

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER U-35456-A

CONCORDIA ELECTRIC COOPERATIVE, INC.,
EX PARTE

Docket No. U-35456, In re: Application for Certification of a Replacement Advanced Metering System and Approval of Related Financing.

(Decided at the July 14, 2021 Business and Executive Session.)

(Amends and supersedes Order No. U-34658 dated October 19, 2018
and
Order No. U-35456 dated March 23, 2021.)

I. BACKGROUND AND PROCEDURAL HISTORY

Concordia Electric Cooperative, Inc. (“Concordia”) is a non-profit electric cooperative under the jurisdiction of the Louisiana Public Service Commission (“LPSC” or “Commission”) providing electric service to approximately 13,736 members in the Louisiana Parishes of Concordia, Catahoula, LaSalle, Rapides, and Grant. On December 27, 2019, Concordia, submitted an Application for Approval of an Updated Advanced Metering System (“Initial Application”). In its Initial Application, Concordia sought approval of an Advanced Metering System (“AMS”) to replace its existing meters, which are a combination of its Hunt Technology TS-1 (“TS-1”) legacy meters and Landis+Gyr (“L+G”) Focus AX meters (“L+G AMS”), and related system due to system failure. Concordia sought Commission approval to replace the legacy and L+G systems with the Aclara Synergize RF Electric AMS (“Aclara AMS”) (“Replacement AMS”). In support of the Initial Application, Concordia filed the Testimony of DeWayne Bailey, General Manager, and the Testimony of Roger D. Comeaux of BHA, Inc., with exhibits. As part of its Initial Application, Concordia referenced seeking a loan to borrow the funds necessary for the installation of the Replacement AMS; however, a request for the loan was not part of the Initial Application.

Notice of Concordia’s Initial Application was timely published in the Commission’s Official Bulletin dated January 10, 2020 for a 25-day intervention period. There were no interventions. The Commission retained outside consultant firm Exeter Associates, Inc. at its January 22, 2020 Business and Executive Session (“B&E”) to assist Louisiana Public Service Commission Staff (collectively “Staff”) with its review of the Application. Staff issued its first set of data requests to Concordia on January 28, 2021. Chief Administrative Law Judge Melanie Verzwylt convened a status conference on February 20, 2020, during which a procedural schedule was set and adopted in the Report of Initial Status Conference issued that same day.

On April 23, 2020, Concordia filed its Amendment to Application of Concordia Electric Cooperative, Inc. for Louisiana Public Service Commission Certification of a Replacement Advanced Metering System (“Amended Application”), an amendment to its Initial Application to include a request to enter into a financing agreement to borrow \$2.95 million to finance Replacement AMS installation. (Collectively, the Initial and Amended Applications are referred to herein as the “Application.”) Judge Verzwylt granted an Unopposed Motion of Commission Staff to Suspend Procedural Schedule on April 23, 2020. On April 28, 2020, Concordia filed the Supplemental Testimony of DeWayne Bailey in support of the Amended Application. The *in re:* for this proceeding was updated to reflect the amended request and notice of the proceeding was re-published in the Commission’s Official Bulletin dated May 1, 2020 with the updated *in re:* for an additional 25-day intervention period. Again, there were no interventions. Thereafter, Staff and/or Concordia filed a series of status updates into the record until September 23, 2020, when Concordia and Staff filed an Unopposed Joint Motion to Reset Procedural Schedule.

Pursuant to that schedule, Staff filed the Direct Testimony and Exhibits of Staff witnesses Stacy L. Sherwood and Thomas Broady on October 27, 2020. On December 18, 2020, Concordia filed the Rebuttal Testimony of DeWayne Bailey and Roger D. Comeaux. Following discovery and testimony, the parties engaged in settlement discussions that ultimately resulted in settlement.

On February 2, 2021, Concordia and Staff filed an Unopposed Joint Motion Pursuant to Rule 57 to Accept Proposed Uncontested Stipulated Settlement (“Joint Motion”) on Concordia’s Application requesting that the Commission grant the Joint Motion and accept the Stipulated Settlement Term Sheet (“Term Sheet”). Concordia and Staff requested that the Commission take the matter up pursuant to Rule 57 of the Commission’s Rules of Practices and Procedures at the next practicable B&E. The matter was considered pursuant to Rule 57 at the Commission’s February 24, 2021 B&E at which the Commission adopted the Term Sheet. Order No. U-35456 reflecting the Commission’s vote was issued on March 23, 2021.

