

**LOUISIANA PUBLIC SERVICE COMMISSION
ADMINISTRATIVE HEARINGS DIVISION**

DOCKET NUMBER U-37394

**SOUTH LOUISIANA ELECTRIC
COOPERATIVE ASSOCIATION, EX PARTE.**

In re: Petition for approval of abandonment of electric facilities located in Terrebonne and Lafourche Parishes pursuant to Commission General Order dated July 9, 2008 (R-30301).

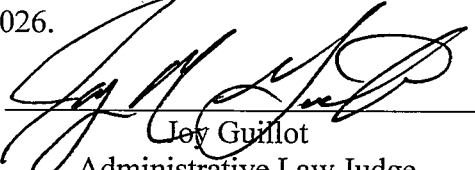
**PROPOSED RECOMMENDATION OF THE
ADMINISTRATIVE LAW JUDGE**

The findings and conclusions recommended by the administrative law judge in this proceeding are contained within the attached *Proposed* Recommendation, which is being issued pursuant to the following provisions of Rule 56 of the Rules of Practice and Procedure of the Louisiana Public Service Commission:

- (1) The filing of exceptions to the *proposed* recommendation (within 15 days of the filing of the *proposed* recommendation);
- (2) The filing of opposition memoranda to filed exceptions to the *proposed* recommendation (within 15 days of the filing of the exception);
- (3) Issuance of the *final* recommendation of the Administrative Law Judge (following review of timely filed exceptions and opposition memoranda);
- (4) Requests by parties to present oral argument at the Commission meeting at which the Commissioners will consider and vote on the *final* recommendation (within five working days of issuance of the *final* recommendation); and
- (5) Instances in which the deadlines for the above-described procedures may be extended, abbreviated, or omitted.

Copies of the Rules of Practice and Procedure of the Louisiana Public Service Commission are available on the Commission's website: <https://www.lpsc.louisiana.gov/>.

Baton Rouge, Louisiana, this 27th day of February 2026.


Joy Guillot
Administrative Law Judge

cc: Official Service List

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DRAFT ORDER

Background and Overview

In this proceeding, South Louisiana Electric Cooperative Association (“SLECA”) is seeking from the Louisiana Public Service Commission (“Commission”) approval for the abandonment of certain electric facilities located in Terrebonne and Lafourche Parishes pursuant to the Commission’s General Order dated July 8, 2008 (the “General Order”). The facilities at issue were damaged by Hurricane Ida and have since been removed. They served 282 camps located in Lake De Cade, Lake Fields, Island at the end of Four Point Road, and Grand Pass (hereinafter referred to as the “Lake Lines”). The Lake Lines consist of approximately 30.8 miles of line along the southern border of Lake De Cade, approximately 8.77 miles of line in the Grand Pass area, approximately 4.74 miles of line in the Lake Fields area, and approximately 0.19 miles at the Island at the end of Four Point Road; for a total of approximately 44.5 linear miles of distribution.

SLECA has been working with Federal Emergency Management Agency (“FEMA”) regarding reimbursement related to rebuild of the Lake Lines. The current estimate to rebuild the Lake Lines is \$140 million, with SLECA’s share being 10% of the total cost of reconstruction plus additional expenses not eligible for reimbursement. SLECA argues that it is in their best

interest to not reconstruct the Lake Lines, thereby abandoning service under the General Order. Commission Staff disagrees with SLECA's analysis of the Lake Lines as a whole, and contends that each segment should be analyzed separately as there exists a significant difference in the number of assets and location of these facilities. Therefore, Commission Staff believes that SLECA has not fully met the requirements of the General Order, specifically Section B(4). Several customers of SLECA previously served by the Lake Lines also disagree with SLECA's abandonment request.

Procedural History

On September 25, 2024, SLECA filed with the Commission a Petition for Approval of Proposed Abandonment ("Petition") with attachments. The Petition was published in the Commission's Official Bulletin on September 27, 2024, with a 15-day intervention period. Two timely interventions were filed.¹ Thereafter, numerous individuals filed requests for late intervention in the proceeding, whose requests were addressed and eventually granted, resulting in them becoming Intervenors.² On October 17, 2025, a Notice of Assignment was issued. On October 30, 2024, a Notice of Status Conference was issued scheduling a status conference for December 9, 2024. On December 6, 2024, notice of SLECA's Petition was re-published in the

¹ The timely interventions were filed by: Christopher Guidroz, Mark D. Guidroz, and Action Charters, LLC (collectively the "Guidroz Family"), and Grady A. Covington, Jr.

² Those parties were: Mary Ahrweiler, Korey Alario, Toby Baudoin, Chelsey Beninett, Heather Benoit, Matt Benoit, Cedric Bernard, Wilbert J. Bernard, E. Paul Blanchard, Emile Blanchard, Brian Boss, Danal Boss, Walter Boss, Sara Boudreaux, Timothy Boudreaux, Richard Bourg, Francis Bourgeois, Richard Bourgeois, Jeremy Brady, Allyson Breaux, Mike and Cary Brignac, Stan Bussey III, Philip Carlos, Issac Dantin, Thomas Dykes, Ernest Forsythe, Amanda Gautreaux (on behalf of Chris A and Linda Landry), Larry Glynn, Michael and Donna Harlow, Christine Himel, Keith Himel, Douglas Horn, Roy Kramer, Amy and Jake LeBlanc, Hugh Ledet, Donald Lefort, Craig Leonard, Murphy Loupe, Jeffery Marcel, Cleveland Matherne, Kerry Matherne, Keith and Blanche Melerine, Bruce and Lisa Messick, Troy Morvant, Michael Neil, Carl and Melanie O'Gwynn, Jerry Percle, Kristen Pertuit, Tommy Pertuit, Steve Pitre, Keith Poole, Patrick Porche, Angela Price, Philip Richard, Steve Richard, Warren M. Sanamo Jr., Lee and Michele Scott, Andy Simon, Joel Brent Story, Wayne L. Templet, Chester and Debra Terrebonne, Dave Theriot, Taylor Theriot, Ricardo Valdes, Joey and Wanda Vedros, Kerry Wainwright, David Waitz, Charles K. Weaver Jr., Rick Wiley, and Lorie Young.

Commission's Official Bulletin, to provide notice of interventions in the proceeding. On December 9, 2024, a status conference was convened in the matter and a procedural schedule established. A Report of Status Conference was issued on December 10, 2024. On February 21, 2025, SLECA filed the Direct Testimonies of Matthew Peters, Jason Guy, Scotti Henry, Steven Portero, Tim Allen and Tommy Boudreaux. On March 12, 2025, Jeremy Brady filed his opposition to SLECA's Petition, with attachments.

On April 9, 2025, Jason Melancon filed a request for late intervention, and on April 14, 2025, Phillip Gouaux filed a request for late intervention. After an opportunity to comment, and SLECA's Opposition Mr. Gouaux's and Mr. Melancon's late intervention, Rulings on the Melancon and Gouaux Late Intervention Requests were issued, denying Mr. Melancon and Mr. Gouaux intervenor status but according them the status of interested party. On April 28, 2025, the Direct Testimony of Steve Richard was filed. On April 28, 2025, Dina Duplantis Blake filed a request for late intervention. After an opportunity to comment, and SLECA's Opposition Ms. Blake's late intervention, a Ruling on the Blake Late Intervention Request was issued, denying Ms. Blake intervenor status but according her the status of interested party. On April 29, 2025, the Direct Testimony of Blanche and Keith Melerine was filed. On May 2, 2025, Grady Covington filed correspondence in opposition to SLECA's Petition. On May 8, 2025, the Guidroz Family filed the testimonies of David Scott Oman, Chris Guidroz, Mark Guidroz, and Steve Guidroz. On May 9, 2025, the Commission Staff filed its Report and Recommendation with the Testimony of Thomas Broady in support of the Staff Recommendation. On May 9, 2025, the testimonies of Carl and Melanie O'Gwynn, Toby Baudoin, Sara Boudreaux, and Bruce Messick were filed. On June 4, 2025, Joey and Wanda Vedros filed correspondence withdrawing their intervention.

