

Exhibit D - Public

TESTIMONY

of

NATALIE SMITH

on behalf of

GRIDLIANCE LOUISIANA, LLC

**PUBLIC
VERSION**

March 7, 2025

LPSC DOCKET NO.

EXHIBIT

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Natalie Smith. My business address is 700 Universe Boulevard, Juno Beach, Florida 33408.

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

A. I am the President of the Applicant in this proceeding, GridLiance Louisiana LLC (“GLL”), which is a newly created company formed for the purpose of owning and operating transmission assets in Louisiana. I am also the Vice President, Development of NextEra Energy Transmission, LLC (“NEET”), the direct parent company of GLL.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

A. I earned a bachelor’s degree in public relations from Auburn University in 1996 and a J.D. from Florida State University in 2000. I have worked for NextEra Energy, Inc. (“NextEra Energy”) or its subsidiaries since January 2004, including serving as a regulatory attorney for various subsidiary companies, and in roles of increasing responsibility in the regulatory and legal departments. From 2013-2017, I was Executive Director of Regulatory Management for NEET. From 2017-2021, I was Senior Director of Power Origination for NextEra Energy Marketing, LLC. I assumed my current position with GridLiance and NEET in April 2021. A copy of my resume is provided as Exhibit NS-1.

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

A. I am testifying for GLL, an indirect wholly owned subsidiary of NEET.

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. No.

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

A. The purpose of my testimony is to: (1) provide an overview of NextEra Energy, NEET, and GLL; (2) describe the Proposed Transaction between Southwest Louisiana Electric Membership Corporation ("SLEMCO") and GLL; (3) address the managerial capabilities of NextEra Energy, NEET, and GLL; (4) consent to the jurisdiction of the Commission as a transmission-only public utility (also referred to as a Transco) consistent with General Order 2013, and (5) address the following public interest factors set forth in the Commission General Order 1994: 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 18.

Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR TESTIMONY?

A. Yes, Exhibit NS-1.

II. OVERVIEW OF NEXTERA ENERGY, NEET, AND GLL

Q. PLEASE PROVIDE AN OVERVIEW OF NEXTERA ENERGY, NEET, AND GLL.

A. NextEra Energy is a leading clean energy company which owns Florida Power & Light Company (“FPL”), America’s largest electric utility that serves more customers and sells more power than any other utility, providing clean, affordable, reliable electricity to approximately 5.9 million customer accounts in Florida – or more than 12 million people. NextEra Energy also owns NextEra Energy Resources, LLC (“NEER”), which, together with its affiliated entities, is the world’s largest generator of renewable energy from the wind and sun and a world leader in battery storage. Our company employs approximately 15,000 people who work together to produce and deliver affordable, reliable, clean electricity to customers mainly in the United States and Canada. NextEra Energy has also been recognized by third parties for its efforts in sustainability, corporate responsibility, ethics and compliance, and diversity.

NextEra Energy is very experienced in constructing, operating, and maintaining electric utility systems. Building on a nearly 100-year history in the electric utility industry, NextEra Energy’s subsidiaries own and operate more than 69¹ gigawatts of electricity generating capacity primarily across 41 states in the U.S. and four Canadian provinces, as

¹ As of March 31, 2024.

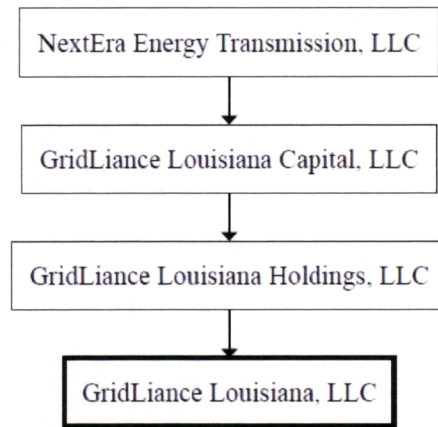
well as approximately 13,328 miles of high-voltage transmission lines, and 1,200 substations. The company has between \$85 and \$95 billion of planned investments in American infrastructure through 2025.

Within Louisiana, an affiliate of NEER operates an oil and natural gas exploration and production (“E&P”) facility with operations located in the Haynesville Shale in Northwest Louisiana. NEER plans to invest up to \$1.5 billion of incremental capital in Louisiana over the next few years by: (1) growing its E&P presence; (2) potentially expanding its natural gas pipeline presence; and (3) investing up to \$650 million in solar generating projects at various stages of development by indirect, wholly-owned subsidiaries of NEER, including the 200 megawatt Beauregard (now known as Singer) Solar facility that will sell energy to SLEMCO. NextEra Energy Marketing, LLC, a principal subsidiary providing power marketing activities, is also providing full requirements power supply service to a number of Louisiana cooperatives, including SLEMCO.

NEET serves as a holding company for NextEra Energy’s regulated transmission utilities across North America outside the state of Florida. NEET’s portfolio includes operating assets in California, Illinois, Indiana, Kansas, Kentucky, Nevada, New Hampshire, New York, Oklahoma, Texas, and Ontario, Canada, as well as numerous projects under development across the United States. Through its long-term development, ownership, and maintenance of transmission facilities across North America, NEET has demonstrated that it possesses significant financial, technical, operational, and managerial

expertise. NEET is also the direct parent company of GLL. Therefore, as part of the NextEra Energy family of companies, GLL will benefit from and have access to the significant managerial expertise and capabilities. The Direct Testimony of Mr. Matthew Boykin addresses GLL's financial capabilities, while the Direct Testimony of Ms. LaMargo Sweezer-Fischer addresses technical and operational capabilities.

Below is a high-level corporate organizational chart for GLL.



