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May 27, 2025

Ms. Krys Abel  
Records and Recording Division  
Louisiana Public Service Commission  
602 N. 5<sup>th</sup> St.  
Baton Rouge, LA 70802-5312

**Via Hand Delivery**

In Re: Southwest Louisiana Electric Membership Corporation's Application for Letter of Non-Opposition to Establish Regulatory Assets and for Recovery of Costs Associated with the Regulatory Assets  
LPSC Docket No. S-37464

Dear Ms. Abel:

Enclosed please find an original and three copies of Southwest Louisiana Electric Membership Corporation's Supplemental and Restated Application for Letter of Non-Opposition to Establish Regulatory Assets for Carrying Costs Incurred as a Result of Cleco Cajun's Fuel Cost Increases, Service Restoration Costs Incurred for the Spring 2024 Storms, and Costs Incurred for Preparation for Hurricane Francine. Please file the original into the records of LPSC and return a date stamped copy to me for completion of my file.

With kind regards, we are,

Very truly yours,

**DAVIDSON, MEAUX, SONNIER, McELIGOTT,  
FONTENOT, GIDEON & EDWARDS**



THEODORE G. EDWARDS, IV  
CHRISTOPHER J. PIASECKI

TGEIV/CJP/hn  
Enclosures

Hand

**BEFORE THE  
LOUISIANA PUBLIC SERVICE COMMISSION**

**DOCKET NO. S-37464**

**SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION,**

**EX PARTE**

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***In re: Application for Letter of Non-Opposition to Establish Regulatory Assets and for Recovery of Costs Associated with the Regulatory Assets***

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**SUPPLEMENTAL AND RESTATED APPLICATION FOR LETTER OF NON-OPPOSITION TO ESTABLISH REGULATORY ASSETS FOR AND RECOVERY OF (A) CARRYING COSTS INCURRED AS A RESULT OF CLECO CAJUN'S FUEL COST INCREASES, (B) SERVICE RESTORATION COSTS INCURRED FOR THE SPRING 2024 STORMS, AND (C) COSTS INCURRED FOR PREPARATION FOR HURRICANE FRANCINE**

NOW BEFORE the Louisiana Public Service Commission (hereinafter referred to as the "Commission" or "LPSC"), through undersigned counsel, comes Southwest Louisiana Electric Membership Corporation ("SLEMCO" or "Applicant"), who files this Supplemental and Restated Application for a Letter of Non-Opposition to Establish Regulatory Assets and for recovery of carrying costs and restoration and preparation costs incurred as a result of Cleco Cajun's Fuel Cost Increases, Restoration costs incurred for the Spring 2024 storms and for preparation costs incurred for Hurricane Francine, and in support thereof, avers as follows:

1.

SLEMCO is an electric cooperative formed in 1937 and existing pursuant to the Louisiana Electric Cooperative Law, La. R.S. 12:401, et seq. SLEMCO serves approximately 117,000 meters in the Parishes of Acadia, Avoyelles, Cameron, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermilion, with its main office located in Lafayette, Louisiana.

2.

The rates charged by SLEMCO to its members and the service rendered to such customers are regulated by the Louisiana Public Service Commission.

**REGULATORY ASSET FOR CARRYING COSTS INCURRED AS A RESULT OF  
CLECO CAJUN'S FUEL COST INCREASES**

3.

From March 27, 2000 until March 31, 2025, SLEMCO was a party to an all requirements contract with its wholesale provider, Cleco Cajun, LLC (“Cleco Cajun”). According to that contract, SLEMCO paid Cleco Cajun monthly for purchased power to serve SLEMCO’s members. The monthly bill for each SLEMCO member contained a power cost adjustment (the “PCA”), which reflected the fluctuation of the cost of purchased power from Cleco Cajun. While there are a variety of factors that could impact the PCA, increased fuel charges were one of them. (*See* Nicole Clements’ Amended and Restated Direct Testimony Page 2, Lines 3-12, attached as **Exhibit “NC”**.)

4.

SLEMCO was notified via email on November 30, 2023 that “[SLEMCO’s] November 2023 invoice will include an increase in the Fuel Charge due to a higher Current Coal Price (“CCP”) for the month of November. The Mississippi River remains at/near record low levels since September, and as a result, Cleco Cajun has been in Force Majeure with its logistics provider since late September. This ongoing Force Majeure has increased the cost for delivered tons for the current invoice period.” (*See* Nicole Clements’ Amended and Restated Direct Testimony Page

2, Lines 12-19, attached as **Exhibit “NC”**.) This was the first written notice provided by Cleco Cajun to SLEMCO and no details were provided as to the exact increase in the fuel charge.

5.

On or around December 8, 2023, SLEMCO received the November 2023 Operating Month Invoice from Cleco Cajun, showing a 76% increase in fuel costs over the previous month (October), which equates to an average increased rate impact on a residential customer using 1,000 kWh of \$28, which was to be applied to SLEMCO’s December 2023 member billing based on the fuel cost adjustment portion of PCA report for the operating month of November 2023. SLEMCO paid the November 2023 Operating Month Invoice under protest on or around December 21, 2023. (See Nicole Clements’ Amended and Restated Direct Testimony Page 2, Line 19 – Page 3, Line 2, attached as **Exhibit “NC”**.)

6.

On or around January 10, 2024, SLEMCO received the next monthly bill from Cleco Cajun (the “December 2023 Operating Month Invoice”) showing that the increased fuel charges from the month before continued for yet another month. Similarly, the December 2023 Operating Month Invoice also had fuel cost 79% higher than the fuel cost for the operating month of October 2023. Again, this resulted in an increase of over \$29 to SLEMCO’s members using an average of 1,000 kWh. SLEMCO paid under protest the December 2023 Operating Month Invoice on or around January 25, 2024. (See Nicole Clements’ Amended and Restated Direct Testimony Page 3, Lines 3-10, attached as **Exhibit “NC”**.)

7.