On June 6, 2025, the Commission Staff filed the Cross-Answering Testimony of Thomas Broady.³ On June 6, 2025, the Cross-Answering Testimony of Christopher M. Guidroz was filed. On June 9, 2025, Blaise and Erica Pellegrin filed a request for late intervention. After an opportunity to comment, and SLECA's Opposition to the Pellegrin late intervention, a Ruling on the Pellegrin Late Intervention Request was issued, denying Mr. and Ms. Pellegrin intervenor status but according them the status of interested party. On June 16, 2025, the Testimony of Mike and Cary Brignac was filed.

On June 25, 2025, SLECA filed a Motion in Limine and Supporting Memorandum. After opportunity to respond, responses by Commission Staff, opposition by Christopher Guidroz and Sarah Boudreaux, and a reply by SLECA, on July 18, 2025, a Ruling on Motion in Limine was issued denying SLECA's motion. On June 27, 2025, SLECA filed a Motion for Taking Deposition Upon Oral Examination and Incorporated Memorandum of Law in Support, which was granted on June 30, 2025. On June 27, 2025, SLECA filed two separate Motions to Compel, both requesting an order compelling certain Intervenors to provide responses to SLECA's First Set of Data Requests. Rulings on the Motions to Compel were issued on June 27, 2025 and June 30, 2025, both of which ordered the named Intervenors to provide responses or objections to SLECA's data requests. A Notice of Correction was issued on July 7, 2025, clarifying the deadlines in the Rulings on Motion to Compel. On July 3, 2025, SLECA filed a Motion for Taking Deposition Upon Oral Examination and Incorporated Memorandum of Law in Support, which was granted the same day.

On July 3, 2025, SLECA filed Rebuttal Testimony of Matthew Peterson. On July 8, 2025, SLECA filed a Motion to Upset Procedural Schedule and for Status Conference, which

³ The completed Affidavit of Thomas Broady was filed on June 9, 2025.

was granted and a status conference was scheduled for August 4, 2025. On July 8, 2025, SLECA also filed a Motion to Compel Adequate and Complete Discovery Responses and Incorporated Memorandum of Law in Support seeking to compel responses from certain named Intervenor to SLECA's First Set of Data Requests. On July 9, 2025, a Ruling on Motion to Compel was issued ordering the named Intervenor to provide responses or objections to SLECA's data requests.

On July 9, 2025, SLECA filed the Rebuttal Testimonies of Jason Guy, Thomas Boudreaux, Timothy J. Allen, Scotti Henry, and Steven Portero. On July 14, 21, and 23, 2025, SLECA filed three separate Motions requesting that certain named Intervenor be converted to interested parties for failure to comply with Rulings on Motions to Compel. After opportunity to respond, supplemental informational filings by SLECA⁴, and Commission Staff's response, on August 21, 2025, a Ruling on Motions to Convert Certain Intervenor was issued, ordering that, due to failure to comply with discovery rulings, certain named Intervenor would not be allowed to present testimony or evidence at the scheduled hearing, nor would they be allowed to cross-examine any witnesses presented at the hearing.^{5,6} On August 22, 2025, SLECA filed a Supplemented Motion to Convert Blanchard and Covington. After opportunity to respond and updated informational filings by SLECA⁷, on September 9, 2025 a Ruling on Motion and Supplemented Motion to Convert was issued, ordering that, due to failure to comply with discovery rulings, Mr. Blanchard and Mr. Covington would not be allowed to present testimony or evidence at the scheduled hearing, nor would they be allowed to cross-examine any witnesses presented at the hearing.

⁴ On August 19, 2025, SLECA filed a Report on each Intervenor's discovery responses and objections.

⁵ The Intervenor affected by the Ruling were listing therein.

⁶ The ruling was reissued on August 22, 2025 to correct a typographical error.

⁷ On August 22, 2025, SLECA updated its August 19, 2025 Discovery Report.

On July 15, 2025, SLECA filed a Motion to Amend Notices of Deposition, which was granted the same day. On July 21 and 22, 2025, SLECA filed two separate Motions to Compel Discovery Responses seeking an order compelling certain named Intervenors to respond to SLECA's Second Set of Data Requests. On July 22, 2025 and July 24, 2025, Rulings on each Motion to Compel were issued ordering certain named Intervenors to provide a response or objections to SLECA's data requests. On July 23, 2025, SLECA filed an Ex Parte Motion for Leave to Propound Additional Data Requests in the Nature of Interrogatories. SLECA was provided an opportunity to supplement the Ex Parte Motion, which it did on July 28, 2025. On August 4, 2025, a status conference was convened in the matter, the Ex Parte Motion was discussed and a modified procedural schedule was established. A Report of Status Conference was issued on August 5, 2025. On August 11, 2025, SLECA filed a Notice of Amendment to Notice of Deposition. On August 19, 2025, Christopher Guidroz filed correspondence confirming information provided at the August 4, 2025 status conference that the Guidroz Family seeks that their status be changed from Intervenor to Interested Party. On August 19, 2025, a Ruling on Motion for Leave to Propound Additional Data Requests was issued, ruling that Ex Parte Motion was moot and, therefore, denied.

On September 19, 2025, SLECA, the Commission Staff, Joel Brent Story, Bruce Messick, Allyson Breaux, and Sara A. Boudreaux filed a Joint Pre-Hearing Statement. On September 29, 2025, SLECA filed a Notice of Settlement Offer to Members/Intervenors. On October 10, 2025, SLECA, the Commission Staff, and Sara Boudreaux each separately filed Pre-Hearing Briefs. On October 27, 2025, a hearing was convened in the matter. A Notice of Availability of Transcript and Notice of Post-Hearing Briefing Schedule was issued on November 26, 2025. On December 15, 2025, Jeremy Brady filed his Post-Hearing Brief. On

December 17, 2025, SLECA, Commission Staff, and Sara Boudreaux each separately filed Post-Hearing Briefs. On January 7, 2026, SLECA, Commission Staff, and Sara Boudreaux each separately filed Post-Hearing Reply Briefs.

Jurisdiction and Applicable Law

Pursuant to the Louisiana Constitution, Article 4, Section 21, the Commission shall regulate all common carriers and public utilities, and adopt and enforce reasonable rules, regulations, and procedures necessary for the discharge of its duties. Pursuant to La. R.S. 45:121, electric cooperatives operating within the State of Louisiana are classified as public utilities.⁸ La. R.S. 45:1163(A)(1) provides that the Commission shall exercise all necessary power and authority over any electric light, heat, power, or other local public utility “for the purpose of fixing and regulating the rates charged or to be charged by and service furnished by such public utilities.” La. R.S. 45:1164(A) states that the Commission’s power, authority, and duties “shall affect and include all matters and things connected with, concerning, and growing out of the service to be given or rendered by such public utility.” Pursuant to its constitutional and statutory authority, the Commission issued the General Order applicable to the abandonment of facilities by electric public utilities. The General Order provides that if the abandonment is due to unexpected interruption in the use of facilities, a utility that is subject to the Commission’s jurisdiction must provide written notice of the proposed abandonment to each individual customer and file a petition for approval in the event that the utility subsequently determines not to restore permanent service. The General Order lists the information that must be included in a petition for abandonment. The General Order states that no abandonment shall be approved until

⁸ *Cajun Elec. Power Co-op., Inc. v. Louisiana Pub. Serv. Comm’n*, 544 So.2d 362, 364 (La.1989).

the Applicant has proven that the continued operation of the subject facility can be terminated, consistent with the public interest.

Issues

In the Joint Pre-Hearing Statement, certain parties⁹ stated what issues they considered contested.¹⁰ They were:

As stated by SLECA

- Whether the Commission's General Order dated July 9, 2008 requires a segmented analysis of the Lake Lines.
- Whether abandonment of the Lake Lines as a whole is in the public interest under the Commission's General Order dated July 9, 2008.

As stated by Commission Staff:

- Whether abandonment of the Grand Pass, Four Point, and Lake Fields segments of the Lake Lines is in the public interest under the Commission's General Order dated July 9, 2008.

As stated by Sara Boudreaux:

- Whether abandonment of the Grand Pass, Four Point, and Lake Fields segments of the Lake Lines is consistent with the public interest where SLECA allegedly caused the damage to the facilities and did not adequately evaluate or pursue reasonable repair or restoration efforts prior to seeking abandonment.

