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October 31, 2025

RECEIVED

OCT 31 2025

VIA HAND DELIVERY

Terri Bordelon
Louisiana Public Service Commission
Post Office Box 91154
Baton Rouge, Louisiana 70821

LA Public Service Commission

***RE: L & R Utilities, Inc., ex parte. In Re: Application for Adjustment in Retail Rates and Letter of Non-Opposition
LPSC Docket No. U-_____***

Dear Ms. Bordelon:

Please be advised of my representation of L & R Utilities, Inc. ("L&R" or the "Company").

Enclosed please find an original and two copies of L&R's Application for Adjustment in Retail Rates and Letter of Non-Opposition. I respectfully request that you file the attached pleading into the Commission's records and publish this matter in the November 7, 2025 bulletin.

Please note, this filing contains sensitive financial information therefore Exhibits 1 and 11 are being filed as CONFIDENTIAL and under seal pursuant to Rule 12.

Should you have any questions, comments or other concerns regarding this matter, please do not hesitate to contact either of the undersigned attorneys at (225) 924-2686.

Sincerely,



JANET S. BOLES
WILLIAM B. KIRTLAND

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**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

**L & R UTILITIES, INC.
(WEST MONROE, LOUISIANA), EX PARTE**

DOCKET NO. U- _____

**APPLICATION FOR ADJUSTMENT IN RETAIL RATES AND LETTER OF
NON-OPPOSITION TO BORROWING FUNDS FOR IMPROVEMENTS**

NOW BEFORE THE COMMISSION, through undersigned counsel, comes L & R Utilities, Inc. (hereinafter referred to as “L&R” or “the Company”), who in support of its application for adjustment in retail rates and letter of non-opposition to borrowing funds for improvements avers as follows:

BACKGROUND

1.

L&R, a Louisiana corporation, is a for-profit public utility providing safe and reliable water service to approximately 884 residential customers and 8 commercial customers and wastewater service to approximately 902 residential customers and 45 commercial customers in Ouachita Parish, State of Louisiana.

2.

L&R’s last base rate case providing for the recovery of its operations and maintenance expenses was decided by the Louisiana Public Service Commission (“LPSC” or “the Commission”) in 2014, approximately eleven (11) years ago.¹ The LPSC authorized a base rate increase to cover the debt service expense associated with financing needed capital improvements in 2016, over nine (9) years ago.² L&R’s base rates have not been adjusted since.

¹ See LPSC Order No. U-33203

² See LPSC Order No. S-33600

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3.

The rates authorized and presently being charged to L&R customers, pursuant to the orders and letters of the Commission, are as follows:

<u>Water Customers</u>	<u>Rate</u>
Flat Rate (Non-Metered)	\$ 50.00
Residential Metered Rate Purchased Water	\$ 23.00
Minimum (first 2,000)	\$ 5.15
Per 1,000 after minimum	\$ 4.00
Flow-Through to Better Waterworks	
Residential Metered Rate Well Water	
Minimum (first 2,000)	\$ 23.00
Per 1,000 after minimum	\$ 5.15
Flow-Through to Better Waterworks	\$ 4.00
Light Commercial Metered Rate	
Minimum (first 2,000)	\$ 38.00
Per 1,000 after minimum	\$ 5.15
Flow-Through to Better Waterworks	\$ 4.00
Heavy Commercial Metered Rate	
Minimum (first 10,000)	\$ 68.00
Per 1,000 after minimum	\$ 5.15
Flow-Through to Better Waterworks	\$ 4.00

<u>Wastewater Customers</u>	<u>Rate</u>
Residential Flat Rate	\$ 50.00
Light Commercial Flat Rate	\$ 79.00
Heavy Commercial Flat Rate	\$ 139.00

IMPROVEMENTS MADE WITH LITTLE COST TO RATE PAYERS

4.