On June 2, 2021 Concordia filed a pleading styled as Amended Request for Letter of Non-Opposition for Unsecured Loan requesting that the Commission essentially amend its approval granted in Order No. U-35456 to modify the terms of the CoBank loan from a secured 15-year term to an unsecured 10-year term (“Request to Amend Order”). Concordia provided documentation from CoBank of the loan terms that are the subject of the Request to Amend Order. The Request to Amend Order states that Concordia expects market rate to be approximately 2.344%, but would be subject to market rates at the time of closing. Further, that the loan would be drawn in a single draw at the time of closing to pay for the upgrades to the AMS.

The Request to Amend Order was published in the Commission’s Official Bulletin #1247 on June 11, 2021 for a 25-day intervention period. There were no intervenors. Staff conducted a review of the Amended Request and filed the Staff Report and Recommendation Regarding Concordia’s Request to Amend Order No. U-35456 (“Staff Report on Request to Amend Order”) on July 1, 2021. The matter was placed on the Commission’s Agenda for the July 14, 2021 B&E; at the meeting, the Commission unanimously approved the Staff Report on Amended Request.

II. COMMISSION JURISDICTION

The Commission exercises jurisdiction in this proceeding pursuant to Article IV, Section 21 of the Louisiana Constitution of 1974, which 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.

The Commission’s September 22, 2009 General Order in Docket No. R-29213 consolidated with Docket No. R-29213 Sub. A (“AMS/DR Order”)¹, specifies the procedures and guidelines for approval of AMS applications. Certain pertinent sections are highlighted below:

Section 1 states:

Purpose: The purpose of this rule is to define the terms and conditions under which electric and/or combined electric and gas utilities can seek the recovery of costs associated with the

¹ General Order, Docket No. R-29213, Investigation to determine if it is appropriate for LPSC jurisdictional electric utilities to provide and install time-based meters and communication devices for each of their customers which enable such customers to participate in time-based pricing rate schedules and other demand response programs., consolidated with Docket No. R-29213 Sub. A, Commission examination into the public benefits of potentially adopting rules, new tariffs, and/or other regulatory mechanisms that would promote (or require) the use of wireless metering in Louisiana. (September 22, 2009)

implementation of new advanced metering and demand response programs, including the integration of existing advanced metering or demand response programs into such new programs. This rule addresses the issues required under Section 1252 of the Energy Policy Act of 2005 for advanced metering and demand response programs.

Section 4 states, in part:

Filing Requirements for AMS, DR Programs, or Pilot Program Certification. Before implementing any AMS, DR, or pilot program, a utility subject to LPSC-jurisdiction will be required to file an application for approval of such program, which shall include the following...:

III. CONCORDIA'S AMS HISTORY

Concordia began installing the TS-1 system in 1995. The TS-1 system, an automatic meter reading (“AMR”) technology,² uses one-way communication from the member meter to Concordia through power-line communication (“PLC”) networks. While this technology does not meet the requirements of AMS, the technology allowed Concordia to eliminate the cost of full-time meter readers when it was first installed in the late 1990s. However, over time, Concordia found that the transmitting signal strength of the TS-1 system significantly declined, diminishing Concordia’s ability to receive energy usage data. This degradation of the system forced Concordia to utilize existing staff to manually read between 500 and 1,000 meters per month as the communication devices failed.

L+G acquired Hunt Technologies and discontinued the TS-1 system; therefore, the TS-1 system was no longer supported. The unreliability of the TS-1 system and inability to find replacement parts led Concordia to begin the process of replacing the TS-1 system with an AMS. Concordia began the process of installing an AMS to replace its TS-1 legacy meters in 2014 prior to receiving Commission approval. Concordia requested retroactive approval in Docket No. U-34658, initiated by Concordia’s application filed September 7, 2017. Prior to filing its application, Concordia had replaced approximately 3,600 out of 13,572 meters, but suspended replacement until it could obtain Commission approval. Order No. U-34658 dated October 19, 2020 certified Concordia’s AMS subject to many terms and conditions. Order No. U-34658 allowed Concordia to continue its replacement of the TS-1 system with the L+G AMS at a projected cost of \$4.9 million, with a projected a net benefit of \$3.5 million over the 20-year life of the meters.

