time around-the-clock operations by North American Electric Reliability  
2 Corporation (“NERC”) compliant control centers, and strict compliance with all NERC  
3 compliance standards. SERC Reliability Corporation (“SERC”) is the NERC delegated  
4 Regional Entity<sup>3</sup> authorized to ensure compliance with reliability standards promulgated  
5 by NERC for utilities in Louisiana and 14 other states.

6  
7 **Q. In your experience, have G&T cooperatives typically played a role in managing these**  
8 **types of assets?**

9 A. Absolutely. It is very common for G&T cooperatives to perform real time control center  
10 services and manage NERC compliance for owned equipment, much like electric utilities  
11 that are for-profit investor-owned corporations. This is consistent with the services  
12 provided by each of my prior G&T cooperative employers and consistent with many others  
13 of which I am aware in my experience.

14  
15 **Q. Please describe the Assets and 1803’s plan to own and manage the Assets and detail**  
16 **how 1803 can provide benefits and efficiencies to PC Electric in managing these**  
17 **Assets?**

18 A. Instead of incurring the obligations and associated costs to perform the required activities  
19 at the individual distribution cooperative level, PC Electric sees the value in having its  
20 G&T (which it owns and governs with the other five 1803 cooperative members) manage  
21 these obligations at the G&T level for the benefit of all 1803 cooperative members. 1803  
22 will be able to more effectively and efficiently perform the required operations and

---

<sup>3</sup> SERC is one of six NERC Regional Entities.  
*Direct Testimony of Ron Repsher*  
*June 2024*

1 maintenance on this high voltage equipment, as well as perform such actions at a lower  
2 cost due to economies of scale.

3 1803 Staff has experience in the ownership, operation, and maintenance of  
4 equipment similar to the Assets. Utilizing this knowledge, 1803 has developed a plan for  
5 ownership, operation, and maintenance of the Assets. Upon approval of this transfer, 1803  
6 will fully implement its plan. Major portions of 1803's operational plan can be described  
7 as follows:

- 8 • 1803 will become a registered Transmission Owner ("TO") in MISO and will adhere to all  
9 NERC standards related to being a NERC-registered TO. 1803 is well underway in the  
10 efforts of registering as a TO and is working closely with MISO to complete the  
11 requirements for registration. These actions are typical for owners of high voltage  
12 transmission equipment and 1803 Staff is very familiar with these activities.  
13
- 14 • 1803 will employ a mixture of employees as well as contractors to perform the various  
15 requirements of being a MISO TO and a NERC-registered TO.  
16
- 17 • 1803 will perform the Transmission Planner function for all assets under 1803's ownership.  
18 Mr. Hobbs has discussed the benefits of the inclusion of the Assets in MISO's transmission  
19 models as the overall transmission grid continues to require significant investment.  
20
- 21 • Like any other utility which owns transmission equipment, 1803 will perform forward  
22 planning to facilitate the reliable and economical operation of the Assets. This is not only  
23 clearly in the interest of PC Electric and its member-consumers, but also in the interest of  
24 all ratepayers who use the regional transmission grid.  
25
- 26 • For real time around-the-clock operations, 1803 contracted for resources to perform the  
27 control center services that are required. 1803 is not at this time going to build out its own  
28 NERC compliant control centers, as 1803 felt that attempting to take on such a large  
29 undertaking in the remaining time before early 2025 would not be prudent or in the best  
30 interest of PC Electric or the other 1803 cooperatives.  
31
- 32 • 1803 has engaged a respected industry engineering firm to inspect the Assets and associated  
33 maintenance records to gauge the in-service condition of the Assets and provide the basis  
34 for ongoing maintenance, testing, and replacement of equipment as discussed in the next  
35 two bullets.  
36
- 37 • 1803 will implement a preventative maintenance and testing plan on equipment to help  
38 ensure the equipment is in good working order, and to mitigate the risk of outages caused  
39 by equipment failure. This preventative maintenance and testing program will conform to

1 industry practices, equipment manufacturer requirements, and expert engineering analyses,  
2 as well as NERC defined time intervals. These actions will be performed by 1803  
3 employees as well as contracted resources.  
4

- 5 • In the normal course of business, 1803 will need to perform capital replacements of aging  
6 or failing equipment. 1803 will monitor its equipment during operations as well as the  
7 findings from its preventative maintenance program, and, as issues are found, repair or  
8 replace the problem equipment. These actions will be performed by 1803 employees as  
9 well as contracted resources.  
10

### 11 III. CONCLUSION

12 **Q. Do you believe that the requested transfer of Assets is in the best interest of PC**  
13 **Electric, its members, and 1803, and also in the public interest?**

14 **A.** Yes, for the reasons stated in my testimony.

