

EXHIBIT 1

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LA Public Service Commission

DIRECT TESTIMONY OF WILLIAM FONTENOT

ON BEHALF OF CLECO POWER LLC

1

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

EX PARTE: APPLICATION	)	
OF CLECO POWER LLC FOR	)	
AUTHORIZATION OF: (I)	)	
SITE SPECIFIC CONTRACT	)	
FOR LARGE LOAD	)	
CUSTOMER; (II) BRIDGE	)	
CAPACITY CONTRACT; (III)	)	DOCKET NO. U-_____
CONSTRUCTION OF NEW	)	
TRANSMISSION	)	
INTERCONNECTION; (IV)	)	
CONSTRUCTION OF NEW	)	
GENERATION; (V)	)	
ASSOCIATED WAIVERS;	)	
AND (VI) EXPEDITED	)	
TREATMENT.	)	

DIRECT TESTIMONY

OF

WILLIAM FONTENOT

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CLECO POWER LLC

JULY 1, 2026

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LPSC DOCKET NO. U-_____**

I. INTRODUCTION AND BACKGROUND

Q1: PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A: My name is William Fontenot. I am the President and Chief Executive Officer (“CEO”) of Cleco Corporate Holdings LLC (“Cleco Corp”), which is the parent holding company of Cleco Power LLC (“Cleco Power” or the “Company”). My business address is 2030 Donahue Ferry Road, Pineville, Louisiana, 71360.

Q2: PLEASE DESCRIBE YOUR JOB RESPONSIBILITIES.

A: For the past eight years, as CEO, my responsibilities have included the overall management, oversight, and the development and execution of the corporate strategies of Cleco Corp and its subsidiaries. Cleco Corp’s business includes the Louisiana Public Service Commission (“LPSC” or the “Commission”) regulated power business, Cleco Power.

Q3: PLEASE DESCRIBE YOUR PROFESSIONAL AND EDUCATIONAL HISTORY.

A: I received a bachelor’s degree in electrical engineering from Louisiana State University in Baton Rouge, Louisiana in 1985. I began my career with Cleco Corp in April 1986, holding numerous executive leadership positions with increasing responsibilities, including interim CEO of Cleco Power from February 2017 to January 2018, Chief Operating Officer of Cleco Power from April 2016 to February 2017, and Senior Vice President of Utility Operations for Cleco Power from March 2012 to April 2016. I assumed my current leadership role as President and CEO of Cleco Corp in January 2018. My experience is broad and includes the commercial development and restructuring of merchant power businesses, construction of large-scale generation units, and operating experience in electric generation, transmission, and distribution as the Chief Operating Officer.

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Q4: HAVE YOU PREVIOUSLY FILED TESTIMONY IN A REGULATORY PROCEEDING BEFORE THE COMMISSION?

A: Yes, I have previously filed testimony before the Commission. I filed testimony on behalf of Cleco Power in: (i) LPSC Docket No. U-36923, *In re: Application of Cleco Power LLC for: Implementation of Changes in Rates to be Effective July 1, 2024; and Extension of Existing Formula Rate Plan* (the “2024 Rate Case”); (ii) LPSC Docket No. U-37479, *In re: Application for Authorization of Phase I of the Comprehensive Hardening Plan; (II) Related Rate Recovery; and (III) Expedited Treatment*; (iii) LPSC Docket No. U-37963, *In re: Joint Application of Cleco Power LLC and Pine JV Holdings, LLC for (I) Authorization for the Change of Ownership and Control of Cleco Power LLC and (II) Expedited Treatment*; and (iv) LPSC Docket No. U-_____, *In re: Application of Cleco Power LLC for (1) Implementation of Changes in Rates to be Effective July 1, 2027; (2) New 2027 Formula Rate Plan; and (3) Expedited Treatment*.¹

Q5: PLEASE PROVIDE AN OVERVIEW OF CLECO POWER’S REQUESTS IN THIS PROCEEDING.