As noted above, in 2016 in Docket No. S-33600 the Commission authorized a rate increase to cover the cost of financing improvements to L&R's water and wastewater systems. Shortly after that order, the bonds for the sewer improvements were issued and the sewer improvements commenced. However, the loan for the water improvements, which was being funded through Louisiana Department of Health's ("LDH") Safe Drinking Water Revolving Loan Fund, took significantly longer. During that process Better Waterworks ("BWW"), who L&R was purchasing water from, had compliance issues and, as a result, the LDH loan could not progress until that non-compliance issue was remedied. While that was taking place, L&R hired Shuler Consulting who determined that the initial plan prepared by L&R's previous engineering firm needed to be revised to ensure LDH compliance at L&R's Country Estates North and South Facilities. Those revisions resulted in the cost of the improvements increasing from \$964,580.00 to \$1,350,000.00. This would normally have necessitated a rate increase. L&R began exploring options to minimize or avoid a rate increase. L&R learned that LDH was considering offering an option for a thirty (30) year amortization on its loans, instead of its standard twenty (20) years. L&R applied for and was granted the LDH loan using the new thirty (30) year amortization period. As a result, the monthly debt service cost was essentially unchanged, allowing L&R to cover the increased cost of the loan for the improvements without a rate increase. L&R obtained a new letter of non-opposition from the LPSC to allow it to borrow the \$1,350,000 in Docket No. S-35373.

5.

In 2021, L&R was able to obtain a Small Business Association ("SBA") Economic Injury Disaster Loan ("EIDL"). The loan was in the amount of \$500,000.00 at an interest rate of 3.75%

over a thirty (30) year amortization period, which resulted in a low monthly payment. The SBA's EIDL loans were part of the Federal government's economic response to the COVID-19 pandemic. The loan terms available under the EIDL were more favorable than what L&R could obtain on a conventional commercial loan.

6.

Proceeds from the EIDL were used for needed capital improvements to L&R's water and wastewater systems. L&R was required by LDH to install generators at its water systems to provide backup power generation, which L&R did using a portion of the EIDL proceeds. L&R also upgraded its water meters to make them radio read compatible. In addition, L&R performed needed improvements at its Country Estates water system including laying approximately 12,000 feet of new water line.

7.

The principal and interest payments on the EIDL loan were approximately \$2,500.00 per month. By upgrading its meters to make them radio read compatible, L&R was able to discontinue paying a meter reading company. This resulted in monthly cost savings for L&R of approximately \$1,200.00. This offset approximately half the cost of the monthly loan payments. L&R covered the remainder of the cost of the monthly loan payments with its then current revenues which allowed L&R to make the needed improvements without increasing rates for its customers. The Commission issued L&R a letter of non-opposition for the EIDL loan in Docket No. S-35967.

8.

L&R constructed its own water production facility for its L&R North system with the funding approved by the LPSC in its 2016 rate case. This allowed L&R to construct one water production facility for its L&R North water system which provides the primary source of water

for that system. LDH requires all water systems to have a secondary source of water. L&R previously purchased water from BWW as its primary source and flowed that cost through to L&R's customers. The completion of the L&R North water production facility enabled L&R North to begin providing its own water to its customers, without the BWW flow through charge. This resulted in a substantial reduction in monthly bills for customers of the L&R North system.

9.

L&R remains connected to BWW and uses BWW as its secondary (backup) source of water. However, BWW is not an adequate secondary source as it is unable to provide L&R with sufficient water pressure due to the topography of the area. L&R North's water system is situated at a higher elevation than BWW's water system. This results in chronically low water pressure for L&R North when it utilizes BWW's water. Because of the elevation change, BWW is only able to supply 30 psi of pressure to L&R North.

10.

The L&R North system is located on the eastern side of the parish nearest to the new Meta facility which is currently being constructed at an estimated cost of \$10 billion. The financial and development impact from the Meta facility are already being seen in Ouachita Parish. L&R North's current facility does not have sufficient capacity to accommodate significant development in the area.

11.

To provide its L&R North customers with a sufficient secondary source of water and to accommodate future development, L&R applied for Louisiana Water Sector Commission ("WSC") funding to construct a secondary water source for L&R North. L&R spent considerable time and resources to apply and get approved for grants in the amount of \$1,310,000.00 from WSC

and \$812,000.00 from Ouachita Parish Police Jury. As a condition of these grants, L&R contributed \$191,000.00 of its own money. The project is over 90% complete. L&R's engineers estimate that the project will be complete and online prior to the end of this year. If L&R complies with the conditions of the grant, which include implementing a rate increase, then the \$2,122,000.00 funded by WSC and Ouachita Parish Police Jury will be fully forgiven. This will provide an enormous benefit to L&R's customers at a comparatively small cost to L&R. Had L&R borrowed the funds for this project it would have resulted in a substantial rate increase for L&R's customers.

