

# Exhibit C - Public

**TESTIMONY**

**of**

**JAMES LAQUE**

**on behalf of**

**SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION**

**March 7, 2025**

LPSC DOCKET NO.

**EXHIBIT**

**I. INTRODUCTION**

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is James Laque. My business address is 2727 SE Evangeline Thruway, Lafayette, LA 70508.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am the Director of Engineering and Strategic Planning for Southwest Louisiana Electric Membership Corporation ("SLEMCO").

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

A. I earned a Bachelor of Science degree in electrical engineering from Louisiana Tech University in Ruston, Louisiana. I am a registered professional electrical engineer licensed by the State of Louisiana. I have worked for electric cooperatives administering power supply contracts for over thirty-five (35) years, in addition to designing, building and maintaining utility transmission and distribution infrastructure.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying for SLEMCO.

Q. HAS THIS TESTIMONY BEEN PREPARED BY YOU OR UNDER YOUR SUPERVISION?

A. Yes.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE LOUISIANA PUBLIC SERVICE COMMISSION (“LPSC” or “Commission”)?

A. Yes. I have testified before the LPSC on several occasions in various dockets.

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

A. The purpose of my testimony is to address the following public interest factors set forth in the Commission General Order 1994: 1, 3, 4, 6, 7, 8, 9, 10, 11, 12, 15, and 18.

## II. THE PROPOSED TRANSACTION

Q. PLEASE PROVIDE AN OVERVIEW OF THE PROPOSED TRANSACTION.

A. Pursuant to the Asset Purchase Agreement (“APA”), provided as HSPM Exhibit A to the Joint Application, SLEMCO will sell to GridLiance Louisiana, LLC (“GLL”) the following transmission facilities and associated equipment (“Transmission Assets”):

Table 1	
Transmission Assets to be transferred from SLEMCO to GLL	
Substation	kV
East Opelousas	138
Hebert	138
Judice	138
Krotz Springs	138
LeBlanc 138	138
Scanlan	138
Semere Road	138
Vatican	138
Crowley	138



The purchase price of for the Proposed Transaction is [REDACTED]  
[REDACTED] subject to true-up prior to closing as set forth in the APA.

As part of the Proposed Transaction, SLEMCO will transfer all associated permits, and agreements associated with the Transmission Assets. SLEMCO has also agreed to provide GLL easements at no cost so GLL can access the substations to conduct operation and maintenance activities. Each of the Transmission Assets identified in Table 1 are substations that SLEMCO is acquiring from Big Pelican LLC and Pelican South Central LLC ("Pelican") (formerly Cleco Cajun, LLC) on April 1, 2025.

Q. HOW DID SLEMCO AND GLL DECIDE ON WHICH TRANSMISSION ASSETS TO TRANSFER AS PART OF THE PROPOSED TRANSACTION?

A. SLEMCO and GLL agreed to transfer the above identified Transmission Assets based on the application of the Federal Energy Regulatory Commission's ("FERC") seven-factor test to the assets reverting to SLEMCO from Pelican. GLL is only purchasing those substations that SLEMCO is acquiring from Pelican that satisfy the FERC seven-factor test as qualifying as Transmission Assets. GLL witness Patrick Jehring's Direct Testimony applies the seven-factor test to the Transmission Assets.

**III. THE PROPOSED TRANSACTION IS CONSISTENT WITH THE  
PUBLIC INTEREST CRITERIA SET FORTH IN GENERAL ORDER  
1994**

Q. PLEASE ADDRESS FACTOR 1 FROM GENERAL ORDER 1994: WHETHER THE  
TRANSFER TO MISO IS IN THE PUBLIC INTEREST?

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A. The Proposed Transaction is in the public interest. As Joint Applicant MCR witness, Cindy Menhorn, and GLL witness, Mr. Jehring, demonstrate, the Proposed Transaction will produce short-term and long-term ratepayer benefits. As Mr. Jehring also shows there is likely a need to upgrade the nine substations to ensure the transmission grid is reliably operated and customers do not lose power. Additionally, addressed below and supplemented by of witnesses for the Joint Applicants, the application of General Order 1994 factors shows the Proposed Transaction is consistent with the public interest.

Q. PLEASE ADDRESS FACTOR 3 FROM GENERAL ORDER 1994: WHETHER THE TRANSFER WILL MAINTAIN OR IMPROVE THE FINANCIAL CONDITION OF THE REESULTING PUBLIC UTILITY OR COMMON CARRIER?