Per the Direct Testimony of DeWayne Bailey, Concordia began experiencing issues with the L+G AMS resulting in the failure of a significant portion of the installed meters in 2016. As the L+G meters began to fail, so did the legacy TS-1 meters due to a failure with the PLC systems, which increased the number of manually read meters. Most of the meters failed outside of the one-year warranty provision; therefore, Concordia’s members are absorbing those meter repair costs. Concordia worked with L+G through 2018 in an attempt to resolve the meter failure and communication issues, but those efforts were unsuccessful. As a result, in 2019, Concordia explored other AMS options, ultimately selecting Aclara as the vendor for the Replacement AMS.

² AMR technologies are in a different category than AMS or Advanced Metering Infrastructure (“AMI”). AMR is characterized by fixed networks and one-way communication that provides meter reading and billing efficiencies. Concordia’s old AMR system preceded the Commission’s AMS General Order; further, the AMR technology does not meet the technological requirements of AMS under the General Order. AMS and AMI are characterized by two-way communication channels, interval metering over mesh networks, and capabilities to support customer and utility applications beyond that of meter reading.

IV. CONCORDIA'S APPLICATION

Concordia requests that the Commission, pursuant to the AMS/DR Order: certify its Replacement AMS, declare the deployment of the Replacement AMS to be prudent, and allow Concordia to recover all prudently incurred costs associated with the Replacement AMS as a component of the Formula Rate Plan ("FRP"). Additionally, the Application includes a request for a letter of non-opposition from the Commission to allow for \$2.95 million in financing from CoBank for the Replacement AMS.

Concordia's Application seeks authority to install the Aclara technology to provide meter reading throughout its service territory which utilizes a point-to-multipoint network to communicate, rather than utilizing a mesh network. As a result, the meters are designed to communicate directly with a data collection unit instead of pinging the data from meter to meters. To implement the Replacement AMS, Techline, a local distributor 40 miles from Concordia's office, will serve as the distributor of its meters, routers, and meter parts and Aclara personnel will install the system. The Replacement AMS is projected to be fully functional within 12 months. Per Concordia, Aclara has stated that its system will last 15-20 years. In addition to meter reading, Concordia anticipates that the Replacement AMS will enhance its outage management system and practices. Rather than relying upon customers to notify Concordia of an outage, the Cooperative will rely upon the Replacement AMS to alert the dispatcher to outages on the system and the locations of such outages. Concordia will also utilize remote connect/disconnect capabilities of the Replacement AMS. Following the Replacement AMS being fully functional, Concordia has proposed that it will complete a Demand Response ("DR") study and will consider modernizing its website to allow for members to have access to energy usage information.

To determine the cost-effectiveness of the Replacement AMS, Concordia performed a net benefit analysis ("NBA") utilizing the total resource cost ("TRC") test. The net present value of the TRC test, as calculated by Concordia, was a benefit of \$4.3 million. Concordia determined that Aclara's AMS was the best option for its service territory by forming a two-person AMS committee that met with three AMS manufacturer representatives, including Aclara, Honeywell, and Tantalus. The AMS committee discussed the following with the representatives: system types, warranties, support services, prices, and time frame for delivery and installation. Additionally, Concordia had the following requirements for the AMS:

1. A proven system from a national leader in AMS;
2. Provides reliable and accurate meter reading;
3. Alerts the utility of loss of power to the meter;
4. Monitors engineering data readings, such as voltage;
5. Remotely connects and disconnects meters;
6. Two-way communication;
7. Seamless transition based on Concordia's existing systems (i.e., billing system).

In addition to considering these requirements, the Concordia AMS committee appreciated the responsiveness of Aclara, ultimately making its decision to utilize Aclara's AMS to replace the L+G AMS. Concordia's Board of Directors approved the Replacement AMS on June 11, 2019.

V. COMMISSION STAFF REVIEW ON APPLICATION

Staff reviewed the Concordia's Application and supporting testimony, responses to six sets of data requests, Order No. U-34568, and the AMS/DR Order. After a thorough review, Staff filed the Direct Testimony and Exhibits of Staff witnesses Stacy L. Sherwood and Thomas Broady on October 27, 2020. Staff witness Sherwood provided Staff's analysis and recommendations regarding certification of the Replacement AMS. Commission Staff Auditor Thomas Broady addressed the request for non-opposition to the CoBank financing for the Replacement AMS. Ms.