12.

L&R has been a good steward of its revenues and has proven resourceful in obtaining advantageous funding which has allowed it to finance needed improvements with little rate impact to its customers.

INCREASE IN RETAIL RATES

13.

It has been approximately eleven (11) years since L&R's base rates were adjusted to cover its costs of operations and maintenance. During those eleven (11) years the cost of L&R's operations and maintenance have increased significantly.

14.

L&R has been able to continue operating for so long without a rate increase for two primary reasons. First, L&R has been able to identify advantageous funding sources for improvements. Second, L&R has been borrowing resources and personnel from another company with which it

shares common ownership, Northeast Louisiana Utilities, Inc. (“NLU”). This has resulted in NLU, which has no ownership interest in L&R, unsustainably subsidizing L&R and its rate payers.

15.

NLU provides water and wastewater operation, maintenance and management services for water and wastewater utilities in Ouachita and Morehouse Parish. NLU charges these entities a per customer fee to operate, maintain and manage these third-party water systems. NLU currently performs this work for eight (8) utility companies, serving approximately forty thousand (40,000) customers in Ouachita and Morehouse Parish.

16.

L&R no longer has any of its own employees, as it utilizes NLU personnel via contract. L&R has been utilizing the same NLU services that other third-party water and wastewater utilities use but without L&R fully compensating NLU for those services.

17.

NLU cannot continue to subsidize L&R. NLU will begin charging L&R based on the same fee schedule it charges other third-party utility companies for service. Paying the same per customer price that other utilities pay NLU is a major benefit for L&R, as L&R’s systems tend to have fewer customers per system. Smaller systems require the same amount of regulatory compliance work (taking samples, filing reports, interfacing with LDH and LDEQ, etc). However, with less customers per system that equates to less revenue for NLU for the same amount of work. Accordingly, paying the same per customer rate that other larger systems pay is advantageous for L&R.

18.

Paying NLU, rather than attempting to self-perform the operation, maintenance and management provides L&R with access to greater resources than it could provide itself. NLU has over one hundred (100) employees, including twenty-five (25) certified operators and a twenty (20) person call center. It has \$10-20 million in construction equipment, including directional drills, track hoes, and construction crews. Having access to NLU's resources enables L&R to provide a higher level of service to its customers more efficiently than it could provide if it attempted to self-perform its own operation, maintenance and management.

RATE ANALYSIS

19.

L&R retained NewGen Strategies and Solutions, LLC ("NewGen") to prepare a rate analysis. Grant Rabon, a partner with NewGen, oversaw the preparation of the rate analysis. Mr. Rabon's testimony and analysis are attached as Exhibit 1. Using L&R's financial records, attached hereto as Exhibit 2, and discussions with the Company, NewGen developed a revenue requirement as well as the design of rates to recover the identified revenue requirement.

20.

NewGen developed the base revenue requirement based on L&R's audited financial results from fiscal year 2024, adjusted to reflect known and measurable changes in the L&R's expected costs and revenues that have occurred since the end of fiscal year 2024 and that are expected to continue. The adjustments to the actual costs in fiscal year 2024 create the test year for rate setting. NewGen developed the revenue requirement based on the cash-needs approach to fund all expenses, including cash capital outlay, and achieve reasonable and just debt service coverage. The

cash needs approach best reflects L&R's debt service needs and aligns with the interests of its lenders of capital.

21.

After a thorough analysis, NewGen has concluded that the current rates are not sufficient to ensure the financial stability of L&R and do not reflect the cost of necessary capital improvements to be funded by debt. The base rates proposed by NewGen reflect an increase of approximately 54% compared with current rates. In addition to the recommended base rate increases, L&R's rate request includes a new pass-through charge to recover the annual cost of property taxes (as discussed below). NewGen and L&R respectfully submit that the proposed rates are just and reasonable, equitably recover the cost of providing service to customers, and allow L&R to address its capital needs.

PROPERTY TAXES RECOVERED THROUGH SEPARATE LINE ITEM

22.