Acting in the best interest of SLEMCO’s members and to mitigate the rate impact of the extraordinary increase in fuel charges passed down from Cleco Cajun, SLEMCO spread the

increased costs of the increase in PCA costs included in the November 2023 Operating Month Invoice and the December 2023 Operating Month Invoice-over twelve (12) months. To effectuate this mitigation, regarding any bills effected by the extraordinary and unprecedented increase in fuel charges passed down from Cleco Cajun to SLEMCO, SLEMCO created an accounts receivable. (See Katherine Domingue's Direct Testimony Page 2, Line 11 – Page 3, Line 10, attached as **Exhibit "KD"**.) Specifically, SLEMCO has used the average fuel cost per kWh for the twelve months ending in November 30, 2023 and December 31, 2023, thereby calculating the "normal" fuel cost per kWh. Next, SLEMCO used the difference between the "normal" fuel cost and the November 2023 Bill fuel cost and the December 2023 Bill fuel cost, to calculate the amount to be allocated and recognized as an accounts receivable for the operating months of November 2023 and December 2023. Doing so allowed SLEMCO to better manage this rate impact on its members and recover the fuel charges over a longer term. (See Nicole Clements' Amended and Restated Direct Testimony Page 3, Lines 11-22, attached as **Exhibit "NC"**.)

8.

As indicated in the attached testimony and associated attachments by Nicole Clements, SLEMCO's Chief Financial Officer (Exhibit "A *in globo*"), the accounts receivable amount was divided by twelve (representing twelve months) and added back to the ordinary monthly PCA fuel calculation beginning with the report based on the operating months of November 2023 and December 2023 and applied to the billing months from January through December 2024. Interest on the accounts receivable balance resulted in a \$408,873.11 carrying cost. (See Katherine Domingue's Direct Testimony Page 3, Lines 5-20, attached as **Exhibit "KD"**; See Nicole Clements' Amended and Restated Direct Testimony Page 4, Lines 1-7, attached as **Exhibit "NC"**.) This was determined by calculating the accounts receivable balance for each month at SLEMCO's

line of credit interest rate for the month after the reported operating month. (See Nicole Clements' Amended and Restated Direct Testimony Page 4, Lines 5-7, attached as **Exhibit "NC"**.)

9.

SLEMCO requests a Letter of Non-Opposition from the Commission Staff establishing a regulatory asset as described herein is consistent with and supported by Generally Accepted Accounting Principles ("GAAP"), in the amount of the carrying cost of \$408,873.11. (See Nicole Clements' Amended and Restated Direct Testimony Page 4, Line 8- Page 5, Line 2 and Page 6, Lines 3-6, attached as **Exhibit "NC"**.)

**REGULATORY ASSET FOR SERVICE RESTORATION COSTS**  
**INCURRED FOR THE SPRING 2024 STORMS**

10.

On April 10, 2024, May 13, 2024, May 16, 2024 and June 1-2, 2024, SLEMCO's service area was repeatedly and severely impacted by unprecedented thunderstorms which caused significant damages to SLEMCO's system and required momentous efforts and costs to repair its system in order to restore service to its members. (See Katherine Domingue's Direct Testimony Page 4, Line 1 – Page 6, Line 10, attached as **Exhibit "KD"**.)

11.

As a result of these Spring 2024 storms, SLEMCO incurred \$2,260,648.27 for necessary and required repairs of its system, including, but not limited to overtime labor, contract labor, meals and lodging for contract crews and rented equipment which will not be eligible for FEMA recovery. (See Nicole Clements' Amended and Restated Direct Testimony Page 6, Line 11 – Page 8, Line 4, attached as **Exhibit "NC"**.)

12.

As the Commission is aware, FEMA will not provide assistance to SLEMCO for the required and prudent repair and restoration work conducted by SLEMCO as a result of these Spring 2024 storms. (See Nicole Clements' Amended and Restated Direct Testimony Page 8, Lines 10-17, attached as **Exhibit "NC"**.) Allowing the establishment of a regulatory asset for the significant costs of \$2,260,648.27 incurred as a result of the Spring 2024 storms will also offset the cash drain caused by them.

**REGULATORY ASSET FOR COSTS INCURRED IN  
PREPARATION OF HURRICANE FRANCINE**

13.

On September 11, 2024, Hurricane Francine struck the coast of Louisiana making landfall in Terrebonne Parish and caused significant damages across the southeastern portion of the State and the southern United States. This was a Category 2 storm with sustained winds of 100 mph in some parts of the State. (See Katherine Domingue's Direct Testimony Page 6, Line 10-16, attached as **Exhibit "KD"**.)

14.

Initial reports and predictions set Hurricane Francine's path to strike through the center of the State, in and around Vermilion and Lafayette Parishes, where a majority of SLEMCO's system is located. Those predictions continued to target the area where SLEMCO's system is located up to and through twenty-four (24) hours before Hurricane Francine made landfall. (See Katherine Domingue's Direct Testimony Page 6, Line 21 – Page 7, Line 4, attached as **Exhibit "KD"**.)

15.

As such, SLEMCO was required and prudently obtained contract crews on stand-by in anticipation of a massive restoration effort which would have most certainly ensued had landfall occurred as predicted for the Vermilion Bay area of Louisiana. SLEMCO immediately released

the additional contract crews as soon as it prudently determined that its system was sound and not at further risk from Hurricane Francine. (See Katherine Domingue's Direct Testimony Page 7, Lines 5 – 14, attached as **Exhibit "KD"**.)

16.

As a result of the predictions provided by multiple weather authorities, all of which placed the path of Hurricane Francine through the heart of SLEMCO's system, SLEMCO incurred \$984,575.52 for storm related preparation costs, including, but not limited to contract labor, meals and lodging for contract crews and rented equipment which will not be eligible for FEMA recovery. (See Nicole Clements' Amended and Restated Direct Testimony Page 9, Lines 9-13, attached as **Exhibit "NC"**.) Fortunately, SLEMCO's system did not sustain a great deal of damage but the costs incurred for storm preparation were prudent and necessary based on predictions that slated the path of the storm to strike in and around Vermilion Bay as late as twenty-four (24) hours before Hurricane Francine made landfall. In fact, Lafayette Parish issued a State of Emergency on Monday, September 9<sup>th</sup>.