Summary of Parties' Positions

SLECA

SLECA seeks approval from the Commission to abandon the Lake Lines pursuant to the Commission's General Order. SLECA asserts that Hurricane Ida did not merely damage SLECA's Lake Lines; it destroyed them. According to SLECA, the record establishes, without contradiction, that reconstructing 44.5 miles of distribution facilities through unstable marshland would require tens of millions of dollars in new debt, impose substantial and enduring burdens

⁹ According to the filing, only SLECA, Commission Staff, Joel Brent Story, Bruce Messick, Allyson Breaux, and Sara A. Boudreaux responded to the draft of the pleading. No other Pre-Hearing Statements were filed.

¹⁰ The filing provided that there were no uncontested issues.

on SLECA's 21,000 members, and necessitate extensive environmental intrusion to restore service to approximately 270 seasonal camps.

SLECA contends that under the General Order the relevant inquiry is whether continued operation, here, reconstruction, can be maintained consistent with the public interest. Although Commission Staff recommended abandonment only of the Lake De Cade segment, SLECA argues that the evidence presented demonstrates that all four Lake Lines share the same characteristics material to the public-interest analysis. Each segment suffered extensive storm destruction, is accessible only by boat, traverses fragile wetlands, and would require extraordinary reconstruction expenditures borne by the Cooperative's membership as a whole. SLECA argues that it has satisfied its burden under the General Order by demonstrating that reconstruction of the Lake Lines would impose disproportionate costs and environmental impacts without serving the broader public interest.

SLECA points out that the General Order calls for consideration of expected revenues, operation and maintenance expenses, and replacement costs if service is continued. The Lake Lines, served approximately 270 seasonal meters, lines that previously generated less than \$170,000 annually. SLECA informs that its cost share after FEMA reimbursement ranges from approximately \$25 million to \$38 million, with total financed project costs between \$51 million and \$77 million. According to SLECA, the Commission's prior abandonment decisions confirm that approval of abandonment is appropriate where reconstruction is uneconomic, unsafe, or environmentally impractical.

Commission Staff

Commission Staff contends that SLECA has met its burden of proof under the General Order to show that reconstruction of the Lake De Cade line is not in the public interest; however,

SLECA has not met its burden of proof under the General Order to show that reconstruction of the Grand Pass, Four Point Island, and Lake Fields lines are in the public interest. Commission Staff argues that its position on SLECA's Application is not based solely on restoration costs, but is a cumulative position based on several shortcomings in the Application. Commission Staff contends that the General Order, when read in its entirety, makes it clear that the Commission intends to treat abandonment dockets with a high level of scrutiny.

Commission Staff asserts that essential to their analysis of SLECA's Application is the reasonable ability to conduct a segmented analysis of the Lake Lines. While SLECA maintains that the General Order does not require a segmented analysis, and the General Order is silent as to a segmented analysis, Commission Staff argues that the segmented analysis is more consistent with Commission practice, and it furthers the Commission's goal of making a reasonable public interest determination. In response to SLECA's contention that it was prior practice to combine the Lake Lines, Commission Staff points out that prior action combining them is not binding, and that the General Order does not require the Commission to follow the approach taken by SLECA or other governmental agencies. Commission Staff asserts that it regularly analyzes applications and makes recommendation that differ from the outcome presented in the applications.

Further, according to Commission Staff, SLECA failed to provide reasonable alternatives to cost recovery, such as alternative rate treatments or blended treatment of the costs. Regarding the ongoing expenses for operation and maintenance, Commission Staff points out that SLECA continues to serve other camp rate meters, in difficult to access locations. In response to concerns about membership subsidizing the restoration costs, Commission Staff states that SLECA has previously subsidized the costs relative to these assets.

Commission Staff believes that SLECA has met its burden of proof under the General Order to show that the reconstruction of Lake De Cade line is not in the public interest. Commission Staff points out that Mr. Timothy Allen, the General Manager of ALM, which owns property over which a significant portion of the Lake De Cade line is located, stated that ALM will not grant SLECA new servitudes to rebuild the Lake De Cade facilities. Commission Staff explained that by removing the costs associated with the Lake De Cade line, the cost to repair and replace the remaining lines is greatly diminished as the Lake De Cade line accounts for approximately 60% of the total estimated cost to repair the Lake Lines.

Intervenors

Included are summaries of Intervenors who either filed briefs or testified in person at the hearing.

Sara Boudreaux

Ms. Boudreaux argues that SLECA has not met its burden to prove that the abandonment is a last resort, justified only when continued service is inconsistent with the public interest and only after the utility has demonstrated that all reasonable and affordable alternatives have been explored and documented. Ms. Boudreaux requests that the Commission require SLECA to restore electrical services to Lake Fields, or in the alternative, require SLECA to provide alternative electrical power or fair compensation.

Ms. Boudreaux contends that SLECA should not be permitted to abandon electric service to the Lake Fields Line because it failed to produce any credible or documented evidence that the facilities were damaged beyond repair. Ms. Boudreaux asserts that her camp sustained minimal damage from Hurricane Ida and the electrical pole remained upright and intact until it was cut by SLECA. Ms. Boudreaux points out that SLECA failed to provide engineering studies, damage assessments, inspection reports, or contemporaneous documentation showing that the Lake

Fields system was unsafe or irreparable. According to Ms. Boudreaux, SLECA removed poles and electrical infrastructure long after Hurricane Ida, not immediately after the storm, with some poles not removed until August/September 2022. Ms. Boudreaux argues that by removing infrastructure before proving it was unsafe or irreparable, SLECA created the very condition it now cites to justify abandonment, which sets a dangerous precedent.

Ms. Boudreaux maintains that the Lake Lines are not one system, and are four distinct lines. Ms. Boudreaux asserts that while the Terrebonne Parish lines serve coastal wetlands, the Lake Fields line is inland, located on hard ground and served land-based camps resembling a subdivision. Ms. Boudreaux points out that SLECA selectively decided to restore electric service at Persimmon Pass, which also serves camps in a wetland environment, is subject to storm exposure, and requires specialized access for maintenance and repair. Ms. Boudreaux alleges that Lake Fields is more comparable to Persimmon Pass than to the lines located in Terrebonne Parish. Ms. Boudreaux further points out that Entergy restored service to similar inland lines in Lake Field's neighboring Lake Long system.

Allyson Breaux

At the hearing, Ms. Breaux presented the testimony of Brian Brining. Mr. Brining is Ms. Breaux's fiancé and shares ownership of a leased Lake Fields camp with Ms. Breaux.¹¹ Mr. Brining explained that their camp was purchased shortly after Hurricane Ida, and that they proceeded with the sale because they had received information that the electric service was going to be restored.¹² Mr. Brining stated that after purchasing the camp, and applying for SLECA service, they received letters stating that power was going to be restored. Mr. Brining read aloud

¹¹ Transcript at 151, 163-164.

¹² Transcript at 153.

a July 13, 2022 letter mailed by SLECA regarding the rebuilding of the Lake Lines.¹³ Mr. Brining testified that had they known SLECA would not restore electric service they would not have purchased the camp.¹⁴ Mr. Brining described the condition of the poles surrounding their camp after Hurricane Ida, stating that the majority of them were still up with lines attached.¹⁵ Mr. Brining recollected that the poles were removed around August / September 2022.¹⁶ Mr. Brining described the generator they had to purchase for the their camp and how much it cost them to run it.¹⁷ Mr. Brining explained that due to his age it is difficult to haul gasoline and diesel to the camp.¹⁸ Mr. Brining also took issue with SLECA's attempt to make only the camp members pay for restoration when he, as a SLECA member, has to pay for other damage that occurred on the system.¹⁹

Jeremy Brady

Mr. Brady opposes SLECA's request to abandon the electrical facilities on Four Point Island. According to Mr. Brady, the beginning of Four Point Island is merely 200 feet from current active electric service provided by SLECA. Mr. Brady points out that his camp on Four Point Island continues to have water service provided by Consolidated Waterworks District 1. Mr. Brady contends that after Hurricane Ida one electric pole on Four Point Island was tilted, and the others remained upright. Mr. Brady provided several photographs which he asserts show the status of the electrical poles after Hurricane Ida. Mr. Brady contends that it was erroneous of SLECA to demolish the electric lines on Four Point Island versus repairing them. Mr. Brady

¹³ Transcript at 155 – 157.