Since L&R's last base rate increase in 2016, L&R has made significant capital improvements to its water and wastewater systems. Each year L&R is required to submit certain filings to the Louisiana Tax Commission which disclose capital improvements the utility has made to its systems and the cost of such improvements. The Tax Commission then reassesses L&R's property taxes. This has resulted in a dramatic increase in L&R's property taxes. In 2016, the year of L&R's last base rate increase, its annual property taxes were \$12,417, compared to \$71,627 for 2024. L&R anticipates that its property taxes will further increase due to needed future capital improvements, which are detailed below in this application, as well as appreciation of its real estate.

23.

The Commission's September 12, 2014 General Order authorizes water and wastewater utilities to bill their customers, via a line-item charge, for items such as property taxes. Specifically, Section 601(J) of that order provides:

J. Line Item Billing of Taxes and Third Party Fees not Related to the Approved Rate:

1. All Jurisdictional water and wastewater providers, shall describe each charge that is unrelated to the tariff for that service to their customers. These charges shall appear as a line item on each customer bill.
2. Each line item shall contain a brief explanation of the nature of the charge and the amount of said charge.
3. Charges not related to the approved tariff include, but are not limited to those items appearing on a bill where monies collected by a utility company are remitted to a third party. Examples of these charges shall include, but are not limited to, assessments imposed by federal, state, parish, municipal, or other local government authority, and shall include, but are not limited to, ad valorem taxes... where said charges are not included in a utility's approved tariff structure.

24.

L&R is requesting that the Commission authorize L&R to recover its property tax expense via a separate line-item charge on its bills. The line-item charge would be adjusted annually to reflect any changes in L&R's property taxes and customer count. Property taxes have nothing to do with operating a utility's systems and are an item over which a utility has no control. They are a charge by a governmental entity. L&R respectfully submits that these governmental charges for property taxes are more appropriately recovered via a line-item charge rather than in L&R's base rates.

25.

L&R submits that a line-item charge is a fair and reasonable method of recovering property taxes. L&R will merely collect this revenue from customers and remit the property taxes. A line-

item charge will provide greater transparency for L&R's customers and will ensure that any future adjustments to its property taxes do not affect L&R's base rates or operating revenues. L&R is requesting that the property tax line-item be initially set at \$3.25 per water customer per month and \$3.25 per wastewater customer per month (i.e. a customer receiving a water and wastewater service bill would pay \$6.50).

REQUESTED RATES

26.

L&R requests the following increase for its water customers' base rates as detailed in the testimony of Grant Rabon and his attached schedules.

WATER CUSTOMERS

<u>Water Customers</u>	<u>Number of Customers</u>	<u>Monthly Increase</u>	<u>Proposed Rate</u>
Flat Rate (Non-Metered)	6	\$ 27.10	\$ 72.10
Residential Metered Rate Purchased Water	560		
Minimum (first 2,000)		\$ 12.50	\$ 35.50
Per 1,000 after minimum		\$ 2.75	\$ 7.90
Flow-Through to Better Waterworks		\$ 0.00	\$ 4.00
Residential Metered Rate Well Water	326		
Minimum (first 2,000)		\$ 12.50	\$ 35.50
Per 1,000 after minimum		\$ 2.75	\$ 7.90
Flow-Through to Better Waterworks		\$ 0.00	\$ 4.00
Light Commercial Metered Rate	3		
Minimum (first 2,000)		\$ 20.60	\$ 58.60
Per 1,000 after minimum		\$ 2.75	\$ 7.90
Flow-Through to Better Waterworks		\$ 0.00	\$ 4.00

Heavy Commercial	5		
Minimum (first 2,000) ³		\$ 36.90	\$ 104.90
Per 1,000 after minimum		\$ 2.75	\$ 7.90
Flow-Through to Better Waterworks		\$ 0.00	\$ 4.00

27.

L&R requests the following increase for its wastewater customers' base rates as detailed in the testimony of Grant Rabon and his attached schedules.

WASTEWATER CUSTOMERS

<u>Wastewater Customers</u>	<u>Number of Customers</u>	<u>Increase</u>	<u>Proposed Rate</u>
Residential Flat Rate	902	\$ 27.10	\$ 77.10
Light Commercial Flat Rate	27	\$ 42.90	\$ 121.90
Heavy Commercial Flat Rate	15	\$ 75.40	\$ 214.40

28.