17.

As the Commission is aware, FEMA will not provide assistance to SLEMCO for the required and prudent preparations that SLEMCO made in relation to Hurricane Francine. (See Katherine Domingue's Direct Testimony Page 7, Lines 15-19, attached as **Exhibit "KD"**; See Nicole Clements' Amended and Restated Direct Testimony Page 9, Lines 14-20, attached as **Exhibit "NC"**.) Allowing the establishment of a regulatory asset of \$984,575.52, which was incurred in anticipation of that storm's arrival, will also offset the cash drain caused by the anticipated 2024 storm.

**RECOVERY OF CARRYING COSTS RESTORATION COSTS AND  
PREPARATION COSTS DESCRIBED HEREINABOVE**

18.

To summarize the costs discussed hereinabove, SLEMCO incurred carrying costs of \$408,873.11 as a result of Cleco Cajun's Fuel Cost Increases, \$2,260,648.27 for restoration costs incurred for the Spring 2024 Storms, and \$984,575.52 for preparation costs incurred for Hurricane Francine. In addition for the establishment of regulatory assets for these costs, SLEMCO is also submitting this application to recover the un-reimbursed costs incurred as the result of Cleco Cajun's Fuel Cost Increases, Restoration Costs resulting from the Spring 2024 Storms, and Preparation Costs incurred as a result of Hurricane Francine, all of which total \$3,654,096.90. (See Nicole Clements' Amended and Restated Direct Testimony Page 10, Lines 7-12, attached as **Exhibit "NC"**.)

19.

SLEMCO is proposing that the full \$3,654,096.90 described hereinabove be included as a line item on SLEMCO customer bills for the next twelve (12) months. (See Nicole Clements' Amended and Restated Direct Testimony Page 10, Lines 13-18, attached as **Exhibit "NC"**.) SLEMCO's average residential kilowatt hour consumption for 2023 and 2024 was 1,398. Assuming similar sales for 2025 and 2026 (and portions of 2027), the cost to be recovered per month per kilowatt hour over the 12 month period will be \$.001399 (1.399 mills) per kilowatt hour. This results in an average cost to residential customers of \$1.96 per month. This line item (1.399 mills or approximately \$1.96 per month) will be charged to the customers on a kilowatt hour's basis until the regulatory assets have been completely recovered in an estimated 12 months. (See Nicole Clements' Amended and Restated Direct Testimony Page 10, Line 19 – Page 11, Line 5, attached as **Exhibit "NC"**.)

20.

SLEMCO proposes a transparent reporting system that will allow the Commission to carefully monitor and track the effect of the line item charge. SLEMCO further proposes to file with the Commission every six (6) months a report detailing the revenues collected through the line item and the current balance of the regulatory assets. (See Nicole Clements' Amended and Restated Direct Testimony Page 11, Lines 6-11, attached as **Exhibit "NC"**.)

21.

In connection and support of the request, SLEMCO submits the attached Direct Testimony of Katherine H. Domingue as **Exhibit "KD"** and of the attached Amended and Restated Direct Testimony of Nicole Clements (and associated exhibits) as **Exhibit "NC"**.

WHEREFORE, Southwest Louisiana Electric Membership Corporation prays that:

1. The Commission Staff issues a Letter of Non-Opposition regarding the establishment of a regulatory asset for the carrying costs related to Cleco Cajun's fuel charge increases as described hereinabove;
2. The Commission Staff issues a Letter of Non-Opposition regarding the establishment of a regulatory asset for the service restoration costs incurred for the Spring 2024 storms as identified hereinabove;
3. The Commission Staff issues a Letter of Non-Opposition regarding the establishment of a regulatory asset for the costs incurred in preparation of Hurricane Francine as discussed hereinabove;
4. The Commission allows SLEMCO to recover \$3,654,096.90 resulting from the regulatory assets incurred, including the carrying costs associated with Cleco Cajun's Fuel Cost increases, the restoration costs resulting from the Spring 2024 storms, and

the Hurricane Francine preparation costs through a line item on SLEMCO customer bills with an average cost to residential customers of \$1.96 over an approximate 12 month period; and

5. For all other equitable relief.

Respectfully submitted,

**DAVIDSON, MEAUX, SONNIER, McELIGOTT,  
FONTENOT, GIDEON & EDWARDS, LLP**

BY: 

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Counsel for SLEMCO

Exhibit KD

BEFORE THE  
LOUISIANA PUBLIC SERVICE COMMISSION

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

SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION

EX PARTE

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*In re: Application for Letter of Non-Opposition to Establish Regulatory Assets*

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DIRECT TESTIMONY

of

KATHERINE H. DOMINGUE

on behalf of

Southwest Louisiana Electric Membership Corporation

December 27, 2024

**DIRECT TESTIMONY OF KATHERINE DOMINGUE  
ON BEHALF OF  
SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION**

1 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION AT  
2 SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION  
3 (“SLEMCO”).

4 A. Katherine H. Domingue, 2727 SE Evangeline Thruway, Lafayette, Louisiana 70508. My  
5 position is Chief Executive Officer (“CEO”) and General Manager.

6 Q. HOW LONG HAVE YOU HELD THE POSITION OF CEO AND GENERAL  
7 MANAGER AT SLEMCO?

8 A. I have been employed by SLEMCO for 26 years and was promoted to CEO and General  
9 Manager in December of 2023. Prior to that, I served as Chief Financial Officer of  
10 SLEMCO from April of 2013 until October of 2022. In August of 2018, I was added as  
11 the Assistant General Manager.

12 Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL  
13 EXPERIENCE.

14 A. I received a Bachelor of Science degree with a major in Finance (1995) and a Master's  
15 degree in Business Administration (1998) both from the University of Louisiana Lafayette.  
16 I have also completed several accounting and cost analysis programs through  
17 correspondence study at Louisiana State University while employed at SLEMCO. I have  
18 been employed by SLEMCO since 1998.