¹⁴ Transcript at 158.

¹⁵ Transcript at 152.

¹⁶ Transcript at 161.

¹⁷ Transcript at 153-154.

¹⁸ Transcript at 159.

¹⁹ Transcript at 164-165.

stated that his family had to purchase several generators due to their inability to keep up with the demand over time.

Bruce Messick

Mr. Messick is co-owner of camp with his wife on the Grand Pass line. Mr. Messick stated that they bought their current camp to start a business.²⁰ Mr. Messick testified that in their area they did not see a lot of storm damage.²¹ He further stated that in several conversations with SLECA personnel he was reassured that SLECA would rebuild.²² Mr. Messick informed that he is on his third generator for the camp, and that for a 1,000 square foot camp a 13,000-watt generator barely keeps up.²³ Mr. Messick expressed concern that if SLECA is allowed to abandon the lines, what would stop them from abandoning other areas,²⁴ Mr. Messick testified as to the decrease in property values due to the loss of electric service, and that the camps are now unsellable.²⁵

Joel Brent Story

Mr. Story has owned a camp on Bayou Du Mar (Lake Fields) for 12 years.²⁶ Mr. Story explained why he wanted a camp, and the hardships created by the lack of electric service.²⁷ Mr. Story testified that he has spent \$17,000 on a generator to provide him with electricity, and that this cost does not include diesel and ice.²⁸ Mr. Story considers SLECA's failure to repair his

²⁰ Transcript at 190.

²¹ Transcript at 191-192.

²² Transcript at 192-193.

²³ Transcript at 190.

²⁴ Transcript at 190-191.

²⁵ Transcript at 191.

²⁶ Transcript at 168-169.

²⁷ Transcript at 170, 172-174.

²⁸ Transcript at 178.

lines unfair as the houses across the bayou have service.²⁹ Mr. Story testified that he took pictures of the area surrounding his camp the morning after Hurricane Ida.³⁰ He identified the pictures and described what was shown in the pictures.³¹ Mr. Story contended that his pictures contradict the assertion that the poles were leaning or broken after the storm.³² Mr. Story alleges that the poles around his camp were not removed until the camp residents started questioning SLECA about service restoration.³³ Mr. Story argued that the poles should not have been removed prior to a Commission decision.³⁴

Mr. Story took issue with the SLECA position that only the camps should pay for the restoration as other repairs are not billed that way.³⁵ Mr. Story argued that repair would have been cheaper than replacement, and all SLECA had to do was repair what was still there.³⁶ Mr. Story pointed out that SLECA restored service to Persimmon Pass, and it is also located in the marsh.³⁷

Findings of Fact

SLECA is a Louisiana non-profit, rural electric cooperative providing retail electric service to approximately 21,367 members and owns and maintains approximately 1,500 miles of distribution lines in Assumption, Lafourche, St. Martin, St. Mary, and Terrebonne Parishes. Peters Direct at 3; Broady Direct at 3.

SLECA is governed by a nine-member board of directors and has its main headquarters located in Houma, Louisiana. Peters Direct at 3; Broady Direct at 3.

SLECA is member-owned, with no shareholders. Peters Direct at 3.

²⁹ Transcript at 172-173.

³⁰ Transcript at 168.

³¹ Transcript at 175-177.

³² Transcript at 168.

³³ Transcript at 171, 179.

³⁴ Transcript at 188.

³⁵ Transcript at 169.

³⁶ Transcript at 177-179.

³⁷ Transcript at 180.

As a cooperative, SLECA has no stock and obtains long term debt financing from the Rural Utilities Services and supplemental lending through the Federal Financing Bank, the National Rural Utilities Cooperative Finance Corporation and CoBank. Commission Staff Report and Recommendation at 1.

In 2021, Hurricane Ida damaged SLECA's electric lines, poles, facilities, and other infrastructure. SLECA Application at 2.

Included in the damage caused by Hurricane Ida were certain electrical facilities referred to as the Lake Lines. SLECA Application at 2.

The Lake Lines refers to SLECA's distribution facilities that once served recreational camps located in Lake De Cade, Lake Fields, Island at the end of Four Point Road ("Four Point"), and Grand Pass. Peters Direct at 5.

The Lake De Cade, Lake Fields, Four Point, and Grand Pass segments that comprise the Lake Lines are each separate and in four distinct areas. Broady Direct at 5.

The Lake De Cade, Grand Pass and Four Point lines are located in Terrebonne Parish. Transcript at 69, 129.

The Lake Fields line is located in Lafourche Parish. Transcript at 70, 129.

The Lake Lines, in total, were comprised of 44.5 miles of distribution lines serving approximately 282 recreational camps. Peters Direct at 5.

The Lake Lines represented about 3% of SLECA's total distribution system mileage. Guy Direct at 13.

The Lake De Cade segment consisted of approximately 30.8 miles of line running along the southern border of Lake De Cade with lines traversing through Bay Long, Bayou de Cade, Raccourci Bay, and Lake Penchant. Broady Direct at 5-6.

The Grand Pass segment consisted of approximately 8.77 miles of line coming from the Falgout Canal Substation and running along the southern border of Mud Lake and ending at the pass between Lake Mechant and Cailliou Lake. Broady Direct at 6.

The Lake Fields segment consisted of approximately 4.74 miles of line coming from the Landry Substation and running along the eastern border of Lake Fields and to an ending point at Bayou Lafourche. Broady Direct at 6.

The Four Point segment consisted of approximately 0.19 miles of line coming from the Dulac Substation and south across a navigable water way and ending on Four Point Island. Broady Direct at 6.

Since the 2021 hurricane season, service has not been restored to the Lake Lines, and no revenue has been collected from the members the Lake Lines once served. Peters Direct at 5.

After Hurricane Ida, the infrastructure for the Lake Lines was removed. Peters Direct at 5.

The decision to abandon the Lake Lines was made during executive session of the SLECA Board of Directors on August 5, 2024. SLECA's Responses to Commission Staff's First Set of Data Requests at 9; Peters Direct at 15.

SLECA has two different rates for camp lines – Rate 50 and Rate 60. SLECA Application at 6.

Rate 50, which is designated for camp/remote service, has a minimum charge of \$25.00 per month. Rate 50 was utilized by approximately 260 Lake Line meters and over the past approximate 8 years leading up to Hurricane Ida, the average bill was approximately \$46.00 per month. SLECA Application at 6; Peters Direct at 5.

Rate 60, which is designated for small power service (remote area) and has a minimum charge of \$30.00 per month. Rate 60 was utilized by approximately 20 Lake Line meters, and over the past approximate 8 years leading up to Hurricane Ida, the average bill was approximately \$100.00 per month. Application at 6-7; Peters Direct at 5-6.

In addition to the Lake Lines, the Persimmon Pass line also utilizes SLECA's Rate 50 or 60. Transcript at 127.

The approximate annual remittance to SLECA was approximately \$552.00/meter per year for the Rate 50 members and approximately \$1,200/meter per year for the Rate 60 members. Peters Direct at 6.

The cost estimate for the reconstruction of the Lake Lines as of January 14, 2025 is \$140,322,968.83. Guy Direct at 6.

Of the approximately \$140 million, \$11 million includes work already completed for the removal of the damaged Lake Lines. Guy Direct at 6-7.

While FEMA may reimburse 90% of eligible costs, FEMA does not cover interest costs on loans, environmental permitting, mitigation expenses, land acquisition, or right-of-way expenses. Peters Direct at 7.

The cost estimates to rebuild the Lake Lines have been accepted by FEMA and are currently under quality assurance review. Peters Direct at 11, Guy Direct at 15-16.

The potential environmental permitting, environmental mitigation, and procurement of additional rights-of-ways that may be necessary for the reconstruction of the Lake Lines is currently estimated between \$11.5 million to \$23 million. Guy Direct at 7.