A. The proposed transaction will maintain or improve the financial condition of SLEMCO because the transfer of the Transmission Assets will: (1) allow SLEMCO to focus on maintaining its distribution system; (2) alleviate SLEMCO from North American Electric Reliability Corporation ("NERC") compliance costs and possible penalties; and (3) provide SLEMCO's customers with a reduction in transmission rates. Further, SLEMCO will not be required to raise capital or incur debt to upgrade any of the subject Transmission Assets that SLEMCO is acquiring from Pelican.

Q. PLEASE ADDRESS FACTOR 4 FROM GENERAL ORDER 1994: WHETHER THE PROPOSED TRANSACTION WILL MAINTAIN OR IMPROVE THE QUALITY OF SERVICE TO PUBLIC UTILITY OR COMMON CARRIER RATEPAYERS.

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A. The proposed transfer of the Transmission Assets to GLL will maintain or improve the quality of service associated with the Transmission Assets. The useful life of the Transmission Assets in Table is generally considered to be 30 to 40 years. Since the initial construction of the Transmission Assets, the assets have not been upgraded to extend their useful life or replaced. As with any element of the transmission system, ensuring the Transmission Assets are available for use is of paramount importance to ensuring that an unforced outage does not occur and impact the transmission network and customers. As is set forth by the direct testimony of GLL's witnesses, GLL is committed to implementing a plan to upgrade or replace, as needed, the Transmission Assets to ensure the continued reliable operation of the overall transmission grid. GLL's witness, Patrick Jehring, discusses further benefits of the Proposed Transaction in his direct testimony.

Q. PLEASE ADDRESS FACTOR 6 FROM GENERAL ORDER 1994: WHETHER THE TRANSFER WILL ADVERSELY AFFECT COMPETITION?

A. Any impact on competition will be a net positive. GLL is not a competitor of SLEMCO, and, therefore, the introduction of GLL into the Louisiana transmission market is not reducing competition, it is increasing competition. For example, as explained by Mr. Jehring, GLL as a transmission owner in Louisiana will be in a position to advocate at MISO for additional solutions to transmission issues that SLEMCO does not have at its disposal today. Put differently, the more transmission assets that MISO has under its operational and planning control, the more opportunities MISO has to resolve transmission issues in a cost-effective manner. Therefore, approval of the Proposed Transaction will

result in a positive impact on competition for MISO transmission projects, which should, in turn, drive down transmission-related costs to Louisiana ratepayers.

Q. PLEASE ADDRESS FACTOR 7 FROM GENERAL ORDER 1994: WHETHER THE TRANSFER WILL MAINTAIN OR IMPROVE THE QUALITY OF MANAGEMENT OF THE RESULTING PUBLIC UTILITY OR COMMON CARRIER DOING BUSINESS IN THE STATE?

A. The approval of the Proposed Transaction will maintain or improve the quality of management at SLEMCO because GLL will be responsible for the operation, maintenance, and compliance activities associated with the Transmission Assets, which will allow SLEMCO to focus on its core business of delivering power to its members. Similarly, as explained herein, GLL will be a highly qualified manager of the Transmission Assets, which further supports maintaining or improving the overall quality of management of public utilities in Louisiana.

Q. PLEASE ADDRESS FACTOR 8 FROM GENERAL ORDER 1994: WHETHER THE TRANSFER WILL BE FAIR AND REASONABLE TO THE AFFECTED PUBLIC UTILITY OR COMMON CARRIER EMPLOYEES?

A. The Proposed Transaction will be fair and reasonable to SLEMCO's employees, because GLL will contract with SLEMCO to provide certain maintenance tasks associated with the Transmission Assets, as identified in Ms. Sweezer-Fischer's Direct Testimony. This arrangement is fair and reasonable to SLEMCO's employees because they will be employed to conduct work pursuant to the O&M agreement post close.



Q. PLEASE ADDRESS FACTOR 9 FROM GENERAL ORDER 1994: WHETHER THE TRANSFER WOULD BE FAIR AND REASONABLE TO THE MAJORITY OF ALL AFFECTED PUBLIC UTILITY OR COMMON CARRIER SHAREHOLDERS?

A. SLEMCO is not a publicly traded company, and, therefore, has no shareholders. However, SLEMCO's members will be treated fairly and reasonably because its customers will experience a rate decrease as a result of the Proposed Transaction. MCR witness, Cynthia Menhorn, discusses the decrease in rates in further detail in her direct testimony.