19 Q. PLEASE STATE THE PURPOSE OF YOUR TESTIMONY.

20 A. The purpose of my testimony is to provide the reasoning to support the decisions made by  
21 the SLEMCO Board of Directors and myself insofar as the requested regulatory assets at

1 issue in SLEMCO's instant application are concerned. Specifically, SLEMCO is seeking:  
2 (1) a request for a regulatory asset for carrying costs incurred as a result of Cleco Cajun's  
3 fuel cost increases during the latter months of 2023 which SLEMCO spread across twelve  
4 (12) months to have a lesser impact on its members; (2) a request for a regulatory asset for  
5 the costs incurred for service restoration following the Spring 2024 storms; and (3) a  
6 request for a regulatory asset for the costs incurred in preparation for Hurricane Francine.

7  
8 **REGULATORY ASSET FOR CARRYING COSTS INCURRED AS A RESULT OF**  
9 **CLECO CAJUN'S FUEL COST INCREASES**

10  
11 Q. NOW, SLEMCO IS SEEKING A REGULATORY ASSET FOR SHORT-TERM  
12 DEBT INTEREST COSTS ASSOCIATED WITH THE ACCOUNT RECEIVABLE  
13 CREATED AS A RESULT OF THE UNPRECEDENTED FUEL COSTS  
14 INCREASES RECEIVED FROM CLECO CAJUN DURING THE LATTER  
15 MONTHS OF 2023, CORRECT?

16 A. Yes, that is correct.

17 Q. AND THAT ACCOUNT RECEIVABLE WAS CREATED BECAUSE SLEMCO  
18 DECIDED TO SPREAD THOSE SIGNIFICANT PRICE INCREASES (IN EXCESS  
19 OF 75% EACH) OVER A PERIOD OF TWELVE (12) MONTHS, RIGHT?

20 A. Yes. SLEMCO determined that it was in its members' best interest to mitigate the rate  
21 impact of the extraordinary increases in fuel charges passed down from Cleco Cajun and  
22 spread the cost of SLEMCO's fuel cost adjustment over twelve (12) months.

23 Q. SO RATHER THAN REQUIRING SLEMCO'S MEMBERS TO PAY 75%  
24 INCREASES DURING THE 2023 HOLIDAY SEASON, SPREADING THESE

1           **INCREASES OVER TWELVE (12) MONTHS HELPED LESSEN THE BLOW TO**  
2           **ALL OF SLEMCO’S MEMBERS, RIGHT?**

3    A.     Yes, SLEMCO felt that it was prudent and, in its members’ best interest, to spread the  
4           increases.

5    Q.     **AND BECAUSE OF THIS SLEMCO’S MEMBERS WERE PRESENTED WITH A**  
6           **MORE PALATABLE IMPACT ON THEIR WINTER 2023/2024 BILLS,**  
7           **CORRECT?**

8    A.     Yes. Rather than SLEMCO’s members seeing an increase of 76% on their December 2023  
9           bill and a 79% increase on their January 2024 bill, the impact was lessened and equated to  
10          an average increase of \$7.40 to member’s bills over a twelve (12) month period.

11   Q.     **PRIOR TO SLEMCO DECIDING TO SPREAD THE COST OF THE CLECO**  
12          **CAJUN FUEL COST INCREASE OVER A TWELVE (12) MONTH PERIOD, DID**  
13          **SLEMCO NOTIFY THE COMMISSION OF ITS INTENTION TO DO SO?**

14   A.     Yes. SLEMCO notified the Commission pursuant to a letter dated December 22, 2023, a  
15          copy of which is attached hereto as **Exhibit “KD-1”** to my testimony.

16   Q.     **DID SLEMCO INCUR CARRYING COSTS AS A RESULT OF SPREADING THE**  
17          **CLECO CAJUN FUEL COST INCREASES OVER TWELVE (12) MONTHS?**

18   A.     Yes. SLEMCO incurred \$408,873.11 in interest on the accounts receivable created for this  
19          situation. SLEMCO’s Chief Financial Officer (“CFO”), Nicole Clements, will further  
20          explain the interest calculations and result in her direct testimony.

21  
22  
23

**REGULATORY ASSET FOR SERVICE RESTORATION COSTS**  
**INCURRED FOR THE SPRING 2024 STORMS**

1  
2  
3  
4 Q. **IN THE INSTANT APPLICATION, SLEMCO IS ALSO SEEKING TO ESTABLISH**  
5 **A REGULATORY ASSET FOR SERVICE RESTORATION COSTS INCURRED**  
6 **DURING A SERIES OF SIGNIFICANT THUNDERSTORMS THAT AFFECTED**  
7 **SLEMCO'S SERVICE TERRITORY IN THE SPRING OF 2024, CORRECT?**

8 A. Yes. On April 10, 2024, May 13, 2024, May 16, 2024, and June 1-2, 2024, SLEMCO's  
9 service territory was repeatedly and severely impacted by unprecedented thunderstorms  
10 that caused significant damage to SLEMCO's system, thereby requiring momentous efforts  
11 to repair its system again and again because of these storms.

12 Q. **CAN YOU GIVE US SOME DETAILS ON HOW SLEMCO'S SYSTEM WAS**  
13 **AFFECTED BY THE APRIL 10, 2024 STORM?**

14 A. Yes. SLEMCO's system was initially affected on April 10, 2024 at 5:37 a.m. The system  
15 was ultimately restored two (2) days later on April 12, 2024 at 10:59 p.m. At the outset,  
16 there were 450 total outages with a peak outage total of 36,691 customers as of April 10,  
17 2024 at 9:00 a.m. Overall, 50,705 customers in the parishes of Acadia, Avoyelles,  
18 Evangeline, Iberia, Lafayette, St. Landry, St. Martin and Vermilion were affected by this  
19 storm.