When combined with SLECA's 10% share of the total rebuild cost and associated interest fees, the minimum expense for which SLECA would be responsible for is between approximately \$24.4 million to \$35.9 million. Guy Direct at 7.

The high-end estimate for restoration of each segment of the Lake Lines is:

Segment	Total Cost	SLECA Cost Share
Lake De Cade	\$ 97,617,746.00	\$ 23,952,254.72
Grand Pass	\$ 34,094,566.00	\$ 8,365,709.75
Lake Field	\$ 23,039,531.00	\$ 5,563,159.78
Four Point	\$ 3,467,480.00	\$ 850,808.05

SLECA's Supplemental Responses
to Staff's Third Set of Data Requests
(SLECA Hr'g Ex. 11).

The low-end estimate for restoration of each segment of the Lake Lines is:

Segment	Total Cost	SLECA Cost Share
Lake De Cade	\$ 97,617,746.00	\$ 16,857,014.66
Grand Pass	\$ 34,094,566.00	\$ 5,887,583.17
Lake Field	\$ 23,039,531.00	\$ 3,978,556.44
Four Point	\$ 3,467,480.00	\$ 598,778.03

SLECA's Supplemental Responses
to Staff's Third Set of Data Requests
(SLECA Hr'g Ex. 11).

In addition to the lines themselves, reconstruction of the Lake De Cade segment would require approximately 489 poles and 117 transformers. Broady Direct at 6.

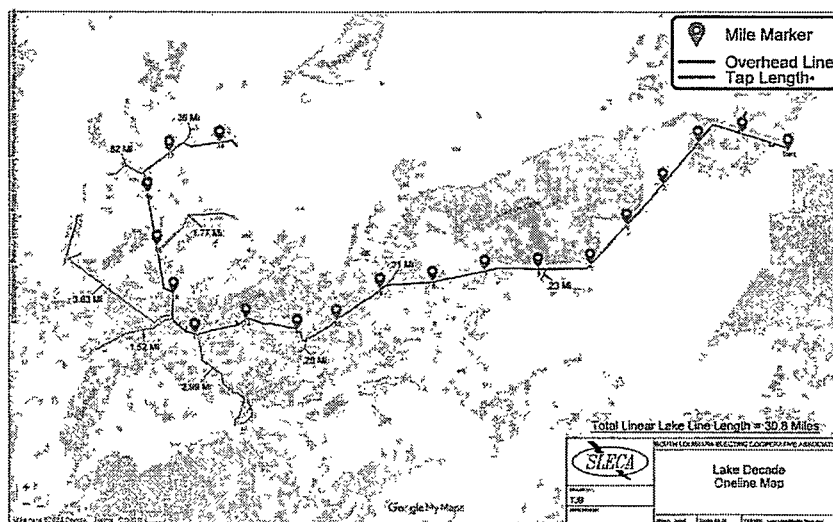
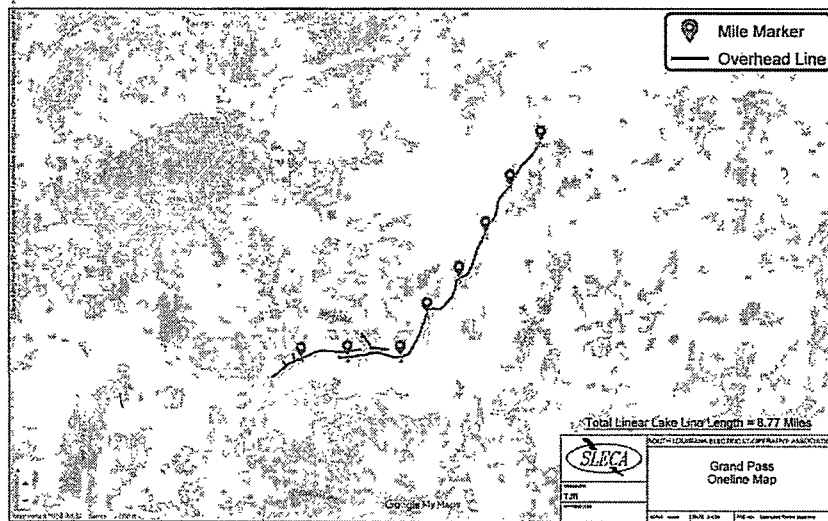
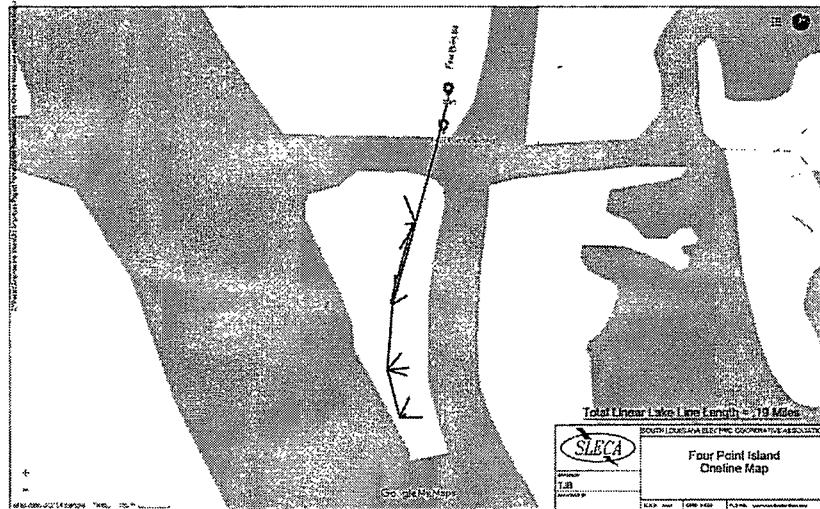
In addition to the lines themselves, reconstruction of the Grand Pass segment would require approximately 134 poles and 43 transformers. Broady Direct at 6.

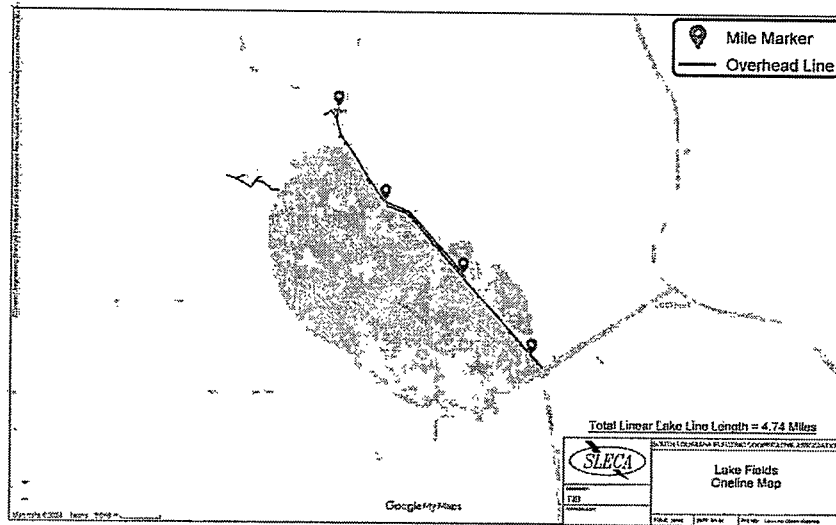
In addition to the lines themselves, reconstruction of the Lake Fields segment would require approximately 113 poles and 39 transformers. Broady Direct at 6.

In addition to the lines themselves, reconstruction of the Four Point segment would require approximately 4 poles and 3 transformers. Broady Direct at 6.

Maps

The following are the maps attached to SLECA's Application showing each of the segments of the Lake Lines.





Analysis

In this proceeding, SLECA is seeking Commission approval for the abandonment of certain electrical facilities pursuant to the General Order. Section G of the General Order provides that “[n]o abandonment shall be approved under this Order until the Applicant has proven ... that the continued operation of the subject facility can be terminated, consistent with the public interest.” The General Order does not define or specify what is consistent with the public interest, it does however require applicants to file certain information with the application. Section G of the General Order further provides that the burden of proof in an abandonment request is with the applicant. Accordingly, SLECA must produce a reasonable quantity of evidence in support of its request.³⁸ If SLECA does not first establish a prima facie case, then an opposing party is not required to present any countervailing evidence. Conversely, if SLECA manages to establish a prima facie case, then the burden shifts to the opposing parties to present sufficient evidence to overcome the applicant’s prima facie case.³⁹

³⁸ Order No. U-27458 at 25-26, Water Treatment & Controls Company d/b/a Peoples Water Service Company of Bastrop, (Bastrop, LA), ex parte, *In re: Request for an increase in rates for water and water service in the City of Bastrop and its environs*.

