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KEAN|MILLER<sub>LLP</sub>

LA Public Service Commission

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April 24, 2024

Mr. Brandon Frey  
Executive Secretary  
Louisiana Public Service Commission  
Galvez Building, 12<sup>th</sup> Floor  
602 North Fifth Street  
Baton Rouge, LA 70802

VIA HAND DELIVERY

Re: CenterPoint Energy Resources Corp. and Delta Utilities No. LA, LLC, and Delta Utilities S. LA, LLC, ex parte. In Re: Joint Application for all necessary authorizations and approvals for Delta Utilities No. LA, LLC and Delta Utilities S. LA, LLC to acquire the assets of CenterPoint Energy Resources Corp. and for authority of Delta Utilities No. LA, LLC and Delta Utilities S. LA, LLC to operate as Local Distribution Companies and incur indebtedness, and for related relief.  
KM File No. 32724-3

Dear Mr. Frey:

Please find enclosed the original and three copies of the Joint Application of CenterPoint Energy Resources Corp. ("CERC"), Delta Utilities No. LA, LLC ("Delta Utilities North") and Delta Utilities S. LA, LLC (Delta Utilities South) (collectively, the "Joint Applicants") for all necessary authorizations and approvals for Delta Utilities North and Delta Utilities South (collectively "Delta Utilities") to acquire the natural gas assets of CERC and for authority of Delta Utilities to operate as Local Distribution Companies and incur indebtedness, and for related relief ("Joint Application") and supporting testimonies. The supporting testimonies include the Direct Testimony of Jeffrey Yuknis (public-redacted version), Direct Testimony of Brian K. Little, Direct Testimony of David E. Dismukes, Ph.D., and Direct Testimony of John Murphy. An original and three copies of the highly sensitive version of Mr. Yuknis' Direct Testimony is also enclosed on a jump drive.

Please file the Application and supporting testimonies into a new docket and provide notice of the docket in the next LPSC Bulletin to be issued on April 26, 2024, with a 15-day intervention period. Please also file under seal the highly sensitive version of the Direct Testimony of Jeffrey Yuknis, pursuant to the provisions of General Order dated August 31, 1992 and Rules 12.1 and 26 of the Louisiana Public Service Commission's Rules of Practices and Procedures. This highly sensitive version contains confidential materials consisting of competitively sensitive market information and personal information of CERC employees, the public disclosure of which could subject the Joint Applicants and CERC employees and customers to a substantial risk of harm.

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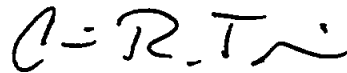
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Mr. Brandon Frey  
Executive Secretary  
Louisiana Public Service Commission  
April 24, 2024  
Page 2

Please return a date-stamped copy of (i) the Application and public testimony exhibits and (ii) the highly sensitive Exhibit 1, to my office in accordance with normal procedures. Should you have any questions regarding the above, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "C-R-T" followed by a stylized flourish.

Carrie R. Tournillon

CRT:tp  
Enclosures

cc: Ms. Kathryn Bowman (via electronic mail)  
Ms. Lauren Evans (via electronic mail)

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APR 24 2024

LA Public Service Commission

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

CENTERPOINT ENERGY RESOURCES  
CORP., DELTA UTILITIES NO. LA, LLC,  
AND DELTA UTILITIES S. LA, LLC  
EX PARTE

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

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*In Re: Joint Application for all necessary authorizations and approvals for Delta Utilities No. LA, LLC and Delta Utilities S. LA, LLC to acquire the assets of CenterPoint Energy Resources Corp. and for authority of Delta Utilities No. LA, LLC and Delta Utilities S. LA, LLC to operate as Local Distribution Companies and incur indebtedness, and for related relief.*

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JOINT APPLICATION

CenterPoint Energy Resources Corp. ("CERC") and Delta Utilities No. LA, LLC ("Delta Utilities North") and Delta Utilities S. LA, LLC ("Delta Utilities South") (collectively with Delta Utilities North, "Delta Utilities" or "DU LDCs") (collectively with CERC, "Joint Applicants"), through undersigned counsel, respectfully submit this Joint Application to the Louisiana Public Service Commission ("LPSC" or "Commission") pursuant to LPSC General Order dated March 18, 1994 and General Order dated November 13, 1996 (collectively, the "General Orders"), for approval of a proposed transaction whereby CERC would sell, and Delta Utilities would acquire certain of CERC's public utility natural gas assets that provide natural gas local distribution company ("LDC") service to customers in Louisiana ("Purchased Assets")<sup>1</sup>, assume certain liabilities of CERC ("Assumed Obligations"),<sup>2</sup> and finance the asset acquisition, including encumbrance of the acquired LDC assets, as further described herein (the "Proposed

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<sup>1</sup> Purchased Assets are defined in Section 2.1 of the Asset Purchase Agreement between CERC, as Seller, and Delta Utilities, Delta Utilities MS, LLC, and Delta Shared Services Co., LLC, as Buyers, which is attached to this Application.

<sup>2</sup> Assumed Obligations are defined in Section 2.3 of the APA.

Transaction”),<sup>3</sup> pursuant to an Asset Purchase Agreement (“APA”) and other ancillary agreements (collectively the “Transaction Agreements”) entered into between Seller and Buyers (as defined in the APA) on February 19, 2024.

In conjunction with approval of the Proposed Transaction, the Joint Applicants seek authorization from the Commission for the Delta Utilities to operate as natural gas LPSC-jurisdictional LDC public utilities and to own or operate in Louisiana equipment and facilities for the transmission, sale, and distribution of natural gas to the public for compensation.

The Joint Applicants also seek Commission approval of Delta Utilities’ assumption and adoption of CERC’s LPSC-approved terms and conditions of service and tariffs, which may be revised and approved from time to time by this Commission, including continuation of CERC’s rates, rate schedules and riders, as discussed in more detail in Section VII of the Joint Application and Direct Testimony of Delta Utilities witness Mr. Jeffrey Yuknis. Delta Utilities North and Delta Utilities South also commit to filing general rate cases not sooner than approximately 33 months after the closing of the Proposed Transaction among the parties thereto (the “Closing”), in each case using a twelve (12) month test period.