L&R respectfully submits the requested water and wastewater rates are fair and reasonable to the rate payers and the Company.

CAPITAL IMPROVEMENTS

29.

L&R intends to build one water production facility and tie in all its water systems, except for L&R North and Ramsey.⁴ By constructing its own water system, L&R will be able to provide

³ L&R is requesting that the minimum for Heavy Commercial water customers be reduced from 10,000 gallons to 2,000 gallons.

⁴ L&R North and Ramsey are not located in close enough proximity to consolidate with L&R's other water systems. Ramsey has approximately twenty (20) customers and will continue to purchase water from BWW.

its own water to virtually all its customers without the BWW flow through. This will result in significant savings for the customers and will protect L&R's customers from future rate increases by BWW. It will also allow L&R to exchange water it produces with Lakeshore in exchange for Lakeshore treating wastewater from L&R's Pecan Lakes and Parkwood wastewater systems (as discussed further in paragraphs 32-35). This will enable L&R to avoid paying a fee to Lakeshore for treating the L&R wastewater from Pecan Lakes and Parkwood which will be a major cost savings for L&R's Pecan Lakes and Parkwood wastewater customers.

30.

The water system improvements will allow L&R to produce its own water rather than purchasing it from BWW. For all water customers outside of the L&R North and Ramsey systems, BWW will instead serve as a secondary source of water, thereby satisfying LDH's requirement that water systems have a secondary source. Producing its own water will enable L&R to stop charging the BWW flow through to virtually all its customers. The BWW flow-through is \$4.00 per thousand gallons. This will result in significant savings for L&R's customers. For a residential customer that consumes 5,000 gallons per month this equates to a \$20.00 per month savings. For many customers, this offsets most of the requested base rate increase L&R is seeking in this application. After the water system improvements are completed, for a residential customer that consumes 5,000 gallons, the base rate increase sought would result in an additional \$20.75 to the customer. But, if this customer is currently paying the BWW flow-through charge, the \$20.00 savings from eliminating the flow through to BWW will result in a net water bill increase of \$0.75, plus the \$3.25 line item charge for property taxes.

31.

Attached as Exhibit 3 is the engineer's project budget. The estimated cost of the improvements is \$3,300,000.00 in construction costs and \$450,000.00 in professional fees, for a total cost of \$3,750,000.00.

32.

L&R's Pecan Lakes wastewater system is outdated, decaying, poorly designed and in need of immediate replacement. It was constructed in the 1970s and is past its useful life. The main lines are made of clay pipes which have degraded over the years and are now suffering regular and significant failures as the lines collapse. Further, the design of the system is substandard and does not meet modern standards. The sewer treatment pond does not have any levees, it is just a hole in the ground. The system does not have manholes, it instead uses culverts. This creates significant operational challenges and would not be permitted under today's building standards.

33.

L&R intends to replace the Pecan Lakes main lines and tie Pecan Lakes and Parkwood in with another wastewater treatment facility which will treat the wastewater from Pecan Lakes and Parkwood. This will eliminate Pecan Lakes and Parkwood's wastewater treatment facilities, thereby avoiding the costs to construct and maintain new wastewater treatment facility for Pecan Lakes and upgrade the Parkwood wastewater treatment facility. This will allow Pecan Lakes and Parkwood to cancel their discharge permits and avoid any future compliance costs.

34.

Attached as Exhibit 4 is the engineer's project budget. The estimated costs of the Pecan Lakes sewer improvements is \$950,000.00 in construction costs and \$200,000.00 in professional fees, for a total cost of \$1,150,000.00.

35.

The wastewater improvements will enable L&R's Pecan Lakes and Parkwood wastewater systems to meet LDEQ standards and improve the living conditions and general health and safety of its customers.

36.

L&R's water and wastewater system are located in the eastern portion of Ouachita Parish, near the under-construction Meta facility. The area has seen significant economic activity in the lead up and during the construction of this facility. The improvements L&R has made and is planning will enable L&R to accommodate future development in the area.

37.

The capital improvements outlined above are intended to be the final capital improvements for the existing L&R customers for the foreseeable future. They will allow L&R to upgrade the last remaining areas of its systems which are in need of capital improvements. Further, they will position L&R so that it has capacity to accommodate growth in its service area without the need to immediately seek additional improvements and rate relief.