Sherwood found that the degradation of the current metering system required Concordia to explore alternatives; yet, Concordia's Application and supporting documentation had not demonstrated that it met all of the requirements of the AMS/DR Order. Staff recommended that Concordia provide additional information addressing the issues identified by Staff regarding meeting the Commission's AMS requirements and support for its assumptions in its rebuttal testimony. Further, that should Concordia provide information in its rebuttal testimony to resolve the shortcomings addressed such that Staff could be in a position to recommend approval of the Replacement AMS, Staff provided several conditions that it would recommend the Commission apply to any approval.

Staff witness Broady reviewed Concordia's request for financing with CoBank. Concordia sought authority to enter into a secured loan agreement valued at \$2.95 million with CoBank to finance the purchase of necessary equipment and installation of the Replacement AMS. Concordia indicated that it expected the interest rate from CoBank to vary from 2.99% to 3.87% dependent upon whether there will be a 20- or 30-year term and whether the loan would include a patronage or non-patronage option; however, the actual loan interest rate will be determined at the time of the loan advance. Concordia indicated the loan would be taken in a single installment to facilitate the purchase and installation of the Replacement AMS. Concordia provided responses to multiple sets of data requests, direct testimony from two witnesses in support of the Application, an 18-point analysis pursuant to the March 18, 1994 General Order, a net benefits analysis, an installation timeframe, and the pricing schedule for the Replacement AMS.

Staff's analysis determined that Concordia would be able to meet the necessary financial metrics required for the loan process by the lenders. Concordia's forecasted revenues and expenses indicated that Concordia would be in a good position to meet or exceed the necessary leverage ratios and loan covenants required by the new lender as well as existing lenders. Staff found that if the Commission certified the Replacement AMS and determined that prudently incurred Replacement AMS costs are recoverable through its FRP, that the proposed financing transaction is in the public interest and would have no adverse effect on Concordia's ability to provide safe and reliable electric service. Staff recommended that the Commission express its non-opposition to the requested financing subject to certain terms and conditions.

VI. SETTLEMENT REGARDING APPLICATION

Following Concordia filing its Rebuttal Testimony and providing additional information and updated analyses in support of its Application responsive to Staff's Direct Testimony, Staff and Concordia reached a stipulated settlement. The Joint Motion and Term Sheet filed on February 2, 2021 was supported by the testimony of DeWayne Bailey on behalf of Concordia and the testimony Ms. Sherwood on behalf of Staff. The Term Sheet resolves all issues in this proceeding, and if approved, Concordia would be permitted to implement the Replacement AMS at an estimated cost of \$4,930,232 and prudently-incurred costs would be eligible for recovery in rates. Further, it authorizes Concordia to enter into the financing agreement with CoBank to borrow \$2.95 million to fund the installation costs of the Replacement AMS. The Term Sheet includes conditions and reporting, including a prudence review of the Replacement AMS costs to help ensure that Concordia will prudently install and manage the Replacement AMS. Staff and Concordia supported the Term Sheet as an equitable resolution to Concordia's Application asserting the stipulation avoids further litigation and is a resolution that is fair and in the public interest.

VII. COMMISSION ACTION REGARDING APPLICATION

This matter was considered at the Commission's February 24, 2021 B&E. On motion of Vice Chairman Skrmetta, seconded by Commissioner Francis, with Chairman Greene and Commissioner Campbell concurring and Commissioner Boissiere temporarily absent, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57. On motion of Vice Chairman Skrmetta, seconded by Commissioner Francis, with

Chairman Greene and Commissioner Campbell concurring and Commissioner Boissiere temporarily absent, the Commission voted to accept Proposed Uncontested Stipulated Settlement filed into the record on February 2, 2021. The Commission issued Order No. U-35456 on March 23, 2021.