In addition, the Joint Applicants seek approval for Delta Utilities to create regulatory assets to defer for future recovery, subject to a prudence review in a future rate proceeding and net of amounts recovered in CERC rates related to the Excluded Assets (as defined in Section 2.2 of the APA), investments made by Delta Utilities (a) in the assets and services needed to replace the Excluded Assets and acquired by Buyers in order to stand up the new gas LDCs through creation of a newly formed shared services company with greenfield, cloud-based technology, which will

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<sup>3</sup> As set forth in the APA, the Proposed Transaction also involves the sale by CERC of certain public utility natural gas assets in Mississippi to Delta Utilities’ affiliate Delta Utilities MS, LLC. This Joint Application relates only to the sale and acquisition of the LPSC-jurisdictional assets.

facilitate a seamless transition and independent operation of the Purchased Assets upon the termination of the transition service being provided by CERC to the Buyers post-Closing, and (b) in recognition of the need for Delta Utilities to make such investments prior to establishment of new LPSC-approved rates in subsequent rate proceedings, at which time the Delta Utilities expenditures incurred to stand up the new LDCs will be reviewed for prudence.

The Joint Applicants further request approval of or non-opposition to (a) the use of transition services by the Delta Utilities that would be provided by CERC pursuant to a Transition Services Agreement ("TSA")<sup>4</sup> for a limited period of time post-Closing to allow the Delta Utilities to stand up the new LDCs and shared services company, (b) the transfer of customer deposits and data from CERC to Delta Utilities, subject to the terms of the APA, and (c) pertinent LPSC orders applicable to the CERC Louisiana Business<sup>5</sup> being made applicable to Delta Utilities as of the closing of the APA.

The Joint Applicants also seek a determination that the costs of the Purchased Assets not yet in service but currently categorized by CERC as construction work in progress ("CWIP") do not constitute an acquisition premium (or that the Commission not specifically determine that such costs constitute an acquisition premium), such that such costs may be eligible for recovery in rates once placed in service, subject to prudence review.

The Joint Applicants respectfully request that this Joint Application be published in the next LPSC Official Bulletin with a fifteen (15) day notice period.

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<sup>4</sup> The TSA is included in the Transaction Agreements provided in HSPM Exhibit JY-1 to the Direct Testimony of Mr. Jeffrey Yuknis.

<sup>5</sup> Louisiana Business is defined in Section 1.1 of the APA.

## **I. DESCRIPTION OF THE JOINT APPLICANTS**

### **1.**

CERC is a Delaware corporation duly authorized and qualified to do and doing business in Louisiana, created and organized for the purposes, among others, of providing natural gas service to residential, commercial, industrial, and governmental customers located in Louisiana, Mississippi, Minnesota, and Texas. CERC also provides natural gas service to customers in Indiana and Ohio through separate wholly owned subsidiaries. In Louisiana, CERC provides natural gas utility services to customers through its operating divisions CenterPoint Energy Arkla (North Louisiana) and CenterPoint Energy Entex (South Louisiana) (the "CERC Louisiana Business"). The Louisiana assets being sold pursuant to the APA are owned (or in some cases leased or held pursuant to easement or other rights) and operated by CERC through its Louisiana operating divisions. CERC currently serves approximately 248,000 gas customers and operates approximately 7,802 miles of main in Louisiana. CERC is a wholly owned indirect subsidiary of CenterPoint Energy, Inc. ("CNP").

### **2.**

CNP is a publicly traded utility holding company headquartered in Houston, Texas. It currently has one of the largest regulated natural gas distribution portfolios in the United States, with operations across six states, including Louisiana and Mississippi. The company also engages in the business of providing regulated electric service in two jurisdictions.

### **3.**

CNP conducted an internal strategic business review of its various businesses aimed at evaluating and optimizing its various businesses, assets, and ownership interests. Significant capital expenditure opportunities across its various business units were identified that exceeded its current budget projections, creating a need for additional capital. CNP determined that the sale of

certain local gas distribution company assets would provide it with the opportunity to efficiently reinvest capital across its multiple state utility footprint.

4.

Delta Utilities No. LA, LLC, and Delta Utilities S. LA, LLC are Delaware limited liability companies registered and qualified to do business in the State of Louisiana. The companies are indirect subsidiaries of BCP Infrastructure Fund, LP and its affiliated investment vehicles (“BCP Infrastructure Fund”)<sup>6</sup> that is managed by Bernhard Capital Partners Management, LP (“Bernhard Capital”) and owned by experienced infrastructure investors who, through the BCP Infrastructure Fund, own and operate other LPSC-jurisdictional utilities. Bernhard Capital is a Louisiana-headquartered, independent private equity firm with over \$3.6 billion in gross assets under management.

5.

Bernhard Capital focuses on investing in middle-market firms that provide critical services to government, infrastructure, industrial, industrial utility, and energy sectors as well as investment in utility assets. The Bernhard Capital funds have collectively invested in over 67 services—focused companies across 19 platforms, including investments in several utility companies, and employ more than 19,000 people globally, including more than 5,500 direct employees located in Louisiana. Bernhard Capital benefits from its investor-operator capabilities, while leveraging deep relationships and experience across the infrastructure landscape. Accordingly, Delta Utilities will

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<sup>6</sup> Bernhard Capital has acquired several businesses in carve-out transactions from publicly traded companies, similar to the transaction structure associated with the CERC Louisiana assets. Having run a large, publicly traded company, the Bernhard Capital team is sensitive to the issues inherent in carve-out sales of a business. Bernhard Capital has an experienced team in place to ensure the parties work jointly and in cooperation with the Commission on a smooth and seamless acquisition and transition. Delta Utilities No. LA, LLC and Delta Utilities S. LA, LLC were formed for the purposes of the Proposed Transaction and are subsidiaries of Delta Utilities Holdco, LLC.

have the benefit of prudent, financially sound, and experienced utility owners who have a demonstrated, long-term infrastructure investment record.

6.

Delta Utilities is committed to ensuring the continuation of important benefits to Louisiana and the local communities that it serves in terms of safety, service reliability and rates, employment, economic development, and charitable contributions. Delta Utilities also commits to offer employment to approximately 350 CERC employees engaged in the CERC Louisiana Business. In addition, as discussed in the Direct Testimony of Delta Utilities witness Mr. Jeffrey Yuknis, Delta Utilities commits to assume and adopt the rates, rate schedules, and riders of the CERC Louisiana Business, as well as to assume the commitments and obligations of the CERC Louisiana Business with respect to plans for capital improvements.

## **II. OVERVIEW OF THE PROPOSED TRANSACTION**

7.