Q. PLEASE ADDRESS FACTOR 10 FROM GENERAL ORDER 1994: 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?

A. Yes, the Proposed Transmission will be economically beneficial to Louisiana and the local communities in proximity to the Transmission Assets. For example, the Proposed Transaction provides a rate reduction to SLEMCO and its members, which benefits the economics of the local communities associated with the Transmission Assets. Further, the short-term rate reduction to ELL's MISO zone will be beneficial to the overall to Louisiana. The rate reduction in the ELL MISO is produced, in part, by future reductions in transmission costs, as discussed by Mr. Jehring. Mr. Jehring also explains that the local economy will benefit from the replacement of the aging substation equipment, because it is likely that the equipment at issue will need to be replaced and/upgraded in the future to maintain and/or increase reliability.

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Q. PLEASE ADDRESS FACTOR 11 FROM GENERAL ORDER 1994: WHETHER THE TRANSFER WILL PRESERVE THE JURISDICTION OF THE COMMISSION AND THE ABILITY OF THE COMMISSION TO EFFECTIVELY REGULATE AND AUDIT THE PUBLIC UTILITY'S OR COMMON CARRIER'S OPERATIONS IN THE STATE?

A. The LPSC's jurisdiction will be preserved because GLL consents to the jurisdiction of the LPSC as a transmission-only public utility pursuant to Natalie Smith's direct testimony. The Proposed Transaction does not impact the LPSC's jurisdiction over SLEMCO. The LPSC will have the same regulatory oversight and audit rights of SLEMCO as it did prior to the approval of the Proposed Transaction. After the approval of the Proposed Transaction, the LPSC will also have jurisdiction over GLL as a transmission-only public utility.

Q. PLEASE ADDRESS FACTOR 12 FROM GENERAL ORDER 1994: WHETHER CONDITIONS ARE NECESSARY TO PREVENT ADVERSE CONSEQUENCES WHICH MAY RESULT FROM THE TRANSFER?

A. There are no conditions necessary to be imposed due to potential adverse consequences, because there are no anticipated adverse impacts from the Proposed Transaction.

Q. PLEASE ADDRESS FACTOR 15 FROM GENERAL ORDER 1994: WHETHER ANY REPAIRS AND/OR IMPROVEMENTS ARE REQUIRED AND THE ABILITY OF THE ACQUIRING ENTITY TO MAKE THOSE REPAIRS AND/OR IMPROVEMENTS?

A. It is imperative that the Transmission Assets be maintained in a manner to reliably operate in the transmission system. Pursuant to Mr. Jehring's direct testimony, certain upgrades

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will likely need to incur in the near future. As set forth by the direct testimonies of Ms. Sweezer-Fischer and Mr. Boykin, GLL, through its affiliates, is more than qualified to upgrade the Transmission Assets and has the capital and expertise to do so.

Q. PLEASE ADDRESS FACTOR 18 FROM GENERAL ORDER 1994: WHETHER THERE ARE ANY CONDITIONS WHICH SHOULD BE ATTACHED TO THE PROPOSED ACQUISITION?

A. No conditions need be imposed on the Proposed Transaction.

Q. DOES THIS CONCLUDE YOUR PREFILED DIRECT WRITTEN TESTIMONY?

A. Yes.

**BEFORE THE**  
**LOUISIANA PUBLIC SERVICE COMMISSION**

**DOCKET NO. \_\_\_\_\_**

**SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION  
AND GRIDLIANCE LOUISIANA, LLC'S JOINT APPLICATION  
EX PARTE**

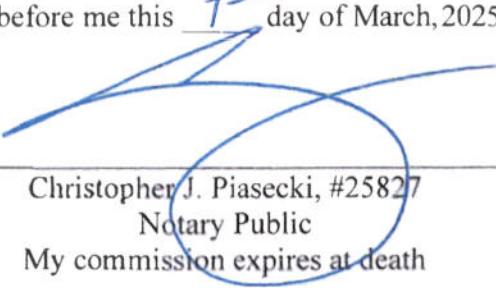
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**AFFIDAVIT OF WITNESS**

I, James Laque, being duly sworn, depose that the Direct Testimony in the above referenced matter on behalf of Southwest Louisiana Electric Membership Corporation, was prepared by me and/or under my direction and supervision; that I am familiar with the contents thereof; that the facts and representations set forth therein are true and correct to the best of my knowledge, information and belief, and that I do adopt the same as my sworn testimony in this proceeding.

  
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JAMES LAQUE

Subscribed and sworn before me this 7<sup>th</sup> day of March, 2025.

  
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Christopher J. Piasecki, #25827  
Notary Public  
My commission expires at death