20 Q. **HOW WAS SLEMCO'S SYSTEM AFFECTED BY THE MAY 13, 2024 STORM?**

21 A. SLEMCO's system was initially affected by that storm on May 13, 2024 at 3:23 p.m. which  
22 continued for two (2) days until May 15, 2024 at 9:57 p.m. The system sustained 401 total  
23 outages with a peak outage total of 42,968 customers as of May 13, 2024 at 7:00 p.m.  
24 Overall, 51,075 customers in the parishes of Acadia, Avoyelles, Evangeline, Iberia,  
25 Lafayette, St. Landry, St. Martin, Vermilion, and Cameron were affected by this storm.

1 Q. **WHAT ABOUT THE NEXT STORM ON MAY 16, 2024? HOW WAS SLEMCO'S**  
2 **SYSTEM AFFECTED BY THAT STORM?**

3 A. SLEMCO's system was initially affected by that storm on May 16, 2024 at 7:46 p.m. and  
4 restoration required for that storm was completed two (2) days later by May 18, 2024 at  
5 6:26 p.m. The system sustained 530 total outages with a peak outage total of 43,553  
6 customers as of May 16, 2024 at 10:30 p.m. Overall, 62,985 customers in the parishes of  
7 Acadia, Avoyelles, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermilion,  
8 were affected by this storm.

9 Q. **HOW WAS SLEMCO'S SYSTEM AFFECTED BY THE STORM THAT**  
10 **OCCURRED ON JUNE 1-2, 2024?**

11 A. SLEMCO's system was initially affected by that storm on June 1, 2024 at 2:05 p.m. which  
12 continued for two (2) days until June 3, 2024 at 6:27 p.m. The system sustained 17,148  
13 total outages with a peak outage total of 10,276 customers as of June 2, 2024 at 2:50 a.m.  
14 Overall, 17,148 customers in the parishes of Acadia, Avoyelles, Evangeline, Iberia,  
15 Lafayette, St. Landry, St. Martin and Vermilion were affected by this storm.

16 Q. **FROM THE NUMBER OF OUTAGES, IT WOULD SEEM THAT DAMAGE FROM**  
17 **THE JUNE STORM WAS LESS SEVERE THAN THE APRIL AND MAY STORMS,**  
18 **IS THIS ACCURATE?**

19 A. While the outages were not as high following the June storm as the April and May storms,  
20 the damage was severe both to our lines as well as homes and property in the Youngsville  
21 area that experienced the downburst of winds. While our transmission structures in the  
22 area did not come down, they were leaning severely after the storms passed. Those  
23 structures were in the middle of fields that were flooded. SLEMCO engaged numerous

1 contractor crews that we dispatched to repair the structures. We had a significant amount  
2 of OT labor as well as contractor labor over that weekend restoring outages.

3 Q. **OVERALL, THE DAMAGES SUSTAINED TO SLEMCO'S SYSTEM DURING**  
4 **THESE SPRING STORMS IN 2024 WERE QUITE SIGNIFICANT, WOULD YOU**  
5 **AGREE?**

6 A. Yes, the damages sustained to SLEMCO's system during the four (4) storms compares to  
7 damages sustained to SLEMCO's system as a result of previous hurricanes traveling  
8 through SLEMCO's service territory. SLEMCO's CFO, Nicole Clements, provides in her  
9 testimony specific details regarding the costs incurred for necessary restoration services  
10 caused by these storms.

11  
12 **REGULATORY ASSET FOR THE COSTS INCURRED IN**  
13 **PREPARATION OF HURRICANE FRANCINE**  
14

15 Q. **LET'S DISCUSS HURRICANE FRANCINE WHICH MADE LANDFALL IN**  
16 **LOUISIANA ON SEPTEMBER 11, 2024. HURRICANE FRANCINE WAS A**  
17 **CATEGORY 2 STORM WITH SUSTAINED WINDS OF 100 MPH THAT MADE**  
18 **LANDFALL IN TERREBONNE PARISH AND CAUSED SIGNIFICANT**  
19 **DAMAGES ACROSS THE SOUTHEASTERN PORTION OF LOUISIANA,**  
20 **CORRECT?**

21 A. Yes.

22 Q. **IMMEDIATELY PRIOR TO HURRICANE FRANCINE MAKING LANDFALL IN**  
23 **LOUISIANA, WAS SLEMCO'S SERVICE TERRITORY IN DANGER OF**  
24 **SUFFERING DAMAGE AS A RESULT OF THIS HURRICANE?**

1 A. Yes. Initial reports and predictions set Hurricane Francine's path directly traveling through  
2 the center of the State, in and around Vermilion and Lafayette parishes where a majority of  
3 SLEMCO's system is located. In fact, those predictions continued to target these areas up  
4 until twenty-four (24) hours before the hurricane made landfall.

5 **Q. WHAT IS SLEMCO'S POLICY AND PROCEDURE WHEN A STORM OF THIS**  
6 **NATURE THREATENS SLEMCO'S SERVICE TERRITORY?**

7 A. SLEMCO is required to arrange for and obtain contract crews on a stand-by basis in  
8 anticipation of potential massive restoration efforts which would have most certainly have  
9 been required if the predicted landfall for the Vermilion Bay area would have occurred. If  
10 SLEMCO would not have obtained these contract crews as it had, and Hurricane Francine  
11 would have struck SLEMCO's service territory, SLEMCO would not have been able to  
12 restore its system in a timely manner because it would not have been able to obtain contract  
13 crews afterwards due to the fact that those contract crews would have been obtained by  
14 other electric utilities to perform restoration work for them.