CNP determined that it would sell the natural gas utility business and assets owned by CERC serving customers in Louisiana and Mississippi.<sup>7</sup> Pursuant to the terms of the Transaction Agreements and contingent upon the satisfaction of the Closing conditions in the Transaction Agreements, including LPSC approval of the requested relief in this proceeding and certain other conditions set forth in the Transaction Agreements, Delta Utilities will acquire the Purchased Assets from CERC and assume the Assumed Obligations in exchange for the payment of the Purchase Price (each as defined in, and as adjusted pursuant to, the APA). The Proposed

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<sup>7</sup> CERC assets in Mississippi are included in the Proposed Transaction but are not the subject of this filing. As noted, CERC and Delta Utilities MS, LLC, will be filing with the Mississippi Public Service Commission an application seeking approval for the purchase of CERC's gas distribution assets and business in Mississippi.



Transaction also includes the acquisition of the unregulated assets of CenterPoint Energy Intrastate Pipelines, LLC ("CEIP"); CEIP does not provide LPSC-jurisdictional services. The Proposed Transaction does not involve a transfer of any shares of stock of CNP, CERC, or their affiliates, other than the Labo Interests (as defined in the APA).

8.

Upon Closing, the Louisiana Purchased Assets will be transferred to and owned and operated by, and the Assumed Obligations will be assumed by, Delta Utilities. At that point, and for a limited time post-Closing to allow Delta Utilities to complete the stand up of the new LDCs and shared services company, CERC will provide certain transition services to the Delta Utilities pursuant to the TSA.

9.

In its simplest terms, the Proposed Transaction will return utility management and ownership of the Louisiana Business to Louisiana and maintain the current employees and Purchased Assets of the current Louisiana Business, while also creating new stand-alone LDCs and new shared services company to serve Louisiana customers, to which Delta Utilities will dedicate their sole attention, while also promoting local job growth and investment in new systems and technologies to ensure the new LDCs can continue to provide safe, reliable and adequate natural gas service into the future. Further, with Bernhard Capital management being Louisiana-based, the Proposed Transaction will also relocate ownership-level management of the LDC assets to Louisiana.

10.

Upon Closing of the Proposed Transaction, Delta Utilities will adopt the CERC rates, rate schedules and riders, facilitating seamless services to existing customers and rates based upon

existing and established procedures. Upon establishing complete and comprehensive historical test years, Delta Utilities will then establish, subject to the LPSC's review and approval, their own base rates and RSPs pursuant to subsequent filings, as discussed in greater detail in Section VII herein and the Direct Testimony of Jeffrey Yuknis.

11.

The Proposed Transaction will have no effect on the LPSC's jurisdiction over the CERC Louisiana Business and service to current CERC gas LDC customers. Delta Utilities, as LPSC-jurisdictional LDCs, will continue to be subject to the Commission's regulatory authority, and Delta Utilities will be subject to all the rules, regulations and requirements of the LPSC applicable to gas LDCs.

12.

As noted, in conjunction with the filing of this Joint Application at the LPSC, CERC and affiliates of Delta Utilities are also filing a similar application with the Mississippi Public Service Commission ("MPSC"), relating to the acquisition by Delta Utilities MS, LLC of the Purchased Assets and Assumed Obligations of CERC's Mississippi Business, as such terms are defined in the APA. Completion of the Proposed Transaction is contingent on the requested relief being approved by the LPSC and MPSC, among other required approvals, based on the terms and conditions of the APA.

### **III. OVERVIEW OF BENEFITS OF PROPOSED TRANSACTION**

13.

The Proposed Transaction structure is designed for seamless continuation of safe, reliable, and affordable gas service from the regulatory, operational, and customer perspectives on day one post-Closing. From a regulatory perspective, the Proposed Transaction does not diminish the

jurisdiction of the Commission over the Louisiana Business post-Closing. Rather, Delta Utilities will be regulated and subject to the Commission's jurisdiction, the same as the CERC Louisiana Business is today.

14.

From an operational perspective, Delta Utilities will continue to provide safe, reliable natural gas service to customers and will benefit from the "fit-for-purpose" systems infrastructure and shared services organization, which development would be completed during the period in which Delta Utilities is receiving services from CERC pursuant to the TSA, which is further discussed in the Direct Testimony of Delta Utilities witness Mr. Brian K. Little. And, to ensure that such standard is achieved upon the termination of the TSA, Delta Utilities has committed to offer employment to all CERC employees who are engaged in the CERC Louisiana Business and is committed to assuming commitments and obligations of the CERC Louisiana Business with respect to capital improvements and other storm and incident protocols. The Joint Applicants are also requesting the Commission to authorize the transfer of customer-specific data and customer deposits from CERC to Delta Utilities to make the transition as seamless as possible for customers. Thus, the resulting LDCs will continue to be operated by the same employees responsible for providing the safe and reliable natural gas service being provided today, pursuant to the same rate schedules and on-going capital improvements, and in compliance with the LPSC's Emergency Planning and Response Rules,<sup>8</sup> to facilitate a seamless transition from CERC to Delta Utilities.

15.

From the customer perspective, Delta Utilities is committing to adopt the rates, rate schedules, and riders of the CERC Louisiana Business as already described herein. Delta Utilities

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<sup>8</sup> As adopted pursuant to LPSC General Order No. R-32786, dated April 13, 2017.

is also committing to assume CERC's commitment to capital improvements. Additionally, CERC will also provide the Delta Utilities with Incident Command System ("ICS") support, among other transition services, pursuant to and during the term of the TSA. During such transition period, Delta Utilities will assess the disaster plans and protocols based on the core-focus principle and adjusted to incorporate the benefits of the experience and resources available to the utility through the Bernhard Capital portfolio of companies, which has extensive critical infrastructure and utility disaster recovery resources available in the region.

16.

Further, customers are expected to benefit from the modernization of the information technology ("IT") and customer interfaces, as the Proposed Transaction creates the opportunity for implementation of a greenfield core-focused technology environment using modern cloud-based systems. Such capital investment will maintain or improve the quality of service to the DU LDCs customers, and many of these investments and improvements will directly enhance the customer experience and the overall reliability of the service provided.

17.

As previously noted, Delta Utilities will offer employment to retain approximately 350 employees who are primarily engaged in the CERC Louisiana Business. As part of such offer of employment, Delta Utilities has committed to providing these employees pay and benefits substantially similar to and no less beneficial than what they currently receive from CERC, ensuring that the Proposed Transaction is fair and reasonable to CERC's employees. Further, Delta Utilities commits to maintaining operational offices located in the Louisiana service areas.

18.