A: Through this Application, Cleco Power seeks the Commission’s authorization of a comprehensive package of agreements and investments needed to reliably serve Cleco Power’s customers, including a transformative new hyperscale data center in Rapides Parish, Louisiana (the “Project”)² owned by Applied Digital Corporation (the “Customer”), while strengthening the long-term resource portfolio that benefits all of the Company’s

¹ Cleco Power filed its application with the Commission on June 23, 2026, and anticipates that it will be noticed in the Commission’s next Official Bulletin on July 2, 2026.

² See <https://www.opportunitylouisiana.gov/news/central-louisiana-secures-3-6-billion-applied-digital-ai-factory-campus>.

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1 customers. Serving the new Customer will dramatically reduce the costs borne by other
2 customers for new generation that is needed regardless of the new Customer's load.
3 Specifically, Cleco Power is requesting approval of a 15-year Electric Service Agreement
4 ("ESA") and related agreements with the Customer as a Site Specific Contract, certification
5 of a 10-year capacity purchase agreement with Tenaska Frontier Partners, Ltd. ("Tenaska")
6 that bridges Cleco Power's near-term resource adequacy needs (the "Capacity
7 Agreement"), and certification of a new 756 MW combined cycle gas turbine ("CCGT")
8 generator along with its associated substation. Cleco Power is also asking the Commission
9 to affirm that the Customer-funded transmission interconnection facilities qualify for
10 exemption under the Transmission Siting Order,³ and to approve the supporting ratemaking
11 treatments -- including a revenue deferral framework, cost-recovery mechanisms, and a
12 quarterly monitoring plan that includes financial reporting throughout construction of the
13 new CCGT generator. Taken together, these requests form a single, integrated package that
14 supports reliable power delivery and fair cost allocation for years to come for all of Cleco
15 Power's customers, including to a \$3.6 billion economic development win with its
16 associated benefits for Louisiana and Rapides Parish, all while protecting existing
17 customers through robust contractual safeguards.

18 **Q6: WHAT SPECIFIC TOPICS WILL YOU ADDRESS IN YOUR DIRECT**
19 **TESTIMONY?**

20 **A:** My direct testimony will describe the Project and the Customer at the center of this
21 Application, explain the strategic and economic significance of the Project to Louisiana

³ See LPSC General Order in Docket No. R-36199 (September 10, 2024); *In re: Review and Possible Modification of the Commission's General Order dated October 10, 2013 Governing Transmission Certification and General Sighting* (the "Transmission Siting Order").

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1 and Cleco Power, and highlight the meaningful benefits this opportunity creates for Cleco
2 Power's existing customers. I will also briefly describe why the proposed Capacity
3 Agreement, new power generation, and associated transmission investments are necessary
4 to reliably serve all customers over the long term, summarize how the ESA protects
5 existing customers, and explain why timely Commission approval of the Application as a
6 whole is in the public interest. Finally, I will provide an overview of the direct testimony
7 of the other Company witnesses supporting this Application.

8 **II. THE PROJECT AND ITS STRATEGIC IMPORTANCE**

9 **Q7: PLEASE DESCRIBE THE PROJECT AND THE CUSTOMER AT THE CENTER**
10 **OF THIS APPLICATION.**

11 **A:** The Project is a new hyperscale data center being developed in Rapides Parish, Louisiana,
12 by the Customer, representing an investment of approximately \$3.6 billion and an ultimate
13 electric load of up to 430 MW. As noted previously, the owner of the Project is Applied
14 Digital Corporation, a publicly traded company (NASDAQ: APD) headquartered in Dallas,
15 Texas, which designs, builds, and operates high-performance data center facilities.⁴ The
16 primary Project tenant will be a subsidiary of a hyperscaler that is one of the most
17 creditworthy companies in the world, and that is providing an unconditional parent
18 guarantee backstopping the Customer's obligations. Construction on the Project broke
19 ground in early 2026, with permanent service from Cleco Power expected to begin in mid-
20 2027 and full ramp-up in 2028 – making this the largest single customer Cleco Power has
21 ever served.

⁴ See www.applieddigital.com.