III. 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 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. While the purchase price includes a premium, GridLiance will not seek recovery of the premium or transaction costs.

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, as described in the testimony of SLEMCO witness Jim Laque.

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

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- 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. Witness Patrick Jehring's Direct Testimony applies the seven-factor test to the Transmission Assets.

IV. GLL SATISFIES THE CRITERIA TO BE A TRANSMISSION-ONLY PUBLIC UTILITY

- Q. WHAT IS YOUR UNDERSTANDING OF THE LPSC'S CRITERIA TO BE A TRANSMISSION ONLY PUBLIC UTILITY IN LOUISIANA?

- A. In General Order 2013, the LPSC indicated that the transmission-only utility had to show the capability to construct, own, and operate transmission. The same Order also requires that a transmission only entity, such as GLL, consent to the LPSC's jurisdiction as a public utility. My Direct Testimony, coupled with the Direct Testimonies of Ms. Sweezer-Fischer, Mr. Jehring, and Mr. Boykin, demonstrate that GLL is highly capable of constructing, owning, operating, and maintaining transmission in Louisiana, including the Transmission Assets subject to the instant proceeding.

GLL will own, operate, maintain, and construct transmission that provides transmission service under the MISO Tariff, or, in some instances, through a wholesale direct

assignment tariff approved by FERC for transmission voltage assets that do not qualify to be included in MISO. GLL will not serve retail customers. With the understanding that GLL is only proposing to construct, own, operate, maintain transmission facilities in Louisiana, GLL consents to the jurisdiction of the LPSC as a transmission-only public utility as contemplated in General Order 2013.

A. MANAGERIAL AND TECHNICAL CAPACITIES

Q. PLEASE DESCRIBE MANAGERIAL AND TECHNICAL COMPETENCE AND EXPERIENCE OF NEET AND GLL.

A. NEET and its affiliates own, operate, and maintain approximately 13,328 circuit miles of high-voltage transmission lines, and 1,200 substations. GridLiance companies comprise approximately 700 circuit miles of high-voltage transmission and 26 transmission substations. Also, as referenced, NextEra Energy and its family of companies have been recognized by third parties for well over a decade as a highly regarded energy company. Those recognitions are the result of the professional and technically skilled management and employees of NextEra Energy, including those in NEET. Transferring the Transmission Assets to GLL, part of the largest utility holding company system by market capitalization in the U.S., will ensure access to capital, enhance buying power with supply chain vendors, and improve the capacity to maintain or improve the quality and value of transmission service available to Louisiana. The Direct Testimony of witness Sweezer-Fischer explains how the technical capabilities of NEET and its affiliates will benefit Louisiana in the areas of operations, reliability, safety, and quality of transmission service.

**V. 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?

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 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 MISO does not have at their 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. Due to

the contracting back to SLEMCO of certain maintenance tasks, Mr. Laque explains that the Proposed Transaction is fair and reasonable to SLEMCO's employees.

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 Louisiana overall. 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 will enhance reliability.

Further, the local economy and community will benefit from the following Louisiana residents assisting GLL: NEET's Director of Development and the Sr. Director of Regulatory Affairs – are life-long residents of Louisiana.

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. 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 13 FROM GENERAL ORDER 1994: THE HISTORY OR COMPLIANCE OR NONCOMPLIANCE OF THE PROPOSED ACQUIRING ENTITY OR PRINCIPALS OR AFFILIATES HAVE HAD WITH REGULATORY AUTHORITIES IN THIS STATE OR OTHER JURISDICTIONS?

A. GLL has no compliance history because it is a newly formed entity. The NEET portfolio of transmission companies have a documented Compliance Program with no final determinations of non-compliance with North American Electric Reliability Corporation or state commission regulations.

Q. PLEASE ADDRESS FACTOR 14 FROM GENERAL ORDER 1994: WHETHER THE ACQUIRING ENTITY, PERSONS, OR CORPORATIONS HAVE THE FINANCIAL ABILITY TO OPERATE THE PUBLIC UTILITY OR COMMON CARRIER SYSTEM AND MAINTAIN OR UPGRADE THE QUALITY OF THE PHYSICAL SYSTEM?

A. As explained, above, GLL and its affiliates are highly qualified to maintain and upgrade the quality of the Transmission Assets and have the financial ability to do so. In fact, GLL has provided its plan to upgrade the Transmission Assets as an exhibit to Mr. Jehring's testimony.

Q. PLEASE ADDRESS FACTOR 16 FROM GENERAL ORDER 1994: THE ABILITY OF THE ACQUIRING ENTITY TO OBTAIN ALL NECESSARY HEALTH, SAFETY AND OTHER PERMITS?

A. There are no permits for health, safety, or otherwise required to operate and maintain the Transmission Assets.

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

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A. No conditions need be imposed on Proposed Transaction because: (1) GLL consents to the LPSC's jurisdiction, as stated herein; (2) GLL is a highly qualified owner, operator, and maintainer of the Transmission Assets; and (3) MISO is highly qualified transmission operator of transmission assets in Louisiana and a number of other states.

Q. DOES THIS CONCLUDE YOUR PREFILED DIRECT WRITTEN TESTIMONY?

A. Yes.

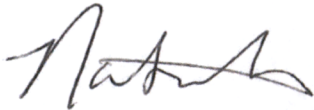
BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. U-

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

AFFIDAVIT OF WITNESS

I, Natalie Smith, being duly sworn, depose that the Direct Testimony in the above referenced matter on behalf of GridLiance Louisiana, LLC is true and correct to the best of my knowledge, information and belief.



Natalie Smith

Subscribed and sworn before me on February 26, 2025