15 **Q. DOES SLEMCO EXPECT TO RECEIVE ANY REIMBURSEMENTS AS A**  
16 **RESULT OF THE PREPARATION COSTS INCURRED FOR HURRICANE**  
17 **FRANCINE?**

18 A. No. The costs incurred for preparation of Hurricane Francine are not reimbursable by  
19 FEMA.

20 **Q. WOULD ALLOWANCE OF THE REGULATORY ASSETS REQUESTED IN**  
21 **SLEMCO'S APPLICATION BE IN SLEMCO'S AND ITS MEMBERS' BEST**  
22 **INTEREST?**

23 A. Yes.

1 Q. DO YOU HAVE THE AUTHORITY TO REPRESENT SLEMCO'S POSITION  
2 TODAY?

3 A. Yes.

4 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

5 A. Yes, it does.

PUBLIC SERVICE COMMISSION

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

SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION

EX PARTE

IN RE: APPLICATION FOR LETTER OF NON-OPPOSITION TO ESTABLISH  
REGULATORY ASSETS


AFFIDAVIT OF WITNESS

I, **KATHERINE H. DOMINGUE**, being duly sworn, depose that the Direct Testimony in the above referenced matter on behalf of Southwest Louisiana Electric Membership Corporation, is true and correct to the best of my knowledge, information and belief.

*Katherine H. Domingue*

\_\_\_\_\_  
KATHERINE H. DOMINGUE

Subscribed and sworn before me this 27th Day of December, 2024.

  
\_\_\_\_\_  
NOTARY PUBLIC  
*Christopher J. Piasecki La Bar Roll # 25827*  
PRINT NOTARY NAME AND NUMBER  
COMMISSION EXPIRES: 9 Dec 24



**BEFORE THE  
LOUISIANA PUBLIC SERVICE COMMISSION**

**DOCKET NO. S-37464**

**SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION,  
EX PARTE**

---

*In re: Application for Letter of Non-Opposition to Establish Regulatory Assets and For  
Recovery of Costs of Regulatory Assets*

---

**AMENDED AND RESTATED  
DIRECT TESTIMONY**

of

**NICOLE CLEMENTS**

on behalf of

**Southwest Louisiana Electric Membership Corporation**

**May 23, 2025**

1 **Q. PLEASE STATE YOUR NAME, COMPANY, AND TITLE.**

2 A. My name is Nicole Clements. I am the Chief Financial Officer (“CFO”) for Southwest  
3 Louisiana Electric Membership Corporation (“SLEMCO”). My business address is 2727  
4 SE Evangeline Thruway, Lafayette, Louisiana, 70508.

5 **Q. ON WHOSE BEHALF ARE YOU APPEARING IN THIS DOCKET?**

6 A. I am testifying on behalf of Southwest Louisiana Electric Membership Corporation  
7 (“SLEMCO”).

8 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**  
9 **EXPERIENCE.**

10 A. I received a Bachelor of Science degree with a major in Accounting in 2002 and a Master’s  
11 Degree in Business in Administration in 2019, both from the University of Louisiana  
12 Lafayette. I have been working in SLEMCO’s accounting department since 2005 and on  
13 October 3, 2022, I was appointed as SLEMCO’s CFO.

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?**

15 A. The purpose of my testimony to provide information and explanation in support of  
16 SLEMCO’s Application for a Letter of Non-Opposition to Establish Regulatory Assets and  
17 to recover costs associated with the Regulatory Assets for: (1) Carrying Costs related to  
18 Cleco Cajun, LLC’s (“Cleco Cajun’s”) fuel cost increases, (2) service restoration costs  
19 incurred as a result of the Spring 2024 storms, and (3) costs incurred for preparation of  
20 Hurricane Francine (“Application”) which is pending before the Louisiana Public Service  
21 Commission (“Commission” or “LPSC”).

22

23



1 21, 2023. (See SLEMCO's Payment Under Protest Letter dated December 21, 2023  
2 attached hereto as **Exhibit "NC-2"**).

3 A little over one (1) month later, on January 10, 2024, SLEMCO received the next monthly  
4 bill from Cleco Cajun (the "December 2023 Operating Month Invoice") showing that the  
5 increased fuel charges from the month before continued for yet another month. Similarly,  
6 the December 2023 Operating Month Invoice also had fuel cost 79% higher than the fuel  
7 cost for the operating month of October 2023. Again, this resulted in an increase of over  
8 \$29.00/1,000 kWh to SLEMCO's members. SLEMCO paid under protest the December  
9 2023 Operating Month Invoice on or around January 25, 2024. (See SLEMCO's Payment  
10 Under Protest Letter dated January 25, 2024 attached hereto as **Exhibit "NC-3"**).

11 Acting in the best interest of SLEMCO's members and to mitigate the rate impact of the  
12 extraordinary increase in fuel charges passed down from Cleco Cajun, SLEMCO spread  
13 the increase in PCA included in the November 2023 Operating Month Invoice and the  
14 December 2023 Operating Month Invoice—over twelve (12) months. To effectuate this  
15 mitigation, SLEMCO created an accounts receivable. Specifically, SLEMCO used the  
16 average fuel cost per kWh for the twelve months ending in November 30, 2023 and  
17 December 31, 2023, thereby calculating a "normal" fuel cost per kWh. Next, SLEMCO  
18 used the difference between the "normal" fuel cost and the November 2023 Bill fuel cost  
19 and the December 2023 Bill fuel cost, to calculate the amount to be allocated and  
20 recognized as an accounts receivable for the operating months of November 2023 and  
21 December 2023. Doing so allowed SLEMCO to better manage this rate impact on its  
22 members and recover the fuel charges over a longer term.

1 The accounts receivable amount was divided by twelve (representing twelve months) and  
2 added back to the ordinary monthly PCA fuel calculation beginning with the report based  
3 on the operating months of November 2023 and December 2023 and applied to the billing  
4 months from January through December 2024. Spreading the collection of the accounts  
5 receivable balance resulted in a \$408,873.11 carrying cost for SLEMCO. This was  
6 determined by calculating the accounts receivable balance for each month at SLEMCO's  
7 line of credit interest rate for the month after the reported operating month.