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Q8: WHY IS THIS PROJECT IMPORTANT TO CLECO POWER AND THE STATE OF LOUISIANA?

A: This Project is a generational opportunity that aligns directly with Governor Landry's economic development priorities and the State's Lightning Speed Initiative to attract landmark investments to Louisiana. It signals to the global digital infrastructure market that Louisiana, and central Louisiana in particular, can compete for the most sought-after hyperscale projects on the strength of its workforce, regulatory framework, and reliable electric service. For Cleco Power, serving the Customer marks a strategic inflection point that would make Cleco Power a partner in the State's digital and industrial growth, positioning the Company to support similar opportunities for decades to come.

Q9: HOW DOES SERVING THIS PROJECT ALIGN WITH CLECO POWER'S GOALS FOR THE FUTURE?

A: Cleco Power's goal is to be Louisiana's energy value leader by delivering balanced value to customers, employees, and investors, and this Project advances every dimension of that goal. Serving a customer of this scale enables disciplined, responsible growth that strengthens the Company's long-term financial sustainability, helps fund modernization of its generation fleet, and creates economies of scale that will benefit every customer that Cleco Power serves. It also positions Cleco Power at the forefront of Louisiana's digital and industrial economy, while remaining true to the Company's commitment to safe, reliable, and affordable electric service while maintaining operational excellence.

III. BENEFITS TO LOUISIANA AND EXISTING CUSTOMERS

Q10: WHAT ECONOMIC DEVELOPMENT BENEFITS WILL THE PROJECT BRING TO RAPIDES PARISH AND LOUISIANA?

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1 **A:** The Customer's \$3.6 billion investment, combined with Cleco Power's planned
2 investments in new transmission and generation infrastructure, will inject billions of dollars
3 into central Louisiana's economy and create a meaningful, lasting tax base that supports
4 local schools, parish services, and state programs. Construction activity is expected to peak
5 at roughly 1,000 jobs, followed by 200 permanent positions at the data center that pay a
6 median annual salary of \$92,000, plus creating more than 200 indirect jobs at nearby
7 businesses, restaurants, and service providers. The Project could also catalyze long-term
8 economic activity in Rapides Parish by anchoring a digital infrastructure cluster that can
9 attract suppliers, contractors, and complementary investment for years to come.

10 **Q11: HOW WILL CLECO POWER'S EXISTING CUSTOMERS BENEFIT FROM**
11 **SERVING THIS NEW LOAD?**

12 **A:** Existing customers benefit in several tangible ways, as the Customer will pay 100% of the
13 direct transmission interconnection and bridge capacity costs, contributes meaningfully to
14 recovery of applicable riders that would otherwise be borne entirely by other customers,
15 and materially helps cover the cost of new generation that is required regardless. Cleco
16 Power's economic analyses included in this Application demonstrate that serving this load
17 produces a significant net benefit to existing customers and is projected to reduce monthly
18 rider-related charges for residential customers. In short, this Project not only avoids harm
19 to existing customers, but also makes their service more affordable while supporting Cleco
20 Power's continued investment in reliability and resilience.

21 **IV. RESOURCE PLANNING, GENERATION, AND RELIABILITY**

22 **Q12: WHY DOES CLECO POWER NEED TO CONSTRUCT NEW GENERATION TO**
23 **RELIABLY SERVE ITS CUSTOMERS?**

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1 **A:** Cleco Power's recent Interim Integrated Resource Plan ("IRP")⁵ demonstrates that the
2 Company needs additional dispatchable generation by the mid-2030s regardless of this
3 Project, driven by load growth, the planned retirement of aging units, and evolving
4 Midcontinent Independent System Operator, Inc. ("MISO") resource adequacy
5 requirements. The Project reinforces a need that already exists rather than creating one,
6 which means the proposed new resource will serve the entire system and not just a single
7 customer. A new CCGT generator is the appropriate technology to serve the Company's
8 requirements because it is efficient, dispatchable, and capable of providing continuous
9 baseload and load following service for decades to come.