As explained in the direct testimonies of Delta Utilities witnesses Mr. Jeffrey Yuknis and Mr. Brian K. Little, the Proposed Transaction will result in new core-focused, standalone LDCs

that possess extensive financial, technical, and managerial expertise in the industry with a strong commitment to Louisiana and local job creation. After the Closing, Delta Utilities will continue to provide high levels of safe and reliable LDC services to the current customers of the CERC Louisiana Business at just and reasonable rates utilizing many of the same employees who are primarily engaged in operating the current CERC Louisiana Business and who accept Delta Utilities offers of employment as part of the Proposed Transaction.

19.

Further, because Delta Utilities is affiliated with Bernhard Capital, it will have the ability to obtain capital for asset and systems improvements and replacements. The Proposed Transaction is intended to be seamless to and will inure to the benefit of customers. More specifically, a non-exclusive list of benefits include:

- A. Delta Utilities commitment to stepping into the CERC rates, as described herein, until establishing consecutive 12-month periods for each of the Delta Utilities to serve as historical test years for subsequent rate proceedings, which Delta Utilities commits to filing not sooner than approximately 33 months post-Closing.
- B. Delta Utilities commitment to adhere to the terms of CERC's LPSC-approved terms and conditions of service, rate schedules and riders until such time as revised by final orders of the Commission in subsequent rate proceedings, including continuation of annual filings pursuant to CERC's RSP Riders and their renewals.
- C. Delta Utilities financial and technical ability to invest in and integrate additional assets and systems for the new LDCs.

- D. Delta Utilities and its affiliate companies' commitment to offer employment to all of the active employees engaged in the CERC Louisiana Business, including those returning from leave, with substantially similar or no less favorable compensation, benefits, and post-retirement benefits as they are currently receiving; and to honor the tenure of such employees as it relates to vacation time, retirement, pension, holidays, disability and leave policies.
- E. Delta Utilities and its affiliate companies' commitment to create approximately 100 additional local jobs in Louisiana to provide high-quality gas service to CERC customers.<sup>9</sup>
- F. Delta Utilities commitment to standing up new core focused and fit for purpose LDCs, and implementation of a modernized and cloud-based technology platform.
- G. Delta Utilities commitment to providing local, proven, and professional management teams as the new owners and operators of the CERC Louisiana Business, combined with the support and experience of a qualified ownership management team in Bernhard Capital.
- H. Delta Utilities commitment not to seek recovery of transaction costs or any acquisition premium associated with the Proposed Transaction.
- I. Delta Utilities ability to leverage the experience, management resources, and support of Bernhard Capital, whose affiliate owns and manages another regulated utility in Louisiana.

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<sup>9</sup> If both the Entergy and CERC Proposed Transactions are approved, there would be approximately 200 new hires associated with the combined transactions, in addition to the approximately 700 retained employees.

J. The return of ownership and management of the Louisiana Business to Louisiana.

20.

Accordingly, at a minimum, the Proposed Transaction will not harm customers, employees, or shareholders, and will not affect the Commission's jurisdiction. The Proposed Transaction should also result in job creation, technology modernization, and benefits to local economies.<sup>10</sup> Thus, the Proposed Transaction is in the public interest.

#### IV. LPSC JURISDICTION AND STANDARD OF REVIEW

21.

The Commission exercises jurisdiction over public utilities in Louisiana, including CERC, pursuant to Article IV, Section 21(B) of the Louisiana Constitution, which states:

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.

22.

Pursuant to its constitutional authority, the Commission promulgated the 1996 General Order, which provides, in pertinent part, as follows:

No public utility shall issue any security or assume any obligation or liability as guarantor, endorser, surety or otherwise in respect of any security of any other public utility, or of any person, until it has been authorized to do so by Order of this Commission. . . . The Commission shall not approve any issue or assumption of any security, obligation or liability, unless, after investigation of the

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<sup>10</sup> The Proposed Transaction, when combined with the Proposed Transaction pending in LPSC Docket No. S-37079 and before the Council of the City of New Orleans relating to the sale of the natural gas assets of Entergy Louisiana, LLC and Entergy New Orleans, LLC to affiliates of Delta Utilities, would result in a nearly \$2 billion company with corporate headquarters located in Louisiana.

purposes and uses of the proposed issue and the proceeds thereof, or of the proposed assumption of obligation or liability, the Commission finds that the issue or assumption is for some lawful object within the corporate purposes of the public utility, it is necessary or appropriate for or consistent with the performance by the public utility of its service to the public and will not impair its ability to perform that service, and it is consistent with the public interest and the best interest of ratepayers. . . . This General Order does not modify in any manner the General Order issued by this Commission dated 3/18/94 related to Commission approval of sales, leases, etc. Any security issuance that requires a utility to "sell, assign, lease, transfer, mortgage, or otherwise dispose of or encumber" the property or assets of the utility must be approved by the Commission under the standards set forth in the 3/18/94 General Order as well. The approval of the Commission required under this Order does not apply unless the value of the transaction exceeds ten percent of the gross assets of the public utility or \$1,000,000, whichever is lower.<sup>11</sup>

23.

In accordance with its constitutional authority, the Commission also promulgated the 1994 General Order, which provides, in pertinent part, as follows:

No utility or common carrier subject to the jurisdiction of the Louisiana Public Service Commission shall sell,...transfer, mortgage, or otherwise dispose of or encumber the whole or any part of its franchise, works, property, or system,...nor transfer control or ownership of any of the assets...of the utility to any other person, corporation, partnership, limited liability company, utility, common carrier, subsidiary, affiliated entity or any other entity...where the values involved in such action exceed one percent (1%) of the gross assets of such regulated utility or common carrier, or subsidiary thereof, nor in any way commit itself to take such action or affect any right, interest, asset, obligation, stock ownership, or control, involved in such action without prior full disclosure of the prior intentment and plan of such of such utility or common carrier with regard to such action and without prior official action of approval or official action of non-opposition by the Louisiana Public Service Commission. This section is intended to apply to any transfer of the

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<sup>11</sup> LPSC, *ex parte*, *In Re: Commission approval of security issues and assumptions of liability*, General Order, dated November 13, 1996 ("1996 General Order").



ownership and/or control of public utilities and common carriers regardless of the means used to accomplish that transfer.<sup>12</sup>

24.

The Commission's 1994 General Order sets forth 18 factors which the Commission takes into consideration in determining whether to approve a transaction coming within the General Order's scope. As discussed further herein, and in the Direct Testimonies of Delta Utilities and CERC witnesses, the Proposed Transaction and the authorization of Delta Utilities to operate as a natural gas LDC subject to the LPSC's jurisdiction is in the public interest pursuant to the 18-factor test of the LPSC's 1994 General Order. Likewise, as discussed below, authorization to issue debt and encumber the gas LDC assets to obtain necessary financing associated with the asset acquisition is likewise in the public interest pursuant to the LPSC's 1996 and 1994 General Orders.