FINANCING THE IMPROVEMENTS

38.

The water system improvements will be financed via an LDH Drinking Water Revolving Loan Fund loan. LDH is currently lending at an interest rate of 2.45% over an amortization period of twenty (20) years. It is estimated that 49% of the construction budget will qualify for forgiveness. These terms are more favorable than what can be obtained from a commercial lender. The estimated annual debt service payments are \$135,544.00.

Because L&R is a private for-profit utility, it does not qualify for LDH or LDEQ loans for its wastewater improvements. L&R intends to finance the wastewater improvements via a commercial loan from a conventional lender. L&R has been in discussions with Origin Bank about financing the improvements. Under current market conditions the interest rate is estimated at 6.50% with a not to exceed amount of 9.00% with an amortization period of fifteen (15) years. The estimated annual debt service payments at 6.50% are \$121,168.00.

LETTER OF NON-OPPOSITION TO BORROWING FUNDS FOR IMPROVEMENTS

1. *The proposed entering into the loan agreement is in the public interest*

L&R is committed to operating its systems in a prudent, safe and fiscally responsible manner and in a regulatory compliant fashion. L&R will continue to provide the highest possible level of customer service and satisfaction. L&R will be able to improve operation of its facilities that currently service its ratepayers.

The public interest is advanced by the granting of this request because the proposed improvements will be seamless and transparent to L&R's ratepayers, have no adverse impact on L&R's competitors and enable L&R to secure necessary capital to fund needed upgrades to its systems.

2. *L&R remains ready, willing and able to provide safe, reliable and adequate service to the utility's ratepayers.*

L&R remains ready, willing and able to provide safe, reliable, dependable and adequate service to all its customers. Entering into the loan agreements will not require or cause any change to L&R's day-to-day operations or executive management team and, thus, will not inconvenience

L&R's current ratepayers. Entering into the loan agreements will not affect any control rights of the members or the management of L&R to manage the day-to-day affairs or overall policies of the Company.

3. L&R's financial qualifications will not be effected by the entering of the loan agreement.

L&R will maintain the requisite financial ability to continue to provide utility services to its ratepayers.

4. The entering of the loan agreements will not affect the quality of service to the utility ratepayers.

The entering of the loan agreements effectuates no adverse change in the management, operation or quality of service provided to L&R's ratepayers.

5. The entering of the loan agreements will provide net benefits to the ratepayers in the short and long term.

If the entering of the loan agreements is approved, L&R's ratepayers will receive improved service. L&R's ability to commence improvements to its facilities will substantially promote its compliance with LDEQ and LDH standards and regulations. These capabilities benefit L&R's customers in the short and long term.

6. The entering of the loan agreements will not adversely affect competition in the area served by the utility.

The entering of the loan agreements will not have a negative effect on any local competition.

7. The entering of the loan agreements will not affect the quality of management for L&R.

The entering of the loan agreements will not affect the quality of management for L&R in any way.

8. The entering of the loan agreements will be fair and reasonable to the affected public utility employees.

L&R does not have any employees. L&R utilizes NLU's staff of trained operators and support employees. These trained employees will continue to perform the operations of L&R and will not be adversely affected by the entering of the loan agreements.

9. The entering of the loan agreements will be fair and reasonable to all affected public utility shareholders.

L&R's owner believes the loan agreements' terms will be fair and reasonable to them.

10. The entering of the loan agreements will be beneficial to the State and local economies and to the communities in the area served by the public utility.

The entering of the loan agreements will benefit the local economy by maintaining the employment opportunities within NLU who currently provide the operation, maintenance and management of L&R. The customers of L&R's water systems that it proposes to consolidate into one water treatment plant will benefit from the avoiding of the BWW flow through charge. L&R's Pecan Lakes and Parkwood wastewater systems are in need of immediate improvements. The capital improvements will also continue to facilitate economic development in L&R's service area. The improvements will provide L&R with the ability to provide adequate service to its existing customers and to accommodate future development in the area.

11. The entering of the loan agreements will preserve the jurisdiction of the Commission and the ability of the Commission to effectively regulate and audit the public utility's operations in the state.