10 **Q13: WHAT IS THE PROPOSED CAPACITY AGREEMENT?**

11 **A:** As discussed in the direct testimony of Company witness Richard Sharp, the Capacity
12 Agreement provides Zonal Resource Credits representing 370 MW of capacity for a 10-
13 year term. The capacity is provided by the Tenaska Frontier Generating Station, a nominal
14 830 MW natural gas combined cycle generating facility located near Shiro, Grimes County,
15 Texas. Importantly, as discussed in the direct testimony of Company witness Vincent M.
16 Sipowicz, the Customer will pay the entire cost of the Capacity Agreement.

17 **Q14: HOW DOES THE PROPOSED NEW CCGT GENERATOR AND THE CAPACITY**
18 **AGREEMENT FIT TOGETHER IN CLECO POWER'S OVERALL PLAN?**

19 **A:** The two resources are designed to work as a sequenced reliability solution: the 10-year
20 Capacity Agreement covers Cleco Power's near-term resource adequacy needs beginning
21 in 2027, and the new CCGT generator will support Cleco Power's long-term portfolio as a

⁵ Cleco Power's Interim IRP was filed in LPSC Docket No. I-37725 and has been consolidated into Cleco Power's most recent IRP in LPSC Docket No. I-37765.

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1 dispatchable system resource serving all customers. This sequencing allows Cleco Power
2 to meet the Customer's speed-to-market timeline, while keeping existing customers fully
3 protected because the Customer funds 100% of the Capacity Agreement's costs. The result
4 is a coordinated plan that delivers reliability today and lasting value tomorrow.

5 **V. CUSTOMER PROTECTIONS AND PUBLIC INTEREST**

6 **Q15: HOW DOES THE ESA PROTECT CLECO POWER'S EXISTING CUSTOMERS?**

7 **A:** As described in more detail by Mr. Sipowicz, the 15-year ESA includes a comprehensive
8 framework of financial safeguards designed to help ensure that the costs of serving this
9 Project are borne by the Customer, not by Cleco Power's existing customers. Those
10 protections include Customer-funded Contribution in Aid of Construction ("CIAC")
11 payments for all transmission and substation-related interconnection infrastructure, dollar-
12 for-dollar pass-through of the Capacity Agreement's capacity costs, a robust minimum bill
13 provision, early-termination fees, substantial collateral requirements, and an unconditional
14 parent guarantee from a creditworthy hyperscaler who will be the tenant of the data center.
15 The result is a contractual structure that delivers the Project's benefits to Louisiana and
16 Rapides Parish while insulating Cleco Power's existing customers from the financial risks
17 typically associated with large, long-term obligations.

18 **Q16: WHY IS THE COMPANY'S APPLICATION IN THE PUBLIC INTEREST AND**
19 **DESERVING OF TIMELY COMMISSION APPROVAL UNDER THE LPSC'S**
20 **LIGHTNING AMENDMENT?**

21 **A:** As is discussed in the Direct Testimony of Company witness D. Andrew Owens, the
22 Application is in the public interest because it will help ensure reliable service for all of
23 Cleco Power's customers, including the major new Customer, generates significant

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1 economic benefits for Louisiana and Rapides Parish, protects and benefits existing
2 customers, and addresses Cleco Power's long-term resource needs in a prudent and
3 disciplined way. Every element of the package, including the ESA, the Capacity
4 Agreement, the new CCGT generator, the transmission investments, and the associated
5 ratemaking treatments, is integral to the whole, and each component depends on the others
6 to deliver the full set of benefits. Timely approval is essential because the Customer's
7 speed-to-market requirements, the Capacity Agreement's contractual deadlines, and the
8 long lead times for new generation require decisive action, and any delay would create
9 significant uncertainty and place the Project and Louisiana's competitive position at real
10 risk.