V. **AUTHORITY TO OPERATE AS NATURAL GAS LDCs**

25.

Delta Utilities request LPSC authorization to operate as natural gas LDCs in Louisiana, subject to the jurisdiction and regulation of the Commission. As previously discussed, the two Delta Utilities entities are Louisiana-headquartered companies formed for the purpose of acquiring the Purchased Assets and Assumed Obligations of the CERC Louisiana Business, in order to provide natural gas distribution service in Louisiana. Delta Utilities are portfolio companies of Bernhard Capital, which is a Louisiana-based private equity company with a history of prudent and financially sound investment in utility and infrastructure operators and service companies.

26.

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<sup>12</sup> Louisiana Public Service Commission, *ex parte, In Re: Commission Approval Required of Sales, Leases, Mergers, Consolidations, Stock Transfers, and All Other Changes of Ownership or Control of Public Utilities Subject to Commission Jurisdiction*, General Order, dated March 18, 1994 ("1994 General Order").

Delta Utilities' management teams are comprised of members demonstrating extensive knowledge and experience in the provision of safe and reliable gas service, similar to that currently provided by CERC, and, as a Bernhard Capital portfolio company, Delta Utilities will benefit directly from its affiliation with another LPSC-jurisdictional portfolio company of Bernhard Capital, as well as the extensive knowledge, experience, and expertise in the utility and infrastructure sectors of the Bernhard Capital team, all as further detailed in the Direct Testimony of Delta Utilities witness Mr. Jeffrey Yuknis. Delta Utilities management and headquarters will be based in Louisiana, providing localized management to the areas served.

27.

As discussed below and in more detail in the Direct Testimonies of Delta Utilities witnesses, as a Bernhard Capital portfolio company, Delta Utilities is financially and operationally capable of providing safe, reliable and adequate service at reasonable rates to customers in Louisiana:

*A. Utility Operation Experience.* Although the two Delta Utilities are newly formed entities, they are supported by management and employees with substantial depth and experience in operating gas LDCs and the CERC Louisiana Business assets. First and foremost, each of the approximately 350 employees engaged in the operation of the CERC Louisiana Business will be offered employment by Delta Utilities with substantially similar compensation and benefits as provided by their current employer. The day-to-day institutional knowledge of these employees will facilitate the transition of the CERC Louisiana Business to Delta Utilities so that customers continue to receive the same level of service on day one from Delta Utilities. These employees have the operations, maintenance, and safety expertise that will allow for the

continuation of safe and reliable LDC service to customers. Further, Delta Utilities estimates the Proposed Transaction will result in nearly 100 positions that will be created in order to staff the new combined shared-services organization and efficiently operate the business going forward.<sup>13</sup> Finally, as discussed above, Delta Utilities operations are supported by Bernhard Capital's extensive experience investing in critical infrastructure and services, including investment in another LPSC-jurisdictional utility, and its management resources with decades of experience in utility operations and services, as further detailed in the Direct Testimony of Mr. Yuknis. Delta Utilities will be operated and managed by a single Board, which will be located in Louisiana and comprised of members with significant experience in utility and infrastructure operations.

**B. Plan of Governance.** Bernhard Capital has an established history of investing in sound companies and creating value and growth through the injection of strong management resources, experience, and knowledge. Bernhard Capital has acquired several businesses in carve-out transactions from publicly traded companies similar to the structure of the Proposed Transaction. Having run a large, publicly traded company, the Bernhard Capital team is sensitive to the issues inherent in carve-out sales of a business. With respect to Delta Utilities, Bernhard Capital is committed to returning company-level management as well as investment-level management to Louisiana and has an experienced team in place to ensure the parties work jointly and in cooperation with the Commission

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<sup>13</sup> This estimate includes the 100 new positions supporting the acquisition of Entergy's gas distribution businesses by DU affiliates in Docket No. S-37079.

on a smooth and seamless acquisition and transition. Delta Utilities will be governed by a Board of Managers that is partially comprised of Mr. Foster Duncan, and Operating Partner at Bernhard Capital, Mr. Peter Tumminello, the former Group President, Commercial Businesses of Southern Company Gas, and Mr. Tim Poche, Chief Financial Officer & Chief Operations Officer at Bernhard Capital. Further, there is a "Transition Plan Team" for the Proposed Transaction that is comprised of professionals with decades of experience in utility operations and services and navigating similar transactions. The Transition Plan Team is discussed in the Direct Testimony of Delta Utilities witness Mr. Brian K. Little, with a chart identifying the team members provided therein.

**C. Operational Structure.** Upon Closing of the Proposed Transaction, the CERC Louisiana Business assets will be owned by Delta Utilities North and Delta Utilities South, which are direct subsidiaries of Delta Utilities Holdco, LLC. The Proposed Transaction structure is designed for the seamless continuation of safe, reliable, and affordable gas service from the regulatory, operational, and customer perspectives through the use of a TSA for a limited period of time post-Closing. Additionally, like the current CNP structure, there will be a newly formed Delta Utilities services company that will provide shared services to support efficient and low-cost operation of each DU LDC, along with Delta Utilities MS, LLC. However, unlike the current CNP structure, the shared services company will solely provide services to natural gas LDCs. Thus, while day-to-day operations will be similarly managed by the same experienced

employees as the existing CERC Louisiana Business, the “carve out” of the gas business will benefit customers by allowing employees, management, technology and investment to be core-focused on gas operations.

***D. New Technology to be Implemented.*** BCP and the DU LDCs are committed to making significant investments in improving the business – both in the short-term as part of the Transition Plan process and build-out of the shared services functions and standalone systems during the period under the TSA, and in long-term improvements in the facilities and infrastructure of the business post-Closing. As discussed in the Direct Testimony of Mr. Brian Little, the Proposed Transaction creates the opportunity for implementation of a greenfield core-focused technology environment using modern cloud-based systems. Such capital investment will maintain or improve the quality of service to the DU LDCs customers. Many of these investments and improvements will directly enhance the customer experience and the overall reliability of the service provided. Additionally, as discussed in Mr. Little’s Direct Testimony, the new and modern technology to be implemented will be a cloud-based system solution, which provides benefits to not only to the DU LDCs and new shared services company, but also to customers in the terms of scalability and adaptability, resiliency through decentralization to minimize single points of system failures, data and cyber security, energy efficiency and a right-sized, fit-for-purpose cost structure in terms of hardware and software investment, implementation, on-going hardware and software costs, operations and IT projects related to upgrades and business improvement. Further, the DU LDCs

will be better able to quickly and efficiently make changes to systems and business processes due to changing business requirements in order to streamline operations, as well as respond to external requirements and requests such as from the Commission, the Department of Transportation and the Pipeline Hazardous Materials Safety Administration.