VIII. COMMISSION STAFF REVIEW ON REQUEST TO AMEND ORDER

The Staff Report and Recommendation Regarding Request for Non-Opposition to CoBank Loan filed with Mr. Broady's Direct Testimony on October 28, 2020, regarding the Application recommended that the financing of the AMS was in the public interest and that the Commission express its non-opposition to the financing subject to certain terms and conditions. Staff incorporates by reference its analysis and conclusions from the Staff Report and Recommendation Regarding Request for Non-Opposition to CoBank Loan filed October 28, 2020, subject to the modifications expressly stated herein. As Audit Staff conducted a complete review of Concordia's Application (including all supporting documentation and responses to data requests), Audit Staff's review of the Request to Amend Order focused on the changes from the Application, and whether with those changes, the Staff continued to recommend that the Commission express its non-opposition.

The Request to Amend Order merely seeks to change the lending terms from CoBank from a secured loan to an unsecured loan and shorten the term from 15 to 10 years. Therefore, as amended, the loan would not require Concordia to use its utility assets to secure the requested loan. The actual interest rate for the loan will be subject to market conditions at the time of issuance, and Concordia anticipates those rates to be approximately 2.344%. This rate is not significantly different than the interest rate Concordia was expecting with CoBank loan in the Application.

Audit Staff reviewed the impact of the principal and interest costs of the original requested loan and the newly requested loan. In response to discovery on the Request to Amend Order, Concordia provided loan payment schedules that outlined the annual cost of the change in terms. In Order No. U-35456, the Commission utilized a 15-year useful life for the Replacement AMS and required that Concordia's loan repayment term match. With the Request to Amend Order, the repayment would be shortened to 10 years; however, Staff was amenable to the loan repayment term being shorter than the useful life. Staff would have had a concern if Concordia was seeking a loan repayment term that exceeded the useful life of the Replacement AMS.

Based its review of the Request to Amend Order and the Staff Report and Recommendation Regarding Request for Non-Opposition to CoBank Loan filed October 28, 2020, Staff found that the proposed financing transaction, as amended, is in the public interest and will have no adverse effect on the Concordia's ability to provide safe and reliable electric service. Concordia's Request to Amend Order to substitute the new loan terms from CoBank would permit Concordia to move forward promptly with the financing necessary to initiate its Replacement AMS. Staff recommended that the Commission expresses its non-opposition to the requested financing, but only if certain terms and conditions applied

IX. COMMISSION ACTION REGARDING REQUEST TO AMEND ORDER

This matter was considered at the Commission's July 14, 2021 B&E. On motion of Commissioner Campbell, seconded by Commissioner Francis and unanimously adopted, the Commission voted to adopt the Staff Report on Request to Amend Order filed July 2, 2021. Therefore,

IT IS ORDERED:

1. Concordia's proposal to implement a replacement Advanced Metering System ("AMS"), consisting of various components including Aclara Synergize RF Electric meters (herein collectively referred to as ("Replacement AMS")), as detailed in Concordia's Application and testimony filed in this matter is in the public interest, serves the public convenience and necessity, and therefore is prudent in accordance with the Commission's General Order dated 9-22-09, in Docket No. R-29213 consolidated with R-29213, Subdocket A, (the "AMS General Order"). Concordia is authorized to install its Replacement AMS subject to the terms and conditions set forth herein.
2. Concordia's Application estimates total Replacement AMS costs of \$4.9 million over the life of the project, the majority of such expenses to be incurred during project implementation.
3. Concordia's Replacement AMS is reasonably expected to produce benefits in excess of the costs of the Replacement AMS Project as shown in the rebuttal testimony of Robert D. Comeaux, Exhibit RDC-R1.
4. Concordia will enhance its website to allow customers to have access to their energy usage and billing information, including various bill payment options (e.g. automatic bank draft, credit card payments, e-check) along with other useful information, including rate schedules, safety tips, and energy efficiency tips. The enhancements will be functional and available six months after the Replacement AMS is fully functional. Within 45 days of the issuance of an Order in this docket, Concordia will submit an action plan outlining the upgrades necessary; the cost to complete those upgrades; and a timeline for completion and implementation such that the website enhancements will be functional and available six months after the Replacement AMS is fully functional.
5. Concordia has an ongoing obligation to prudently install, manage and operate the Replacement AMS.
6. Concordia will abide by Section 3.7 of the AMS/DR General Order restricting the use of customer data and will take all necessary measures to ensure protection of proprietary member information, system data and physical devices.
7. The Commission expresses its non-opposition to Concordia's request as part of this proceeding to borrow \$2.95 million to finance the purchase and installation of its Replacement AMS through a loan from an existing lender, CoBank.
8. The financing from CoBank shall utilize a repayment term of 10 years.
9. Concordia shall file into the record of this proceeding a copy of the signed loan outlining the final terms and conditions within 30 days of the loan closing date. Should the loan agreement be modified in any way prior to execution, the revised agreement shall be filed into the record of this proceeding no later than 15 days after such modification. The Commission reserves the right to reject any such modifications.
10. If the signed loan documents have not been filed within 60 days of an Order in this proceeding, Concordia must file a status update into the record on or before 60 days from the date of an Order explaining why the transaction has not closed and providing an updated timeline for closing. Subsequent reports should be submitted every succeeding sixty 60 days that passes before closure. The Commission reserves the right to rescind its non-opposition if the loan documents are not filed within sixty 60 days of the date of an Order in this proceeding.
11. Concordia shall file into the record of this proceeding documentation of the loan draw, including but not limited to the date, amount and interest rate, within 15 days of the draw.

