

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER S-37321

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

Docket No. S-37321, In re: Joint Petition for approval of transfer of transmission facility assets by Pointe Coupee Electric to 1803, including operation thereof.

(Decided at the February 19, 2025 Business and Executive Session.)

ORDER

I. BACKGROUND

On July 1, 2024, 1803 Electric Cooperative, Inc., (“1803”), and Pointe Coupee Electric Membership Corporation (“PCE”) (Collectively “Joint Applicants”) filed Joint Request for approval of transfer of transmission facility assets by Pointe Coupee Electric to 1803, including operation thereof (“Request”). Notice of the Request was published in the Louisiana Public Service Commission (“LPSC” or “Commission”) Official Bulletin No. 1327 dated July 3, 2024, with a 25-day intervention period. Midcontinent Independent System Operator, Inc. (“MISO”) filed a notice of participation as an interested party.

In this Request, the Joint Applicants sought approval of the Transaction (“Proposed Transaction”) to transfer ownership of certain high voltage assets and facilities to 1803, which 1803 will then own and manage on behalf of PC Electric. Collectively, the assets and facilities being transferred 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”). These Assets are to be transferred from Louisiana Generating LLC., (“LaGen”) to PC Electric on April 1, 2025 at the conclusion of PC Electric’s current wholesale power contract, and then to 1803 in accordance with the present request. In addition, PC Electric intends to convey certain of its owned transmission related assets that it is responsible for beyond those assets that LaGen is transferring. Finally, 1803 will also acquire from LaGen certain meters and other equipment, such as potential and current transformers, remote terminal units, and other communication equipment that are not required to be conveyed pursuant to the Power Supply and Service Agreement (“PSSA”) between LaGen and PC Electric. 1803 is seeking to acquire that equipment at a negotiated cost from LaGen.

After extensive discovery, LPSC Staff filed *Staff Memorandum with Testimony of Philip Hayet in Support* (“Staff Report”) on January 24, 2025. In this Staff Report, Staff detailed the

thorough review of Joint Applicant's Request as well as supporting documentation. Staff recommended that the Commission express its Non-Opposition to the Joint Applicant's Request subject to conditions detailed below.

On February 4, 2025, Joint Applicants filed *Joint Correspondence Regarding Staff Memorandum with Testimony of Philip Hayet*. In this Correspondence, the Joint Applicants agree with and consent to the findings made and conditions proposed within the Staff Report.

II. COMMISSION AUTHORITY

The Commission exercises jurisdiction over public utilities in Louisiana pursuant to Article IV, Section 21(B) of the Louisiana Constitution.

LA. Const. Art. IV, Sec. 21(B) provides in pertinent part:

The commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations, and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

III. STAFF REPORT AND RECOMMENDATION

On January 24, 2025, LPSC Staff filed its Staff Report. In this Staff Report, Staff detailed the thorough review of the Joint Applicants' Request as well as supporting documentation. Based on Staff's review of the Request, Staff believed that, subject to the affirmative obligation of prudent management by 1803, the transfer of PCE transmission assets in the Request to 1803 is in the best interest of ratepayers/members. Accordingly, Staff recommended to the Commission that a Letter of Non-Opposition be issued authorizing the 1803 to acquire PCE's Transmission assets, subject to the following conditions:

- 1) Should the Transfer Agreement be modified in any way prior to Closing, the newly revised agreement shall be filed into the record of this proceeding no later than seven (7) business days after such modification.
- 2) Within 60 days of a Commission Order, 1803 shall confirm that it has already provided the most up-to-date accounting of the costs that it will incur to acquire all Assets, including those from LaGen and from PC Electric. 1803 provided such a list in an attachment to Mr. Repsher's testimony as Exhibit RR-2, Asset List with Values Included. If any updated information exists, 1803 should file such information in the docket.

- 3) Within 60 days of a Commission Order, 1803 shall confirm that the Assets to be acquired either from LaGen or PC Electric will be priced at either a cost of zero or Net Book Value (“NBV”). Furthermore, for the additional assets also being purchased from LaGen that are currently in service and necessary for the continuation of safe and reliable service (metering and communication equipment), but for which LaGen has no contractual obligation to convey to PC Electric under the PSSA, 1803 should confirm it will be able to negotiate the purchase of those assets at a cost that does not exceed more than fifty percent (50%) of the cost to purchase and install those assets new. Furthermore, 1803 should confirm that it will provide an asset list including the purchase price of all assets acquired in a post-order compliance filing.
- 4) This approval is made without prejudice to the authority of the Commission to make investigations and require any reasonably necessary change that the Commission may legally find to be in the public interest if conditions of the Order in this proceeding are not satisfied.

[This section is intentionally left blank]

IV. COMMISSION CONSIDERATION

This matter was considered at the Commission’s February 19, 2025 Business and Executive Session. On motion of Vice Chairman Skrmetta, seconded by Commissioner Lewis, and unanimously adopted, the Commission voted to accept the Staff Report and Recommendation filed into the record on January 24, 2025.

IT IS THEREFORE ORDERED THAT:

- 1) The Staff Report and Recommendation filed into the record on January 24, 2025 is accepted; and,
- 2) This order is effective immediately.

**BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
March 11, 2025**



A handwritten signature in blue ink, appearing to read "Brandon M. Frey".

**BRANDON M. FREY
SECRETARY**

/S/ MIKE FRANCIS

**DISTRICT IV
CHAIRMAN MIKE FRANCIS**

/S/ ERIC F. SKRMETTA

**DISTRICT I
VICE CHAIRMAN ERIC F. SKRMETTA**

/S/ FOSTER L. CAMPBELL

**DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL**

/S/ DAVANTE LEWIS

**DISTRICT III
COMMISSIONER DAVANTE LEWIS**

/S/ JEAN-PAUL P. COUSSAN

**DISTRICT II
COMMISSIONER JEAN-PAUL P. COUSSAN**