15 **Q. Does this conclude your testimony?**

16 **A.** Yes, it does.

LOUISIANA PUBLIC SERVICE COMMISSION  
ADMINISTRATIVE HEARING DIVISION

DOCKET NO. S-\_\_\_\_\_

1803 ELECTRIC COOPERATIVE, INC.,  
BEAUREGARD ELECTRIC COOPERATIVE, INC.,  
CLAIBORNE ELECTRIC COOPERATIVE, INC.,  
NORTHEAST LOUISIANA POWER COOPERATIVE, INC.,  
SOUTH LOUISIANA ELECTRIC COOPERATIVE ASSOC., AND  
WASHINGTON-ST. TAMMANY ELECTRIC COOPERATIVE, INC.

---

*In Re: Petition for Approval of Asset Transfer by 1803 Member Cooperatives to 1803 and  
Operation of Transmission Facilities by 1803.*

---

AFFIDAVIT OF WITNESS

I, Ron Repsher, being duly sworn, depose  
that the Direct Testimony and Exhibits in the  
above referenced matter on behalf of  
1803 Electric Cooperative, Inc.

are true and correct to the best of my knowledge, information, and belief.



Ron Repsher

Subscribed and sworn before

me this 28<sup>th</sup> day of

June, 2024.



Kyle C. Marionneaux, La. Bar Roll No. 25785  
Notary Public

Pointe Coupee Electric Membership Corporation

Actual Purchase Price paid by 1803 to PCEMC shall be the amount due Cleco Cajun.

All Assets owned by Cleco Cajun to be conveyed to PCEMC shall be conveyed to 1803, including real property.

Estimated Net Book Value at 04-01-2025.

Estimated Amount  
Due at Conveyance

Totals ==>

Coop	Location	Value	Months in Service	Original Cost	Accum Depr	NBV	Assets conveyed To Customer	Assets sold To Customer At NBV
Pte. Coupee	Waterloo		300.00					

Additional Assets to be conveyed to 1803.

Purchase Price to be paid by 1803 to PCEMC shall be the amount shown as Due at Conveyance.

Due at Conveyance

Coop	Station/Location	Description	\$	NBV (\$)
Pte. Coupee	Diamond Plastics	Site work and culvert, fencing, PT, CT, Statoin Metering, 69kV Group Breaker SW, Switch Platform, Swiitches	\$	
Pte. Coupee	Waterloo	Real Property	\$	

Additionally, metering and communication equipment purchased from Cleco Cajun or other entity shall be conveyed to 1803 at the purchase price.





PLACEHOLDER\* FOR  
CONFIDENTIAL  
EXHIBIT RR-2  
– REDACTED –  
ORIGINAL SUBMITTED  
CONFIDENTIALLY  
UNDER RULE 12.1 OF  
THE LPSC’S RULES OF  
PRACTICE AND  
PROCEDURE

\* Confidential Exhibit RR-2 is submitted separately from the public filing under seal.

1803 ELECTRIC COOPERATIVE, INC. AND  
POINTE COUPEE ELECTRIC MEMBERSHIP CORPORATION

DOCKET NO: S-\_\_\_\_\_

---

*In re:* PETITION FOR APPROVAL OF ASSET TRANSFER BY POINTE COUPEE  
ELECTRIC TO 1803 AND OPERATION OF TRANSMISSION FACILITIES BY 1803.

---

DIRECT TESTIMONY

OF

MYRON LAMBERT

on behalf of

POINTE COUPEE ELECTRIC MEMBERSHIP  
CORPORATION

June 2024

**I. INTRODUCTION**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, POSITION AND COMPANY TITLE.**

A. Myron Lambert, 2506 False River Drive, New Roads, Louisiana 70760. I am the General Manager of Pointe Coupee Electric Membership Corporation (PC Electric).