*E. Shared Services.* At Closing, shared services will largely be provided by CNP to Delta Utilities pursuant to the TSA to facilitate the transition. However, these services will gradually be terminated as Delta Utilities stands up its own newly formed shared services company,<sup>14</sup> which will be an affiliate of the DU LDCs. Delta Utilities expects all services provided pursuant to the TSA will terminate within 18 to 24 months of Closing. The shared services then will be entirely provided by the newly formed DU company under separate services agreements executed with Delta Utilities and will be similar to those services currently provided by CNP subsidiaries to CERC in support of the Louisiana Business. However, the allocation methodologies and formulae to be used by DSU Services will be specific to and “fit-to-purpose” for gas-only operations. Additional discussion on the organizational structure, shared services and service agreements and allocation methodologies is provided in the Direct Testimony of Delta Utilities witness Mr. Brian Little.

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<sup>14</sup> The shared services organization would provide services to five natural gas utilities, with a total of nearly 600,000 customers, if the Proposed Transaction pending in LPSC Docket No. S-37079 and before the Council of the City of New Orleans, relating to the sale of the natural gas assets of Entergy Louisiana, all close, which is expected to result in greater benefits to customers from additional economies of scale and distributing of cost and resource efficiency across all customers served by the five natural gas utilities.

*F. Economic Impact.* The Proposed Transaction offers several economic outcomes that should be considered by the Commission. For example, the Delta Utilities acquisition of the CERC Louisiana Business will result in an estimated total annual employment impact of up to 442 Louisiana jobs, \$168.4 million in total economic output; \$86.5 million in value added, and \$30.1 million in labor income.<sup>15</sup> These figures are “total” employment impacts solely attributable to the up to the 100 new direct positions, as well as all the “multiplier” impact (i.e., indirect and induced impacts) discussed in more detail in the Direct Testimony of Dr. David Dismukes. Importantly, this estimate is conservative since it does not include jobs related to Delta Utilities proposed IT investment, the approximately 350 retained CERC Louisiana Business employees, or its commitment to continued capital improvement throughout the acquired CERC service territory. Additionally, if the Proposed Transaction and the proposed acquisition of Entergy’s natural gas assets in Louisiana are both approved, the impact is increased to a total annual employment impact of up to 885 Louisiana jobs, \$336.9 million in total economic output; \$173.0 million in value added, and \$60.1 million in labor income. Thus, the Proposed Transaction, as a standalone transaction, will have significant positive impacts on local economies and the Louisiana economy as identified in LPSC public interest condition No. 10, and when combined with the Entergy Transaction, such benefits will be considerably greater.

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<sup>15</sup> Economic output, value added, and labor income are all independent measures that cannot be summed. Economic output can be thought of as total economic purchases and demands while value added is a measure of state gross domestic product (“GDP”).

## **VI. STANDALONE LDCs**

28.

Standing up the new LDC will require Delta Utilities to replace certain CERC assets shared between CERC's electric and gas utilities and certain shared services currently provided by CERC that are not transferring to Delta Utilities at Closing. Over the long-term, however, Delta Utilities' replacement these Excluded Assets and shared service is expected to provide benefits to customers. As discussed in the Direct Testimony of Delta Utilities witness Mr. Brian K. Little, customers are also expected to benefit from the opportunity the Proposed Transaction creates to change from an on-premise IT system to a greenfield core-focused technology environment using modern cloud-based systems. Thus, Delta Utilities requests the LPSC to approve the Proposed Transaction, inclusive of the need to standup the new LDCs and replace the Excluded Assets and shared services that will no longer be available after the Proposed Transaction's Closing.

## **VII. RATEMAKING TREATMENTS**

29.

Delta Utilities commits to adopting and assuming the CERC LPSC-approved rates and tariffs in effect at Closing or supported by the most recent evaluation periods of CERC's Rate Stabilization Plan ("RSP") riders ("RSP Riders"). More specifically, Delta Utilities commits to adopt and assume CERC's terms and conditions of service and CERC's LPSC-approved rate schedules and riders in its tariffs, which may be revised and approved from time to time by this Commission. In adopting and assuming CERC's rate schedules and riders, Delta Utilities would



continue the annual filings pursuant to CERC's RSP Riders,<sup>16</sup> and their renewals, to allow for rate changes pursuant to such riders for evaluation periods in which the TSA is in place for the majority of the 12-month evaluation period. Thus, ratepayers will continue to pay the rates that otherwise would have been in place absent the Proposed Transaction, which rates will stay in place until Delta Utilities establishes 12-month historical test years and files general rate cases in future proceedings that would not be filed sooner than approximately 33-months post-Closing.

30.

Further, Delta Utilities agree to continue the capital improvements under way by CERC, with appropriate cost recovery being accomplished pursuant to the terms of the RSP Riders and their renewals (as discussed above).

31.

As part of this Joint Application, and as supported in the Direct Testimony of Mr. Brian K. Little, Delta Utilities is requesting LPSC authority to establish regulatory assets for purposes of deferring costs for future recovery, net of amounts recovered in CERC's rates adopted by Delta Utilities at Closing, relating to standing up the new LDCs and replacing certain assets and shared services, including the implementation of the new technology platform, that will not be transferred to Delta Utilities at Closing or provided by CERC following termination of services under the TSA. While Delta Utilities requests that the need to stand up the new LDCs be included in its public interest finding with respect to the Proposed Transaction, Delta Utilities is only requesting an Order in this proceeding to establish the regulatory assets for purposes of recovery of prudently

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<sup>16</sup> Delta Utilities North would assume the LPSC-approved rates, rate schedules, riders (including the RSP Rider for evaluation periods largely completed during a transition services period) of CERC's North Louisiana operating division CenterPoint Energy Arkla; and Delta Utilities South would assume the LPSC-approved rates, rate schedules, riders (including the RSP Rider for evaluation periods largely completed during a transition services period) of CERC's South Louisiana operating division CenterPoint Energy Entex. As discussed in the Direct Testimony of CERC witness Mr. Murphy, CERC will seek to renew each of its Louisiana Business RSP Riders through filings to be made at the LPSC by August 2024.

incurred costs and expenses in a future proceeding as may be authorized by the Commission. Details on Delta Utilities proposal for establishing regulatory assets are provided in the Direct Testimony of Delta Utilities witness Mr. Brian K. Little.