8 Based on my analysis, I find that SLEMCO's approach to mitigating the impact of the  
9 increased fuel charges on its members is both reasonable and prudent. The use of the  
10 accounts receivable allows SLEMCO to spread the increased costs over a twelve-month  
11 period, thereby avoiding a significant and immediate financial burden on its members.  
12 Additionally, the methodology used by SLEMCO to calculate the "normal" fuel cost per  
13 kWh is consistent with standard accounting practices. By using the average fuel cost per  
14 kWh for the twelve months ending in November 30, 2023 and December 31, 2023,  
15 SLEMCO established a credible baseline against which to measure the extraordinary  
16 increase in fuel charges. Further, the decision to establish an accounts receivable for the  
17 difference between the "normal" fuel cost and the November 2023 and December 2023  
18 Bill fuel cost is in line with Generally Accepted Accounting Principles ("GAAP"). This  
19 approach recognizes the extraordinary nature of the increased fuel charges and provides a  
20 mechanism for SLEMCO to recover these costs in a manner that is equitable for its  
21 members. Also, SLEMCO's plan to divide the accounts receivable amount by twelve and  
22 add it back to the ordinary monthly Cooperative Power Cost Adjustment ("PCA") is a

1 sound financial strategy. This will allow for a gradual recovery of the costs associated with  
2 the increased fuel charges, thereby minimizing the rate impact on SLEMCO's members.

3 **Q. DID SLEMCO ADDRESS THE ASSOCIATED INTEREST EXPENSE**  
4 **ASSOCIATED WITH THE ESTABLISHMENT OF THIS ACCOUNTS**  
5 **RECEIVABLE?**

6 A. Yes.

7 **Q. HAVE YOU PREPARED ANY ASSOCIATED EXHIBITS TO YOUR DIRECT**  
8 **TESTIMONY? IF SO, PLEASE SUMMARIZE THE CONTENTS OF THE**  
9 **EXHIBIT.**

10 A. **Exhibit "NC-4"** (attached hereto) shows the average fuel cost for the twelve months  
11 ending November 2023 and the average fuel cost for the twelve months ending December  
12 2023. The next section shows the actual fuel billed by Cleco Cajun on the November 2023  
13 and December 2023 invoice and the adjusted fuel based on the twelve month averages.  
14 The bottom section shows the fuel cost to spread over the twelve months and uses the  
15 current CoBank short term debt line of credit rate to calculate the carrying cost of spreading  
16 the fuel over twelve months.

17 **Q. DO YOU BELIEVE THE CREATION OF AN ACCOUNTS RECEIVABLE IS IN**  
18 **THE BEST INTEREST OF SLEMCO AND ITS MEMBERS, AND IS ALSO A**  
19 **PRUDENT FINANCIAL DECISION?**

20 A. Yes. The establishment of an accounts receivable as described herein is a prudent,  
21 transparent, and appropriate response to the extraordinary increase in fuel charges  
22 experienced by SLEMCO. It is consistent with GAAP and serves the best interest of  
23 SLEMCO's members by providing a manageable and transparent method to recover these

1 costs. Accordingly, the establishment of an accounts receivable is in the best interest of  
2 SLEMCO and its members.

3 **Q. DOES SLEMCO REQUEST A LETTER OF NON-OPOSITION FROM THE**  
4 **COMMISSION STAFF ESTABLISHING A REGULATORY ASSET IN THE**  
5 **AMOUNT OF THE CARRYING COSTS OF \$408,873.11?**

6 A. Yes.

7

8 **REGULATORY ASSET FOR SERVICE RESTORATION COSTS**  
9 **INCURRED FOR THE SPRING 2024 STORMS**  
10

11 **Q. NOW, LET'S TALK ABOUT THE REGULATORY ASSET WHICH IS BEING**  
12 **REQUESTED AS A RESULT OF THE SERVICE RESTORATION COSTS**  
13 **FOLLOWING THE SPRING 2024 STORMS.**

14 A. SLEMCO incurred significant costs in dealing and responding with the Spring 2024 storms  
15 that affected SLEMCO's system on April 10, 2024, May 13, 2024, May 16, 2024, and June  
16 1, 2024.

17 **Q. SLEMCO'S CEO AND GENERAL MANAGER, KATHERINE DOMINGUE,**  
18 **DESCRIBED IN HER TESTIMONY FILED IN THIS DOCKET THE**  
19 **SIGNIFICANT IMPACTS TO SLEMCO'S SYSTEM EXPERIENCED DURING**  
20 **THESE REPEATED STORMS AND WHAT SLEMCO HAD TO ENDURE TO**  
21 **RESTORE SERVICES DURING THE SPRING OF 2024, CORRECT?**

22 A. Yes.

23 **Q. WHAT COSTS WERE INCURRED BY SLEMCO FOR THE APRIL 10, 2024**  
24 **STORM AND REQUIRED RESTORATION SERVICES?**

1 A. \$934,210.30, as is set forth on **Exhibit “NC-5”** (attached hereto).

2 **Q. CAN YOU PROVIDE A BREAKDOWN OF THE COSTS FOR MATERIALS,**  
3 **LABOR, OVERTIME, AND OTHER COSTS INCURRED?**

4 A. As is shown on **Exhibit “NC-5”**, Material costs were \$118,902.61, Labor and Labor  
5 Related Expenses were \$565,508.44, Contractor Labor was \$244,437.48, and Meals and  
6 Other Expenses were \$5,361.77.

7 **Q. WHAT COSTS WERE INCURRED BY SLEMCO FOR THE MAY 13, 2024 AND**  
8 **THE MAY 16, 2024 STORMS AND REQUIRED RESTORATION SERVICES?**

9 A. \$1,035,178.24, as is set forth on **Exhibit “NC-5”** (attached hereto).

10 **Q. CAN YOU PROVIDE A BREAKDOWN OF THE COSTS FOR MATERIALS,**  
11 **LABOR, OVERTIME, AND OTHER COSTS INCURRED?**

12 A. As is shown on **Exhibit “NC-5”**, Material costs were \$220,759.22, Labor and Labor  
13 Related Expenses were \$284,592.62, Contractor Labor was \$509,425.46, and Meals and  
14 Other Expenses were \$20,400.94.