³⁹ Order No. U-33740 at 21, Docket No. U-33740, Saunders, Ltd. vs The Baton Rouge Water Works Company, *In re: Formal complaint alleging overcharges for water service*.

SLECA argues that it presented detailed, consistent, and credible testimony addressing each of the factors in the General Order. SLECA cites previous abandonment decisions by the Commission for the assertion that abandonment is justified when continued operation would impose unjust or unreasonable costs on customers. Commission Staff argues that the prior cited abandonment decisions were for abandonment of natural gas utility service, which differs from electric utility service as it is not the primary source of power. Commission Staff contends that SLECA's request would result in the removal of all utility services to the customers.

The General Order encourages utilities to file petitions for abandonment only as a last resort. The standard to analyze a request for abandonment is whether the facility can be terminated, consistent with the public interest. The public interest analysis should include whether there could be unjust or unreasonable costs; however, it is not the sole determining factor. The General Order in Section B explicitly states that any petition for abandonment "shall include" certain documents and information. SLECA's argument that it presented evidence addressing each of the factors is unconvincing. **SLECA failed to comply with, or provided scant support for, Sections B(4), B(7), B(8), B(9), and B(10) of the General Order.**

Section B(4)

Section B(4) of the General Order requires an economic analysis of expected revenue, operation and maintenance expenses, and replacement and repair costs of the facility, should the utility be required to continue to operate and maintain the service. Studies that consist of simple mathematical computations performed on a few sheets of paper, containing incorrect or unrealistic assumptions have been considered insufficient.⁴⁰ A financial analysis is not an

⁴⁰ *Ex Parte Gulf States Utilities Co.*, U-17282, 1988 WL 427504, at 4 (La. P.S.C. Nov. 15, 1988).

economic analysis.⁴¹ At minimum an economic analysis of expected revenue and operation and maintenance expense would explain what assumptions were made and the effects of those assumptions. Preferably it would study the need for the facilities, compare the costs of maintaining the facilities versus alternatives, the costs and risks of any alternatives, or the effects and quantification of various assumptions.⁴²

Commission Staff believes that SLECA has not fully met the requirements Section B(4). Commission Staff disagrees with SLECA's analysis of the Lake Lines as a whole, and contends that each segment should be analyzed separately as there exists a significant difference in the number of assets and location of these facilities. Commission Staff argues that merely producing evidence of the financial impact of rebuilding the Lake Lines does not establish a prima facie showing that abandonment is in the public interest. Commission Staff witness Mr. Broady testified that SLECA did not attempt a cost of service study in regards to tariff changes or maintenance expenses.⁴³ Mr. Broady explained that while SLECA did provide a camp-only tariff as a cost recovery mechanism, SLECA presented "a seven-year recovery for a significant capital improvement or construction workplan, which is not something that we've typically seen from any of our electric providers, investor-owned or cooperative."⁴⁴

SLECA provided testimony on the historical revenue from the Lake Lines, and a two-page cost estimate for restoration of the Lake Lines. SLECA General Manager Matthew Peters' testimony included a discussion of the "economic reality" of the Lake Lines, which included discussion about the camp rates, historic revenue from camp lines, costs to rebuild the Lake

⁴¹ *Id.*

⁴² *Id* and *Louisiana Pub. Serv. Comm'n Ex Parte*, 10-19-2018, 2018 WL 5300228, at 9 (La. P.S.C. Oct. 19, 2018).

⁴³ Transcript at 229.

⁴⁴ Transcript at 229.

Lines, FEMA funding, and natural disaster financing.⁴⁵ While Mr. Peters confirmed at the hearing that the remote location makes routine operation and maintenance and storm repairs exceptionally difficult, he provided no testimony or analysis of how those costs compare to the remainder of the SLECA system.⁴⁶ In data responses filed in the record at the hearing, SLECA stated that it had not conducted a specific analysis to determine the average bill impact and had not conducted a rate impact analysis for the Lake Lines.⁴⁷ SLECA witness Mr. Jason Guy, Program Manager for Royal Engineering, a firm specializing in disaster recovery and project management, testified about the “economic rationale” of SLECA’s request, giving information as to the expected costs to replace the Lake Lines and the status of the FEMA request for reimbursement.⁴⁸ SLECA’s cost estimate to restore the Lake Lines included additional costs for environmental permitting, environmental mitigation, and/or additional right of ways, the calculation of which were based on general assumptions, including the number of acres that would require mitigation, the credit to acre ratio and the price of mitigation credits.⁴⁹

Section B(4) also requires economic analysis of the *repair costs* of the facility should the utility be required to maintain the service. Mr. Guy testified that as the entire facility was deemed to be damaged, SLECA “didn’t need to calculate the cost” of repair.⁵⁰ Mr. Guy stated that removal of the Lake Lines was “more costly than simple repairs.”⁵¹ Mr. Guy explained that he considered simple repairs to be an in-kind replacement.⁵² Mr. Guy estimated it would cost \$106

⁴⁵ Peters Direct at 5-13 (SLECA Hr’g Ex. 13).

⁴⁶ Transcript at 126.

⁴⁷ SLECA’s Responses to Commission Staff’s First Set of Data Requests at 9 (SLECA Hr’g Ex. 15).

⁴⁸ Guy Direct at 14-21 (SLECA Hr’g Ex. 9).

⁴⁹ SLECA’s Responses to Commission Staff’s First Set of Data Requests at 5 (SLECA Hr’g Ex. 15).

⁵⁰ Transcript at 77.

⁵¹ Guy Direct at 19 (SLECA Hr’g Ex.9).

⁵² Transcript at 85.

million to reconstruct in-kind, but did not know what each segment would cost.⁵³ According to Mr. Guy the in-kind replacement was calculated and provided to FEMA.⁵⁴ Neither the underpinnings of Mr. Guy's estimate for in-kind replacement nor the calculations provided to FEMA were provided in this proceeding.

According to Mr. Guy, the decision to completely remove the Lake Lines instead of repair them was based on the assessment and recommendation of Mr. Brook Samuel of Brooks-Harbour and Associates Engineering ("BHA").⁵⁵ The only evidence in the record of Mr. Samuel's assessment is a one-page letter, attached to Mr. Peters Rebuttal Testimony, which states:

The existing SLECA Lake Lines distribution structures were damaged during Hurricane Ida because of the extreme wind forces. Many structures failed structurally, and many ended up leaning over. Those distribution structures were constructed utilizing a wood pole and timber pile combination.

Hurricane winds are extreme, gusty, and changing in direction. This results in a continual flexing of the wood pole. The flexing likely contributed to weakening of the wood pole fibers and an overall reduction in pole strength. Additionally, due to the soft nature of the soil at the surface, the below-grade portion of timber piles would also have been subjected to that continual flexing. Pile damage likely occurred below the ground level.

The actual amount of remaining pole and pile strength is unknown. As such, it would have been imprudent, and would have been recommended not to reuse any of the remaining wood-pole structures.

Mr. Guy further confirmed that no study was conducted regarding a changing of the poles in Terrebonne Parish.⁵⁶ Mr. Guy also testified that the Lake Lines could have been reconstructed in-kind, however SLECA's Board and General Manager "wanted to look at the opportunities to

⁵³ Transcript at 85-86.

⁵⁴ Transcript at 66-67.

⁵⁵ Guy Direct at 18 (SLECA Hr'g Ex.9); Transcript at 84.