11 **VI. OVERVIEW OF OTHER SUPPORTING TESTIMONY**

12 **Q17: PLEASE PROVIDE AN OVERVIEW OF THE DIRECT TESTIMONY OF THE**
13 **COMPANY'S OTHER WITNESSES SUPPORTING CLECO POWER'S**
14 **APPLICATION IN THIS PROCEEDING.**

15 **A:** The Application is supported by the direct testimony of nine additional witnesses, each
16 addressing a distinct element of the package and collectively providing the Commission
17 with a complete record on which to base its decision:

- 18 • Austin T. Finn: addresses the Project, the ESA and related agreements, and the
19 economic analyses demonstrating benefits to existing customers;
- 20 • Vincent M. Sipowicz: addresses financial risk mitigation measures, credit support
21 arrangements, and Cleco Power's financial profile;

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- 1 • Christina C. McDowell: addresses the estimated first-year revenue requirement for the
2 new generator, the proposed revenue deferral framework, and other ratemaking
3 treatments;
- 4 • D. Andrew Owens: addresses applicable LPSC General Orders and policies, the public
5 interest analysis, and the specific regulatory approvals being requested;
- 6 • Richard Leon Sharp: addresses long-term resource planning, the Capacity Agreement,
7 and the need for new dispatchable generation;
- 8 • Robert Breedlove: addresses the existing generation fleet, the proposed CCGT
9 generator and its estimated construction and operating costs, the procurement and
10 construction strategy, and project monitoring;
- 11 • Jonathan E. Long: addresses the current state of the power generation market and the
12 challenges with development of new generation;
- 13 • Christopher Thibodeaux: addresses Cleco Power's transmission system, transmission
14 planning, and MISO processes; and
- 15 • Shannon Jenkins: addresses the transmission interconnection facilities necessary for
16 the Project, including scope, schedule, and cost.

VII. CONCLUSION

Q18: PLEASE SUMMARIZE YOUR DIRECT TESTIMONY.

A: This Application enables Cleco Power to serve all its customers, including a new \$3.6 billion hyperscale data center in Rapides Parish for decades to come, while strengthening the long-term reliability and affordability of Cleco Power's electric system for every customer it serves. The contractual safeguards in the ESA will help to ensure the Customer bears the incremental costs and potential risks it creates, the Capacity Agreement and new

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1 CCGT generator together provide a prudent and timely supply solution, and Cleco Power's
2 other customers stand to benefit from the additional revenues provided by the Customer.
3 The Company's requests are reasonable, necessary, supported by a thorough record, and
4 squarely in the public interest, and I respectfully ask the Commission to approve the
5 Application on a timely basis.

6 **Q19: DOES THIS CONCLUDE YOUR TESTIMONY?**

7 **A:** Yes, at this time.

STATE OF LOUISIANA

PARISH OF RAPIDES

AFFIDAVIT

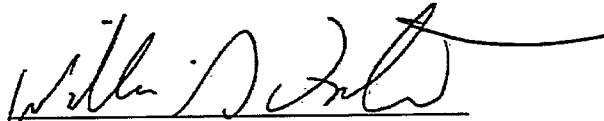
BE IT KNOWN, that before me, the undersigned Notary Public, duly commissioned and qualified for the state and parish/county aforesaid, personally came and appeared:

WILLIAM FONTENOT

("Affiant"), who after being duly sworn did depose and say:

1. Affiant has prepared Direct Testimony on behalf of Cleco Power LLC in support of the Application of Cleco Power LLC for Authorization of: (I) Site Specific Contract for Large Load Customer; (II) Bridge Capacity Contract; (III) Construction of New Transmission Interconnection; (IV) Construction of New Generation; (V) Associated Waivers; and (VI) Expedited Treatment.

2. To the best of Affiant's knowledge, information, and belief, Affiant's Direct Testimony is true, accurate, and complete in all material respects as of the date of this Affidavit.



William Fontenot
Cleco Corporate Holdings LLC
2030 Donahue Ferry Road
Pineville, LA 71360

SWORN TO AND SUBSCRIBED
BEFORE ME, NOTARY PUBLIC,
THIS 29th DAY OF JUNE 2026.



Catina L. Ivey
NOTARY PUBLIC

BAR ROLL/NOTARY ID NO.: 51231
MY COMMISSION EXPIRES: at death