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE IN THE ELECTRIC INDUSTRY.**

A. I have been in my current position with PC Electric since July 1, 2016. I have a Bachelor of Science in Management and a Master of Business Administration both from Louisiana State University.

**Q. PLEASE PROVIDE A GENERAL OVERVIEW OF PC ELECTRIC.**

A. PC Electric is a not-for-profit member owned electric membership cooperative association organized and existing under the laws of the State of Louisiana pursuant to La. R.S. 12:401, et seq., providing retail electric service to approximately 10,600 meters in three (3) Louisiana parishes including Pointe Coupee, West Baton Rouge and Iberville located within Zone 9 within the MISO region. PC Electric is governed by a board of directors, each elected by and representing one of seven districts to serve as a director of the board.

**II. PURPOSE AND SUMMARY OF DIRECT TESTIMONY**

**Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?**

A. I am providing testimony to support the Petition for Approval of Asset Transfer filed jointly between PC Electric and 1803 Electric Cooperative, Inc. ("1803"). My testimony addresses the basis for and benefits of the proposed transfer of ownership and management of certain delivery assets of PC Electric to 1803 including the assets and facilities which would transfer ownership from Louisiana Generating, LLC, Cleco Cajun LLC, or any of their affiliated entities (collectively "LaGen") to 1803, respectively, at the conclusion of PC Electric's Power Supply and Service Agreements ("PSSA") with LaGen (the "Transaction").

**III. BENEFITS OF THE TRANSACTION**

**Q. WHAT IS PC ELECTRIC'S RELATIONSHIP WITH 1803?**

A. PC Electric is not an original member of 1803. PC Electric has joined 1803 as a member for the sole purpose of allowing 1803 to own, operate and manage certain transmission assets. PC Electric will not receive wholesale power from 1803.<sup>1</sup>

**Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE TRANSACTION.**

A. Like other 1803 Cooperatives, PC Electric currently receives its wholesale power through a full requirements contract, the PSSA with LaGen. Beginning in April 1, 2025, PC

---

<sup>1</sup> The LPSC approved PC Electric's wholesale contract with NextEra Energy Marketing in Docket No. U-36515 on October 18, 2023.

1 Electric will transition to a new wholesale power contract and the PSSA will expire  
2 triggering certain provisions in the PSSA regarding transmission assets referred to as  
3 “Specific Delivery Facilities.” At the conclusion of the PSSA, LaGen is obligated to  
4 transfer the ownership and management of certain high voltage delivery assets to PC  
5 Electric. Collectively, these assets and facilities include the high side of substations  
6 including but not limited to equipment such as switches, relays, transformers and other  
7 similar assets.

8 **Q. ARE THERE OTHER TRANSMISSION ASSETS CURRENTLY OWNED BY PC**  
9 **ELECTRIC THAT ARE ALSO IMPACTED BY THE END OF THE PSSA?**

10 A. Yes. There is additional transmission equipment that while currently owned by PC  
11 Electric, that has been maintained and/or operated by LaGen during the twenty-five-year  
12 term of the PSSA. The Board of PC Electric determined that is in the best interest of its  
13 ratepayers to transfer certain additional transmission equipment to 1803 to allow 1803 to  
14 perform the maintenance operation and planning for the combined transmission assets.  
15 (The specific delivery facilities from LaGen and the PC Electric owned equipment to be  
16 transferred to 1803 are collectively referred to as the “Assets.”)

17 **Q. WHAT EXPERIENCE DOES PC ELECTRIC HAVE WITH THE ASSETS?**

18 A. PC Electric staff is not qualified nor certified to work on the Assets nor are we properly  
19 staffed to assume the responsibility of the maintenance and operation of the Assets. PC  
20 Electric would be required to contract with third parties to perform all services on the  
21 Assets should PC Electric assume the ownership and maintenance of the Assets.