⁵⁶ Transcript at 77.

mitigate it against future losses since they have had so many incidences in the past where they suffered damages.”⁵⁷

Hurricane Ida occurred in August 2021, with the likely removal of the poles occurring in 2022,⁵⁸ however, Mr. Samuels’ assessment is dated October 21, 2024. The letter does not inform whether Mr. Samuel viewed the infrastructure in question or conducted any testing. According to Mr. Guy, a determination of the structural soundness of the poles would have required “exhaustive analysis,” which was not attempted.⁵⁹ Mr. Guy was unable to quantify how much the analysis of poles would have cost.⁶⁰ Mr. Brining, Mr. Story, and Ms. Boudreaux, three affected SLECA customers, contended that the poles were not damaged beyond repair and did not need to be removed, while acknowledging they had no background or training to assess the condition of the poles.⁶¹ Mr. Story and Ms. Boudreaux provided photos they each individually took from around their camps to show what the poles looked like after Hurricane Ida.⁶²

Section B(4) of the General Order requires an economic analysis of expected revenue, operation and maintenance expenses, and replacement and repair costs of the facility. The evidence presented by SLECA in support of the economic analysis requirement was meager and unsubstantiated. The reconstruction costs presented by SLECA were mathematical calculations performed on a few sheets of paper, with no information as to the assumptions used. Mr. Samuels 10-sentence letter, while the opinion of an engineer, is not an engineering assessment or analysis of the Lake Lines after Hurricane Ida. Further, SLECA’s remaining testimony was

⁵⁷ Transcript at 72.

⁵⁸ Transcript at 143, 151, 160-161.

⁵⁹ Transcript at 77.

⁶⁰ Transcript at 85.

⁶¹ Transcript at 152, 162, 168 -169, 184, 199, 202-230.

⁶² Transcript at 175-177, 202-203.

mostly uncorroborated. The evidence provided at the hearing by SLECA to satisfy the requirements of Section B(4) was insufficient.

Section B(7)

Section B(7) requires what, if any, efforts the applicant has taken to maintain, preserve, or otherwise continue the use of the subject facility and to avoid the proposed abandonment, including, but not limited to, detailed descriptions and itemizations of the applicant's maintenance, preservation and other similar efforts with regard to the subject facility during the 5 years prior to the date of the application. In its Application and Mr. Peters testimony, SLECA stated that the Lake Lines were destroyed by Hurricane Ida in 2021 and there were no lines to be maintained or preserved for continued use.⁶³ Mr. Peters stated that SLECA maintained the lines prior to Hurricane Ida, however, no descriptions and itemizations of the maintenance were produced in this proceeding.⁶⁴ According to Mr. Peters, the documents supporting the maintenance of the Lake Lines were damaged, and are currently being freeze dried and digitized.⁶⁵ Commission Staff explained in its Report and Recommendation that it believes SLECA met the requirements of Section B(7) by providing "a short narrative" that there were no current lines to be maintained, and that for the last five years the lines had seen frequent repairs due to corrosion, harsh environmental surroundings, storms, and strong winds.⁶⁶

The Tribunal does not accept Commission Staff's conclusion that SLECA complied with Section B(7). SLECA failed to provide information on what actions it had taken to maintain, preserve, or otherwise continue the use of the Lake Lines. SLECA also failed to provide detailed descriptions and itemizations of the maintenance, preservation and other similar efforts for the

⁶³ Application at 8 (SLECA Hr'g Ex. 12); Transcript at 131-132.

⁶⁴ Transcript at 132.

⁶⁵ Transcript at 132.

⁶⁶ Commission Staff Report and Recommendation at 10 (Commission Staff Hr'g Ex. 1).

five years prior to the date of the Application (September 2019 through September 2024). . Further, while Mr. Peters testified that the records were damaged, no corroboration of the testimony was provided.

Section B(8)

Section B(8) requires information on the existence of alternative energy sources for the consumer and the estimated cost per customer to convert to each alternative energy source. In its Application, SLECA stated that the affected members can and are utilizing a generator as an alternative to electric service, and that the estimated cost for a generator to serve the average size affected camp is approximately \$1,000. Mr. Peters testified that SLECA identified portable generators as an alternative source.⁶⁷ In its Report and Recommendation, Commission Staff stated that it requested additional information in regard to the assertion of the cost of generators for affected members, and that SLECA provided a cost estimate for a residential generator.⁶⁸ Commission Staff further stated that the cost of a generator should not be the only expected cost to be considered as an alternative energy source, and that there would likely be a significant labor cost associated with the installation of a whole home generator, maintenance, and fueling expenses.⁶⁹ Commission Staff concluded that providing correct information as to individual generators was sufficient to meet the requirements of Section B(8).

The Tribunal does not accept Commission's Staff's conclusion that SLECA met the requirements of Section B(8). SLECA did not provide any corroborating evidence to support its assertion about the cost of a generator, and did not provide any information as to maintenance costs and fuel usage of a generator. SLECA did not address any other type of alternative energy

⁶⁷ Transcript at 113-114.

⁶⁸ Commission Staff Report and Recommendation at 11 (Commission Staff Hr'g Ex. 1).

⁶⁹ Commission Staff Report and Recommendation at 11 (Commission Staff Hr'g Ex. 1).

source, such as roof top solar. Mr. Brining testified that he spends approximately \$160 per weekend to fuel his generator.⁷⁰ Mr. Story testified that he spent \$17,000 on a generator for his camp.⁷¹ SLECA's cursory support for alternative energy sources and the lack of information on estimated cost per customer fails to adequately address the requirement to provide information on the existence of alternative energy sources for the consumer and the estimated cost per customer to convert to the alternative energy source.

Section B(9)

Section B(9) requires a disclosure of what, if any, environmental impacts and consequences may result from the abandonment together with a complete disclosure of the applicant's efforts to ascertain such impacts and consequences. SLECA relies on the removal of the lines to support that there is no environmental impact. In its Application, SLECA stated that there will be no environmental impact as a result of the abandonment, and that all environmental impacts were mitigated by virtue of clearing the line after destruction.⁷² Mr. Peters testified that being forced to rebuild the Lake Lines would have a negative significant impact to the environment in the marshland.⁷³ Mr. Peters also agreed with the contention that the Lake Lines were already suffering from coastal erosion.⁷⁴ SLECA presented the testimony of Mr. Timothy Allen, the General Manager of Apache Louisiana Minerals, LLC ("ALM"), who stated that he was a professional land surveyor in Louisiana, Texas, and Mississippi. However, in his Direct Testimony, Mr. Allen stated that he was providing testimony in his capacity as General Manager

⁷⁰ Transcript at 153.

⁷¹ Transcript at 178.

⁷² SLECA Application at 9 (SLECA Hr'g Ex. 12).

⁷³ Transcript at 114.

⁷⁴ Transcript at 114.

of ALM.⁷⁵ Mr. Allen provided his opinion of the local landscape covered by the Lake Lines. No reports or surveys were identified or submitted by Mr. Allen.

According to SLECA, the removal decision was based on the assessment and recommendation of Mr. Samuel.⁷⁶ The only evidence provided of Mr. Samuel's assessment was the 10-sentence letter attached to Mr. Peters Rebuttal Testimony. Mr. Guy testified that no geotechnical analysis has been conducted on any of the segments.⁷⁷ Besides Mr. Samuel's letter dated three years after the hurricane, no additional evidence was provided by SLECA of any efforts to ascertain environmental impacts and consequences. The only evidence of the condition of the infrastructure after Hurricane Ida was photos provided by the Intervenor. While the photos themselves are insufficient to draw conclusions, they are the only evidence in the record of the *actual* status of the poles after the hurricane. Mr. Samuel's short letter and the uncorroborated testimony of Mr. Peters fails to adequately address the requirement to disclose environmental impacts and consequences and the efforts to ascertain such impacts and consequences.

Section B(10)

Section B(10) of the General Order requires an applicant to list any previously filed requests for abandonment. In its Application, SLECA asserted that it had never filed a request to abandon facilities.⁷⁸ Attached to Mr. Peters' Rebuttal Testimony was a newspaper article from 1993 discussing the Commission and the cost to replace power lines on Lake De Cade and Grand Pass. Mr. Peters testified that he was unaware whether that matter had been docketed at the Commission. The article, which was presented into evidence by SLECA, does seem to indicate

⁷⁵ Allen Direct at 3 (SLECA Hr'g Ex. 1).

⁷⁶ Guy Direct at 18 (SLECA Hr'g Ex. 9).

⁷⁷ Transcript at 70.