32.

In addition, Delta Utilities agrees to submit to full rate reviews following the Closing, no sooner than approximately 33 months post-Closing, with such filings to be based on 12-month test years. In the rate proceedings, the LPSC will have the opportunity to review Delta Utilities test year revenues and expenses, capital structures and proposed returns on equity, revenue requirements and rates, based on the historical test years, and prudence of the regulatory asset items associated with implementation of the Transition Plan. This proposed structure provides customers the benefit of rate consistency during this extended period and provides the LPSC the opportunity of full rate reviews once sufficient historical test year data becomes available.

#### **VIII. OTHER APPROVALS**

33.

In connection with the Proposed Transaction, Joint Applicants seek approval or non-opposition from the LPSC of the transfer by CERC of customer deposits to Delta Utilities, and the approval of the transfer of certain customer data by CERC to Delta Utilities. CERC and Delta Utilities believe the transfer of customer deposits and data is in the public interest and consistent with facilitating a seamless transition for customers.

34.

In addition, Delta Utilities is requesting that the appropriate orders applicable to CERC's Louisiana Business be made applicable to Delta Utilities, which at the time of filing this Joint Application include, but may not be limited to, General Order dated March 24, 1999 (Docket No.

U-22407), PGA General Order, Order Nos. U-32996 (10-23-15), U-34667 (2-15-18), U-35740 (1-4-21), U-36126 (5-19-22) and pending U-36998 and S-37119 (CenterPoint Energy Arkla) and Order Nos. U-32998 (10-23-15), U-34669 (2-15-18), U-35739 (1-12-21), U-36124 (5-19-22), S-36943 (11-16-23) and pending U-36997 (CenterPoint Energy Entex), and LPSC General Orders and Special Orders of general application to LPSC-jurisdictional natural gas public utilities.

35.

Further, as part of the Purchased Assets, Delta Utilities will acquire from CERC the existing CWIP relating to assets that will be placed in service by Delta Utilities in the future. Therefore, Delta Utilities is requesting that such CWIP accounts be determined to not be an acquisition premium (or alternatively, not specifically determined to be an acquisition premium) so that Delta Utilities has the opportunity for future recovery of the investments once such assets are placed into service post-Closing.

#### **IX. 18-FACTOR TEST**

36.

Delta Utilities seeks a finding from the Commission that the Proposed Transaction is in the public interest in accordance with the 1994 General Order. Delta Utilities witness Mr. Jeffrey Yuknis addresses each of the 18 public interest factors of the 1994 General Order in Appendix B to his Direct Testimony. Certain of the 18 factors are also addressed in the Direct Testimonies of other Delta Utilities and CERC witnesses. Considering the responses provided to the 18 public interest factors and the commitments made by Delta Utilities herein and in the Direct Testimonies of the Delta Utilities witnesses, the Proposed Transaction is in the public interest.

**X. WITNESSES SUPPORTING THE JOINT APPLICATION**

37.

In support of the Joint Application, Delta Utilities and CERC are submitting the pre-filed Direct Testimonies of the following witnesses:

***A. Delta Utilities Witnesses***

Mr. Jeffrey Yuknis: Mr. Yuknis is Managing Director at Bernhard Capital and a member of the BCP Investment Committee. Mr. Yuknis' testimony provides (1) an overview of the Transaction, its benefits, the Delta Utilities and Bernhard Capital; (2) support of the DU LDCs' requests to be authorized to operate as natural gas LDCs subject to the jurisdiction of the LPSC; (3) supports of the DU LDCs' commitment to assume and adopt the respective rates and rate schedules of the CERC Louisiana Business, as well as to assume the commitments and obligations of such respective businesses; (4) support of the DU LDCs' requests for an accounting order to establish a regulatory asset for future recovery of investments associated with their standing up of stand-alone LDCs and transitioning Louisiana Business to the DU LDCs; (5) support of certain housekeeping matters intended to provide for the seamless transfer of the CERC Louisiana Business, including the transfer of certain customer data and customer deposits from CERC to the DU LDCs, and the opportunity for future recovery of construction work in progress ("CWIP") once certain Purchased Assets that are currently classified by CERC as CWIP are placed into service in the future; (6) support of the DU LDCs commitment to offer employment to all CERC employees primarily engaged in the CERC Louisiana Business operations, currently numbering approximately 350, in order to ensure a seamless transition, and the long-term provision of safe, reliable and affordable natural gas service through the LDCs; (7) support of DU LDCs' commitment to for their corporate headquarters to be located in Louisiana, which is a relocation of corporate headquarters and ownership to Louisiana, while maintaining existing operations offices in the current Arkla and Entex service areas; (8) an introduction of other witnesses testifying on behalf of the DU LDCs and in support of the requested relief in this proceeding; and (9) support of approval of the Proposed Transaction as in the public interest pursuant to the 1994 General Order and 1996 General Order of the Commission. An 18-factor public interest analysis is provided in Appendix B to Mr. Yuknis' testimony.

Mr. Brian Little: Mr. Little is an independent contractor who is affiliated with the consulting firm Anticipate Energy Advisors LLC ("AEA"). Mr. Little's testimony 1) introduces and describes the organizational structure of the CERC Louisiana Business pre-Closing and of DU LDCs post-Closing of the Proposed Transaction; (2) provides an overview of the plan to create stand-alone and core focused LDCs (the DU LDCs) and in the interim to receive transition services under a form of TSA, such that upon Closing and execution of the TSA the DU LDCs are fully able to continue providing high quality safe, reliable and affordable local gas distribution services to Louisiana

customers (*i.e.*, the Transition Plan), as well as discusses the benefits of the Transition Plan; (3) describes the post-Closing operations, structure and systems of the DU LDCs, including allocation of shared services costs to the DU LDCs; (4) discusses the benefits of the new services and IT systems to be shared by the DU LDC's; and (5) outlines accounting entries for Transition Plan costs.. Mr. Little's testimony provides information to enable the Commission to make the public interest findings required under its 1994 General Order.

Mr. David Dismukes, Ph.D.: Dr. David Dismukes is a Consulting Economist and Managing Partner with the Acadian Consulting Group ("ACG"), a research and consulting firm that specializes in the analysis of regulatory, economic, financial, accounting, statistical, and public policy issues associated with regulated and energy industries. Dr. Dismukes' testimony addresses (1) public benefits arising from this Proposed Transaction, including estimated economic benefits, environmental benefits, and other benefits arising from the proposed transaction, (2) discusses various ratemaking provisions including Delta Utilities' commitment to assume CERC's currently approved retail service tariffs and its proposal to create a regulatory asset for future base rate recovery of its prudently incurred transition costs, and (3) supports the Proposed Transaction being in the public interest pursuant to the LPSC 1994 General Order.