12. The Commission's non-opposition to the requested financing is conditioned on Concordia's compliance with all terms and conditions of this Order, or any other Order issued by this Commission applicable to this financing and/or the Replacement AMS.
13. The Commission's non-opposition is granted 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.
14. Prudently-incurred Replacement AMS costs are deemed eligible for recovery in rates consistent with general ratemaking principles. Costs that normally would be capitalized shall be capitalized and costs that normally would be expensed shall be expensed. Recovery of prudently-incurred Replacement AMS costs are eligible for recovery in Concordia's Formula Rate Plan ("FRP") mechanism, and in the absence of an FRP, through an appropriate base rate proceeding. In future rate filings (FRP annual reports, requests for renewal or extension of its FRP, and any future rate filing that includes Replacement AMS costs) Concordia will explicitly identify Replacement AMS costs. Eligibility of costs for recovery is not a presumption of prudence of those costs and all costs are subject to review for prudence.
15. A 15-year useful life for the Replacement AMS assets is reasonable and shall be used for ratemaking purposes.
16. Concordia shall file contemporaneously with its annual FRP Report, or other rate proceeding seeking cost recovery in the absence of an FRP, all documentation supporting the prudence of Replacement AMS costs included in the filing such that Staff can conduct a prudence review of those costs in connection with the annual FRP review/rate proceeding. Such documentation shall include, but is not limited to:
 - a. Work plan and budget for review period.
 - b. Narrative description of the work completed.
 - c. Reconciliation of work completed to work planned.
 - d. Schedule of costs incurred by FERC account.
 - e. Description and support for any cost variance from budget.
 - f. Description and support for any changes in project scope.
 - g. Any reports required by this Order (see paragraphs 15-17) for the applicable test year and any updates in the same format for the period between the most recent quarterly report and the test year-end.
17. Concordia shall file into the record of this proceeding quarterly reports during the installation of the Replacement AMS, beginning 90 days from the date of issuance of an Order in this matter, containing all information required by the AMS General Order. The initial report filed by Concordia shall include: 1) an outage management plan related to the Replacement AMS; 2) a detailed plan regarding how it will restrict the use of customer data and the measures it will take to ensure proprietary member information, system data, and physical devices; and 3) a schedule for installation of the Replacement AMS and projected costs. Unless Staff advises Concordia within 45 days after receipt of Concordia's initial report that it objects to and/or requests further clarification the outage management plan, security plan, and installation/cost schedule, they will be considered approved. All subsequent reports shall include:
 - a. A comparison of the approved schedule to the actual schedule with a discussion of the progress made in reaching project milestones and any schedule variances in terms of meeting the certified level of anticipated installations/deployment.

- b. A comparison of the approved cost estimate to the actual costs with a discussion of any cost variances. Both costs to date and costs incurred during the previous quarter should be reported. For any variances greater than 10 percent, the report must explain in detail.
- c. Number of opt-outs to date and the associated costs to conduct meter reading for the opt-outs, including all equipment costs.
- d. A discussion of any anticipated challenges or developments that may affect future deployment and any increases in costs or schedule delays that may be associated with such challenges or developments.
- e. A forecast of costs to complete the Replacement AMS deployment as per the approved timeline.
- f. A description of the work planned for the upcoming quarter.
- g. A description of work necessary to return to schedule (if there is a schedule variance).
- h. A description of any system testing activities in the prior quarter.
- i. A description of the ongoing privacy and security measures taken by Concordia and/or its contractors to secure customer data and information. The reports shall include any data or security breaches, whether successful or attempted.