The entering of the loan agreements will preserve the jurisdiction of the Commission and the ability of the Commission to effectively regulate and audit the public utility's operations in the state because L&R remains subjected to the exact same jurisdiction, rules and regulations of the Commission to which it is now subject.

12. There are no conditions that are necessary to prevent adverse consequences that may result from the entering of the loan agreements.

There are no conditions, in the opinion of L&R, which should be attached to the entering of the loan agreements necessary to prevent adverse consequences that may result from this transaction.

13. The history of compliance or noncompliance of L&R, its principals or its affiliate have had with regulatory authorities in this state or other jurisdictions.

L&R, its principals and its affiliates strive to consistently achieve substantial compliance. L&R's Pecan Lakes and Parkwood wastewater systems are old and in need of improvements rendering compliance with LDEQ and LDH difficult. It is the intention of the Company that the contemplated improvements will bring L&R into compliance with LDEQ and LDH.

14. L&R has the financial ability to operate the public utility and upgrade the quality of the physical system.

L&R has sufficient financial ability to continue to operate the systems. With the approval sought herein for the loan agreements and associated rate adjustments, L&R will have the ability to perform improvements needed to ensure compliance with LDEQ and LDH.

15. Repairs and improvements are needed and the entering of the loan agreement will provide L&R with the ability to perform those repairs and improvements.

Improvements and repairs will be required to bring and maintain L&R's facilities up to the operational standards of LDEQ, LDH, LPSC and L&R. The entering of the loan agreements will provide L&R with a source of funds to perform the necessary improvements.

16. L&R already has obtained and will continue to have the ability to obtain all of the required health, safety and other permits required to operate the facility.

All the necessary permits for L&R are currently in place. At the present time, L&R holds numerous permits from LDEQ and LDH for its facilities.

17. The manner of financing the transfer and any impact that may have on encumbering the assets of L&R and the potential impact on rates.

The entering of the loan agreements does not involve a transfer.

18. There are no conditions which should be attached to the entering of the loan agreements.

It is not necessary to attach any provisions or conditions to the entering of the loan agreements.

PROPOSED TARIFF

41.

Attached hereto as Exhibits 5 & 6 are the proposed tariffs for the systems owned by L&R. The tariffs illustrating the current rates are attached hereto as Exhibits 7 & 8. L&R submits that the proposed tariff adjustments are necessary to fund the ordinary and necessary expenses, generate a fair and reasonable return, and finance the needed capital improvements. The improvements will enhance both the quality and reliability of the service enjoyed by L&R's customers, will benefit the ecology and waterways of Louisiana and will allow L&R to achieve substantial compliance with LDEQ and LDH standards.

EXHIBITS

42.

Pursuant to Rule 13(E) of the Commission's Rules of Practice and Procedure, L&R has attached the following exhibits upon which it will rely in support of its request for rate relief to the Application:

<u>Exhibit Number</u>	<u>Description</u>
1	Direct Testimony of Grant Rabon and attached Exhibits CONFIDENTIAL
2	Audited Financials (accrual basis) --October 2023 – September 2024 --October 2022 – September 2023 --October 2021 – September 2022
3	Engineer’s Project Budget – Water Treatment Production System Improvements, South Station
4	Engineer’s Project Budget – Pecan Lakes Wastewater System Improvements
5	Proposed Water Tariff
6	Proposed Wastewater Tariff
7	Current Water Tariff
8	Current Wastewater Tariff
9	Standard Customer Bill
10	Certificate of Insurance
11	2024 Tax Return CONFIDENTIAL
12	Annual Reports 2022 – 2024
13	Property Tax Bills 2024

43.

As required by Article IV, §21(D)(1) of the Louisiana Constitution of 1974, an advertisement will be placed in the official state journal as well as the official journal for Ouachita Parish. Copies of the Proof of Publication will be filed with your office in accordance with the Rules of Practice and Procedure of the Commission.

44.

The contact information for L&R's legal representatives in this Docket for inclusion on the Official Service List is as follows:

Janet S. Boles, Esquire	janet@jboleslaw.com
William B. Kirtland, Esquire	bkirtland@jboleslaw.com
Boles Law Firm – Baton Rouge, LLC	
7914 Wrenwood Blvd, Suite A	
Baton Rouge, Louisiana 70809	
Telephone:	(225) 924-2686
Facsimile:	(225) 926-5425

L&R's representative's contact information is as follows:

Jeffrey McNew, President	jeffmcnew@nelautilities.com
PO Box 360	
West Monroe, Louisiana 71294	
Telephone:	(318) 343-6851

45.