#### ***B. CERC Witnesses***

Mr. John ("Bo") Murphy: Mr. Murphy is Division Vice President-Regional Operations for the Louisiana and Mississippi operations of CERC. Mr. Murphy's testimony describes the current state of CERC's Louisiana Business and its gas distribution system, as well as to support the regulatory filings made in this docket requesting authorization and approvals for Delta Utilities to acquire the Purchased Assets and assume the Assumed Obligations from CERC. Mr. Murphy also discusses his understanding of the Proposed Transaction on CERC's Louisiana Business and briefly overviews CERC's current RSP Riders and mechanisms. Mr. Murphy's testimony supports approval of the Proposed Transaction.

### **XI. TIMING**

38.

Delta Utilities and CERC respectfully request expedited treatment of this Joint Application to facilitate the occurrence of the Closing during the first quarter of 2025. As discussed herein and in further detail in direct testimonies, Delta Utilities is standing up a new shared services company with new, cloud-based technology and committing to offer employment to approximately 350

employees primarily involved in providing natural gas service to CERC's Louisiana Business, as well as hiring an additional 100 employees specific to shared services necessary for the Proposed Transaction. Additionally, a timely closing of the Transaction will also help promote the seamless transition for CERC's Louisiana employees and existing Louisiana customers. Thus, a decision by the Commission not later than the December 2024 Business and Executive Session is important for purposes of regulatory certainty as Delta Utilities moves forward with these initiatives. Therefore, Joint Applicants respectfully request expedited treatment and a 15-day Bulletin notice period for this proceeding.

## **XII. SERVICE OF NOTICES AND PLEADINGS**

39.

Joint Applicants respectfully request that all notices, requests, pleadings, correspondence, orders, and other communications concerning this Joint Application be directed to the following:

### **For CERC:**

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40.

CERC and Delta Utilities respectively request that the foregoing persons be placed on the Official Service List for this proceeding and that the Commission permit the designation of more than one person to be placed on the Official Service List for service in this proceeding.

**XIII. CONFIDENTIAL TREATMENT**

41.

As provided in the Commission's Special Order No. 7-2000, dated March 22, 2000, the Commission has found that the disclosure of confidential and proprietary information may not serve the public interest. Therefore, in the light of the commercially sensitive nature of such information, Delta Utilities has submitted two versions of the Testimony and Exhibits of Mr. Jeffrey Yuknis, one marked "Public Redacted" and the other marked "HSPM." The confidential information and documents included with this Joint Application may be reviewed by appropriate

representatives of the LPSC Staff and intervenors pursuant to the terms and conditions of a suitable confidentiality agreement once such an agreement has been executed in this Docket. This confidential information also is being provided pursuant to, and shall be exempt from public disclosure pursuant to, the Commission's General Order dated August 31, 1992, and Rules 12.1 and 26 of the Rules of Practices and Procedures of the Louisiana Public Service Commission.

#### **XIV. PRAYER FOR RELIEF**

42.

**WHEREFORE**, Joint Applicants respectfully request:

1. LPSC approval of Delta Utilities to operate as a natural gas distribution utility in the state of Louisiana and subject to the jurisdiction of the LPSC;
2. LPSC approval of the transfer and sale of the Purchased Assets and assumption of the Assumed Obligations, in each case defined in the APA and in accordance with the Transaction Agreements, of the CERC Louisiana Business and acquisition by Delta Utilities of the same as in the public interest;
3. LPSC approval of Delta Utilities assumption and adoption of CERC's terms and conditions of service, rates, rate schedules and riders in effect at the Closing or supported by the most recent evaluation period of CERC's RSP Riders, including the continuation of annual filings pursuant to CERC's RSP Riders (and their renewals) to allow for rate changes pursuant to such riders for evaluation periods in which the TSA is in place for the majority of the 12-month evaluation period;
4. LPSC approval for Delta Utilities to create regulatory assets to defer for future recovery, subject to a prudence review in future general rate proceedings and with such



recovery to be net of amounts recovered in CERC rates related to the Excluded Assets, investments made by Delta Utilities (a) in the assets and services needed to replace Excluded Assets and services provided by CERC and its affiliate companies, and (b) in recognition of the need for Delta Utilities to make certain expenditures prior to establishment of new LPSC-approved rates in subsequent rate proceedings for recovery of Delta Utilities investments in standing up new gas distribution business and replacing certain assets that will not transfer to Delta Utilities at Closing;

5. LPSC determination that the costs of Purchased Assets not yet in service but currently categorized by CERC as CWIP do not constitute an acquisition premium, or that the LPSC not specifically determine that such costs constitute an acquisition premium, such that these costs are eligible for recovery in rates once placed in service, subject to prudence considerations;
6. LPSC stating its non-opposition to Delta Utilities incurring indebtedness to finance the Proposed Transaction and costs to stand-up new LDCs and for Delta Utilities encumbering of the Purchased Assets with mortgages and/or security interests to secure the indebtedness;
7. LPSC approving or stating its non-opposition to the transfer of customer deposits from CERC to Delta Utilities, subject to the terms of the APA;
8. LPSC approving CERC's transfer of certain customer data to Delta Utilities;
9. LPSC finding that LPSC ratemaking provisions of orders applicable to CERC continue to be applicable to Delta Utilities as of the Closing, which at the time of filing this Joint Application include, but may not be limited to, General Order dated March 24, 1999

(Docket No. U-22407), PGA General Order, Order Nos. U-32996 (10-23-15), U-34667 (2-15-18), U-35740 (1-4-21), U-36126 (5-19-22) and pending U-36998 and S-37119 (CenterPoint Energy Arkla) and Order Nos. U-32998 (10-23-15), U-34669 (2-15-18), U-35739 (1-12-21), U-36124 (5-19-22), S-36943 (11-16-23), and pending U-36997 (CenterPoint Energy Entex), and LPSC General Orders and Special Orders of general application to LPSC-jurisdictional natural gas public utilities;

10. LPSC granting expedited treatment of this Joint Application, including for this Joint Application to be published in the April 26, 2024 LPSC Bulletin, with a 15-day notice period, and considered by the Commission not later than the December 2024 LPSC Business & Executive Session; and
11. For all other general and equitable relief to which Delta Utilities and CERC show themselves to be entitled.

Respectfully submitted, this 24<sup>th</sup> day of April, 2024.



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