1    **Q.     HOW WILL THIS TRANSACTION, IF APPROVED, PROVIDE BENEFITS TO**  
2       **THE 1803 MEMBER COOPERATIES AND THEIR MEMBER CONSUMERS?**

3    A.     Without this Transaction, PC Electric would be individually responsible for the Assets,  
4           without having the necessary staff and experience for such tasks.  Conversely, PC Electric  
5           asserts that 1803 has the experience, expertise and ability to manage the Assets on behalf  
6           of PC Electric.  In addition, 1803 through its expanded membership with other cooperatives  
7           will provide economies of scale and savings by working together to not only maintain,  
8           manage and operate the equipment, but also will provide planning for the 1803 system  
9           which, if approved, will include PC Electric's system.  The proposed Transaction will  
10          allow 1803, PC Electric and the other 1803 Cooperative members to achieve deduplication  
11          of services, costs, and staffing, economies of scale, efficiencies, savings through sharing  
12          of costs, efforts, and resources, improved transmission planning, reliability and  
13          optimization all as a result of consolidating the ownership, operation, maintenance and  
14          compliance efforts associated with the Assets.  Considering these factors, the proposed  
15          Transaction is in the public interest.

16   **Q.     WHAT ROLE WILL PC ELECTRIC HAVE IN REGARD TO THE ASSETS**  
17       **GOING FORWARD IF THE TRANSACTION IS APPROVED?**

18   A.     The proposed Transaction provides PC Electric and the other 1803 Cooperatives with  
19           continued oversight and a decision-making role in the management and operation of the  
20           Assets considering that each 1803 Cooperative has two board members on the 1803 Board  
21           one of which must be the General Manager of each 1803 Cooperative.  As such, I am a  
22           member of the 1803 Board of Directors.  As a result of this structure, each 1803

1 Cooperative, through their 1803 Board membership and representation, will play an  
2 important role in the management and operation of these Assets, while having the expertise  
3 and resources of 1803 executive team and consultants. From a long term standpoint, should  
4 1803 operations conclude at the end of the contractual term or if PC Electric or any 1803  
5 Cooperative ceases to be a member of 1803, that 1803 Cooperative's portion of the Assets  
6 will return to that 1803 Cooperative, thus ensuring the net benefits will continue for the  
7 member-ratepayer in the long term.

8 **Q. ARE YOU FAMILIAR WITH THE REQUIREMENTS OF THE LPSC GENERAL**  
9 **ORDER OF MARCH 18, 1994, RELATING TO THE FACTORS TO BE**  
10 **CONSIDERED IN CONNECTION WITH THE APPLICATION FOR APPROVAL**  
11 **OF THE TRANSFER OF OWNERSHIP OF A UTILITY?**

12 A. Yes, I am familiar with the 18 Point Analysis.

13 **Q. HAVE YOU REVIEWED AND DO YOU AGREE THAT THE 18 POINT**  
14 **ANALYSIS ATTACHED TO THIS JOINT APPLICATION IS TRUE AND**  
15 **CORRECT ON BEHALF OF PC ELECTRIC?**

16 A. Yes. I have reviewed the 18-Point Analysis that is made a part of this application and agree  
17 that the statements made are a true and accurate analysis of each of the 18 points in regards  
18 to the transfer of the PC Electric Assets to 1803.

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 A. Yes.

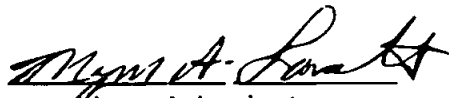
BEFORE THE  
LOUISIANA PUBLIC SERVICE COMMISSION  
DOCKET NO. S-\_\_\_\_\_

1803 ELECTRIC COOPERATIVE, INC AND  
POINTE COUPEE ELECTRIC MEMBERSHIP CORPORATION

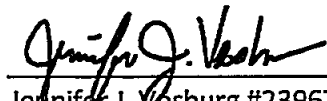
*In re: Petition for Approval of Asset Transfer by Pointe Coupee Electric to 1803 and  
Operation of Transmission Facilities by 1803.*

AFFIDAVIT OF WITNESS

I, Myron A. Lambert, being duly sworn, depose that the Direct Testimony in the above  
referenced matter on behalf of Pointe Coupee Electric Membership Corporation, is true and  
correct to the best of my knowledge, information and belief.

  
Myron A. Lambert

Subscribed and sworn before me this 28th day of June, 2024

  
Jennifer J. Vosburg #23967  
Notary Public  
My commission expires at Death