⁷⁸ SLECA Application at 9 (SLECA Hr'g Ex. 12)

that there were discussions by SLECA and the Commission about possible abandonment of lines. Due to the 1993 newspaper article, we are unable to conclude that SLECA has not previously filed requests for abandonment.

Consistent with the Public Interest

The standard to analyze a request for abandonment is whether the facility can be terminated, consistent with the public interest. SLECA argues that a preference for additional information or a different policy outcome does not supply a legal basis to deny relief where the existing record satisfies the General Order. Commission Staff contends that the public interest standard is guided by the factors presented in the General Order, as well as the Commission's statement that petitions for abandonment should only be filed as a last resort. The General Order lists what information shall be included in any petition for abandonment. The mandatory word "shall" creates an obligation impervious to discretion.⁷⁹ Accordingly, the information listed in Section B of the General Order must be considered when deciding whether a facility can be abandoned.

SLECA has argued that neither the Commission Staff nor the Intervenors offered an engineering analysis addressing the condition of the facilities or the feasibility of reconstruction, no cost study evaluating the financial impact of rebuilding, and no environmental evidence assessing the consequences of reconstruction of the Lake Lines. However, pursuant to Section G of the General Order, SLECA has the burden to prove the facility can be terminated consistent with the public interest. Therefore, SLECA had the burden to establish a prima facie case, meaning it had to produce a reasonable quantity of evidence in support of its request. The burden only shifts to Commission Staff or the Intervenors if SLECA manages to establish a prima facie

⁷⁹ *Lexecon Inc. v. Milberg Weiss Bershad Hynes & Lerach*, 523 U.S. 26; 118 S.Ct. 956, 962; 140 L.Ed.2d 62 (1998).

case. SLECA failed to establish a prima facie case supporting termination consistent with the public interest as it did not comply with, or provided scant, unsubstantiated support for, Sections B(4), B(7), B(8), B(9), and B(10) of the General Order. While SLECA argued that no other party provided any engineering analysis, cost study, or environmental evidence, neither did SLECA. SLECA's engineering analysis was a 10-sentence letter from Mr. Samuels, its cost study was a two-page summary of reconstruction costs, and there was only self-serving testimony about possible environmental impacts.

Segmentation

A question presented by Commission Staff was whether the analysis of the Lake Lines should have been done on a segmented basis. Commission Staff argued that the Lake Lines have varying geographical locations, are not directly tied to one another, and have significantly varying need in terms of actual assets to be replaced.⁸⁰ In his Report and Recommendation, Mr. Broady concluded that there is "a stark difference in terms of assets and labor to put those assets into service."⁸¹ SLECA contended that all four Lake Lines share the same essential characteristics relevant to the public-interest inquiry: severe storm destruction, extraordinary access limitations, environmental fragility, and reconstruction costs that far exceed any corresponding benefit. SLECA also argued that the General Order does not require a segmented analysis, and prior abandonment decisions did not require a segmented analysis. A review of prior Commission Orders on abandonment requests indicates that none of those facilities were fragmented, miles apart, or in different parishes.⁸²

⁸⁰ Commission Staff Report and Recommendation at 12 (Commission Staff Hr'g Ex. 1).

⁸¹ Commission Staff Report and Recommendation at 9 (Commission Staff Hr'g Ex. 1).

⁸² Previous abandonment dockets include: Docket No. S-31184, CenterPoint Energy, ex parte, *In re: Application of CenterPoint Energy Resources Corp. for Approval of the Abandonment of a Portion of its Natural Gas Facilities Pursuant to General Order R-30301*; Docket No. S-31973, Atmos Energy Corporation, ex parte, *In re: Petition of Atmos Energy Corporation requesting approval to abandon its natural gas distribution facilities and services to and*

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Proposed Recommendation

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SLECA's own cost estimates indicate that that each of the lines does not have the same magnitude of reconstruction cost, with SLECA's high-end estimated cost share for Lake De Cade being \$23 million and Four Point being less than \$1 million. While Mr. Guy opined that segmentation would lose the benefit of cost savings, he did not quantify what those savings were.⁸³ The Four Point, Lake De Cade and Grand Pass lines are located in Terrebonne Parish, while the Lake Fields line is located in Lafourche Parish. Further, none of the Lake Lines are contiguous. Ms. Boudreaux testified as to the difference in the Lake Lines, in that Lake Fields is not coastal, the camps are land-based, and close to Lockport.⁸⁴ The physical separation between the Lake Lines, combined with the significant cost differences to restore each line, argues for separate analysis. However, in light of the determination that SLECA's Application was insufficient, no determination needs to be made at this time on the necessity to conduct a segmented analysis.

Conclusion

SLECA contends that in this matter, using the preponderance of evidence standard, the Commission must weigh the record as a whole to determine whether SLECA's evidence makes its asserted conclusion more likely than not. Pursuant to Section G of the General Order, SLECA has the burden of proof in this proceeding, meaning that it must first establish a prima facie case,

on Isle de Jean Charles, Terrebonne Parish, Louisiana; Docket No. S-32515, Atmos Energy Corporation, ex parte, In re: Request to Abandon natural gas distribution facilities and services to customers in the Bayou Corne Area, Assumption Parish, Louisiana; Docket No. S-33195, Atmos Energy Corporation, ex parte, In re: Petition of Atmos Energy Corporation requesting approval to abandon natural gas distribution facilities and services to certain customers located in Webster and Lincoln Parishes, Louisiana; Docket No. S-33475, Atmos Energy Corporation, ex parte, Petition for Authority to Disconnect two customers and Request Approval to Permanently Abandon its Natural Gas Distribution Facilities and Services to the Two Customers in Cheneyville, Rapides Parish, Louisiana; Docket No. S-35069, CenterPoint Energy Resources Corp. (CenterPoint), ex parte, In re: Application for Approval of the Abandonment of a Portion of its Natural Gas Facilities Pursuant to General Order R-30301; and Docket No. S-35876, CenterPoint Energy Resources Corp., ex parte, In re: Application for Approval of Proposed Abandonment of a Portion of its Natural Gas Facilities in Acadia Parish Pursuant to LPSC General Order R-30301.

⁸³ Transcript at 50.

⁸⁴ Transcript at 197-198.

producing a reasonable quantity of evidence in support of its request.⁸⁵ SLECA pointed out that in a previous Commission decision the preponderance of the evidence in a dispute favored the electric utility which provided more effective testimony, useful documentary proof, and corroborating evidence of its claims.⁸⁶ In this proceeding, SLECA provided testimony without much documentary proof or corroborating evidence of its assertions.

SLECA alleges that it presented competent, unrebutted engineering testimony, and that Intervenor did not rebut the “damage assessments validated through federal review or sworn testimony.”⁸⁷ The only engineer who testified in this proceeding was Mr. Guy, who characterized his firm’s work as providing comprehensive disaster recovery and project management services. The only documentary evidence identified by Mr. Guy was a newspaper article and the two-page segmented cost estimate for reconstruction of the Lake Lines. SLECA did not provide evidence of damage assessments validated through federal review, and the only damage “assessment” introduced into evidence was Mr. Samuel’s three-paragraph, 10-sentence letter. SLECA failed to establish a prima facie case that produced a reasonable quantity of evidence in support of its request. The majority of SLECA’s evidence in this proceeding was uncorroborated, self-serving testimony.

SLECA failed to sufficiently support its request for abandonment, and, therefore, SLECA’s Petition for Approval of Proposed Abandonment is denied. Nothing herein shall be construed, however, as a determination that rebuilding the Lake Lines is in the public interest, as the record is insufficient on that issue.

[PLACEHOLDER FOR COMMISSION SIGNATURE BLOCK]

⁸⁵ Order No. U-27458 at 25-26, Water Treatment & Controls Company d/b/a Peoples Water Service Company of Bastrop, (Bastrop, LA), ex parte, *In re: Request for an increase in rates for water and water service in the City of Bastrop and its environs*.

⁸⁶ Citing *Washington-St. Tammany Elec. Coop., Inc. v. La. Pub. Serv. Comm’n*, 959 So. 2d 450 (La. 6/29/2007).

⁸⁷ SLECA Post Hearing Reply Brief at 1, 7.

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as of 2/27/2026**

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