It is respectfully requested that notice of this filing be published in the Commission's Official Bulletin, to be dated November 7, 2025.

PRAYER

WHEREFORE, based on the foregoing and the information contained in the Exhibits, L&R seeks the following relief:

- I. Authorize recovery of L&R's ordinary and necessary annual expenses and cost of debt service.
- II. L&R's base rates be set at the following amounts, in order to fund the ordinary and necessary expenses and cost of debt service:

Water Service:

Flat Rate (Non-Metered) \$ 77.10

Residential Metered Rate
Purchased Water

Minimum (first 2,000) \$ 35.50
Per 1,000 after minimum \$ 7.90
Flow Through to Better Waterworks \$ 4.00

Residential Metered Rate
Well Water

Minimum (first 2,000) \$ 35.50
Per 1,000 after minimum \$ 7.90
Flow Through to Better Waterworks \$ 4.00

Light Commercial Metered Rate

Minimum (first 2,000) \$ 58.60
Per 1,000 after minimum \$ 7.90
Flow Through to Better Waterworks \$ 4.00

Heavy Commercial Metered Rate

Minimum (first 2,000) \$ 104.90
Per 1,000 after minimum \$ 7.90
Flow Through to Better Waterworks \$ 4.00

Wastewater Service:

Residential Flat Rate \$ 77.10

Light Commercial Flat Rate \$ 121.90

Heavy Commercial Flat Rate \$ 214.40

- III. A line-item charge to recover property taxes, to be set initially at \$3.25 per water customer per month and \$3.25 per wastewater customer per month, and to be adjusted annually based on changes in L&R's property taxes and customer count.
- IV. The allotted volume of included water for Heavy Commercial Metered Rate customers be reduced from 10,000 gallons to 2,000 gallons per month.
- V. All other charges and fees in L&R's tariff to remain unchanged.
- VI. A Letter of Non-Opposition to L&R to borrow funds from:

LDH to cover the cost of water system improvements not to exceed \$3,750,000.00 with an interest rate not to exceed 2.45% and an amortization not to exceed twenty (20) years; and

A commercial lender to cover the cost of wastewater system improvement not to exceed \$1,150,000.00 with an interest rate not to exceed 9.00% and an amortization period not to exceed fifteen (15) years.

VII. All other general and equitable relief.

RESPECTFULLY SUBMITTED:

BOLES LAW FIRM – BATON ROUGE, LLC



JANET S. BOLES (Bar Roll No. 8604)
WILLIAM B. KIRTLAND (Bar Roll No. 11220)
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Baton Rouge, Louisiana 70809
Telephone: (225) 924-2686
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Email:

bkirtland@jboleslaw.com

[†]
Counsel for L & R Utilities, Inc.

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

L & R UTILITIES, INC.
(WEST MONROE, LOUISIANA), EX PARTE

DOCKET NO. U- _____

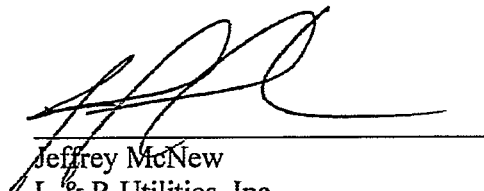
*Application for Adjustment in Retail Rates and Letter of
Non-Opposition to Borrowing Funds for Improvements*

STATE OF LOUISIANA

PARISH OF Orachita

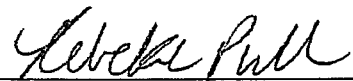
AFFIDAVIT

I, Jeffrey McNew, President of L & R Utilities, Inc. ("L&R"), being first duly sworn, state that I have reviewed the foregoing Application for Adjustment in Retail Rates and Letter of Non-Opposition to Borrowing Funds for Improvements to the Louisiana Public Service Commission ("LPSC"). To the best of my knowledge, information and belief everything contained therein is accurate, true and correct.



Jeffrey McNew
L & R Utilities, Inc.

Sworn to and subscribed before me on this 31st day of October, 2025.



Notary Public