18. In addition to the regular quarterly reports, Concordia will provide to the Commission an off-cycle report if at any point during the implementation timeframe there is a 15 percent deviation from the cumulative total of either meter installations or cost as scheduled or of the implementation timeline. These reports (which may be submitted by electronic mail) will be submitted to the Executive Secretary and all Commission Staff (including outside counsel/consultants) on the service list of this proceeding within 10 business days of the time that Concordia becomes aware of the deviation. Off-cycle reports will include the cumulative number of meters installed to-date, cumulative investment made to-date, deviation amount from either installations or investment, an explanation of the deviation, and a plan for recovery.
19. Within 60 days after installation of the Replacement AMS is complete, Concordia will file a completion of installation report including the costs of completion, number of meters installed, installation schedule/timeline and other information as required in the quarterly reports pursuant to the AMS/DR Order. Subsequent to the filing of the completion of installation report, Concordia shall file into the record of this proceeding semi-annual reports beginning six months from the date of filing the completion of installation report for a period of five years to report on the operation of the Replacement AMS system.
20. Concordia's compliance with provisions of this and other applicable Commission Orders, including reporting guidelines, will be taken into consideration for the prudence evaluation of the Replacement AMS-related costs. Failure to comply could result in a disallowance of cost recovery.
21. Concordia's Application and corresponding cost-benefit analysis for the proposed AMS is based on 100 percent member participation. Concordia will address member opt-out on a case-by-case basis after a member education program. In the event that member opt-outs result in significant deviation from full participation, Concordia is not precluded from applying to the LPSC for an opt-out charge at a later date.
22. Concordia's Replacement AMS deployment provides the technology platform to implement Demand Response, although Concordia has not proposed specific programs or sought approval of specific programs in this proceeding. See §3.5.4 of the AMS/DR General Order. Concordia will thoroughly research the Demand Response options available, with the intention of implementing programs that will benefit both Concordia and membership as a whole. Within

12 months of completing AMS implementation, Concordia shall file a Demand Response study with the Commission, identifying its findings related to providing a Demand Response initiative.

23. Concordia will actively monitor Docket No. R-35136, participate as may be appropriate, and comply with any rules or Orders adopted by the Commission as part of that docket. Nothing in this Order is intended to contradict with any requirements that may result from a Commission Order in Docket No. R-35136.
24. Concordia shall conduct and file its Annual Review of Commercial Billing accounts as required by Commission General Orders dated November 2, 1987 and September 5, 1997 effective immediately. The deadlines of December 31, 2020 and March 31, 2021 for calendar year 2020 are each extended by approximately 120 days to April 30, 2021 and July 31, 2021, respectively. The Commission may pursue any lawful remedy of any failure to comply with this requirement, including considering any non-compliance as part of any prudence review of Concordia's implementation of the Replacement AMS.
25. Concordia will meet with Staff to discuss major investments to the distribution system, projects equal to or greater than three percent of the Cooperative's rate base, prior to the investment and prior to filing an application for approval to ensure that the Cooperative understands the requirements and is in compliance.
26. Concordia will utilize a competitive solicitation process, including documentation of the process, for selecting vendors and projects when it makes future investments in its distribution system that or are equal to or greater than three percent of its rate base.
27. This Order shall have no precedential effect in any future proceeding involving issues similar to those resolved herein and shall be without prejudice of the right of any party to take any position on any similar issues in future proceedings.
28. This Order is effective immediately.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
August 12, 2021



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

BRANDON M. FREY
SECRETARY

/S/ CRAIG GREENE

DISTRICT II
CHAIRMAN CRAIG GREENE

/S/ ERIC F. SKRMETTA

DISTRICT I
VICE CHAIRMAN ERIC F. SKRMETTA

/S/ FOSTER L. CAMPBELL

DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL

ABSENT

DISTRICT III
COMMISSIONER LAMBERT C. BOISSIERE, III

/S/ MIKE FRANCIS

DISTRICT IV
COMMISSIONER MIKE FRANCIS