15 **Q. WHAT COSTS WERE INCURRED BY SLEMCO FOR THE JUNE 1, 2024 STORM**  
16 **AND REQUIRED RESTORATION SERVICES?**

17 A. \$291,259.73, as is set forth on **Exhibit “NC-5”** (attached hereto).

18 **Q. CAN YOU PROVIDE A BREAKDOWN OF THE COSTS FOR MATERIALS,**  
19 **LABOR, OVERTIME, AND OTHER COSTS INCURRED?**

20 A. As is shown on **Exhibit “NC-5”**, Material costs were \$42,499.79, Labor and Labor Related  
21 Expenses were \$130,356.73, Contractor Labor was \$118,380.45, and Meals and Other  
22 Expenses \$22.76.

1 **Q. WHAT WERE THE TOTAL COSTS WERE INCURRED BY SLEMCO FOR ALL**  
2 **OF THESE SPRING 2024 STORMS AND REQUIRED RESTORATION**  
3 **SERVICES?**

4 A. \$2,260,648.27, as is set forth on **Exhibit “NC-5”** (attached hereto).

5 **Q. IN TERMS OF CONTEXT, HOW DO THESE STORMS COMPARE TO**  
6 **HURRICANES THAT HAVE AFFECTED SLEMCO’S SYSTEM IN THE PAST**  
7 **TEN (10) YEARS?**

8 A. These Spring 2024 storms, and the associated restoration costs, meet and/or rival the costs  
9 incurred as a result of several hurricanes affecting SLEMCO’s service territory in the past.

10 **Q. WILL FEMA PROVIDE ANY ASSISTANCE TO SLEMCO FOR THE REQUIRED**  
11 **AND PRUDENT COSTS INCURRED FOR RESTORATION SERVICES TO ITS**  
12 **SYSTEM FOR THESE SPRING 2024 STORMS?**

13 A. No.

14 **Q. WHY NOT?**

15 A. These costs will not be reimbursed by FEMA because all of these Spring Storms were not  
16 federally declared in any of the nine parishes that SLEMCO serves for Category F  
17 (Utilities) reimbursement cost.

18 **Q. WOULD ALLOWANCE OF THESE COSTS TO BE DESIGNATED AS A**  
19 **REGULATORY ASSET BE IN SLEMCO’S AND ITS MEMBERS’ BEST**  
20 **INTEREST?**

21 A. Yes. The allowance of a regulatory asset for these costs would be in SLEMCO’s and its  
22 members’ best interest to assist SLEMCO to offset the cash drain caused by these storms.

23

**REGULATORY ASSET FOR THE COSTS INCURRED IN  
PREPARATION OF HURRICANE FRANCINE**

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**Q. THE LAST REGULATORY ASSET SOUGHT BY SLEMCO IN THIS APPLICATION RELATES TO PREPARATION COSTS INCURRED AS A RESULT OF THE IMPENDING LANDFALL OF HURRICANE FRANCINE, CORRECT?**

A. Yes.

**Q. PLEASE TELL US ABOUT HURRICANE FRANCINE AND WHAT COSTS WERE INCURRED FOR PREPARATION OF HURRICANE FRANCINE.**

A. SLEMCO incurred \$984,575.52 for Hurricane Francine related costs, including, but not limited to, overtime labor, contract labor, meals and lodging for contract crews and related, necessary equipment. *See Exhibit "NC-6"* (attached hereto).

**Q. ARE ANY OF THESE COSTS FOR PREPARATION OF HURRICANE FRANCINE RECOVERABLE FROM FEMA?**

A. No.

**Q. WHY NOT?**

A. These costs will not be reimbursed by FEMA because Hurricane Francine was not federally declared in any of the nine parishes that SLEMCO serves for Category F (Utilities) reimbursement cost.

**Q. WOULD ALLOWANCE OF THESE COSTS TO BE DESIGNATED AS A REGULATORY ASSET BE IN SLEMCO'S AND ITS MEMBERS' BEST INTEREST?**

1 A. Yes. The allowance of a regulatory asset for these costs would be in SLEMCO's and its  
2 members' best interest to assist SLEMCO to offset the cash drain caused by preparation of  
3 Hurricane Francine.

4 **RECOVERY OF CARRYING COSTS RESTORATION COSTS**  
5 **AND PREPARATION COSTS**  
6

7 **Q. WHAT IS THE TOTAL AMOUNT THAT SLEMCO SEEKS TO RECOVER**  
8 **FROM ITS RATEPAYERS IN CONNECTION WITH CLECO CAJUN FUEL**  
9 **COST INCREASES, RESTORATION COSTS INCURRED FOR THE SPRING**  
10 **2024 STORMS, AND THE PREPARATION COSTS INCURRED FOR**  
11 **HURRICANE FRANCINE?**

12 A. SLEMCO seeks to recover approximately \$3,654,096.90. See **Exhibit "NC-7"** attached.

13 **Q. HOW DOES SLEMCO PROPOSE RECOVERING THIS AMOUNT?**

14 A. SLEMCO is proposing that the full \$3,654,096.90, which includes carrying costs, be  
15 included as a line item on SLEMCO customer bills for the next 12 months.

16 **Q. HOW LONG WILL THE LINE ITEM BE INCLUDED ON SLEMCO CUSTOMER**  
17 **BILLS?**

18 A. 12 months.

19 **Q. WHAT DOES SLEMCO ESTIMATE THE AVERAGE COST PER RESIDENTIAL**  
20 **CUSTOMER TO BE DURING THE RECOVERY PERIOD?**

21 A. SLEMCO estimates that the average residential customer will pay \$1.96 per month or  
22 1.399 mills per kWh.

23 **Q. HOW DID YOU ARRIVE AT THIS ESTIMATE?**

24 A. SLEMCO's average residential kilowatt hour consumption for 2023 and 2024 was 1,398.  
25 Assuming similar sales for 2025 and 2026 (and portions of 2027), the cost to be recovered

1 per month per kilowatt hour over the next 12 month period will be \$0.001399 (1.399 mills)  
2 per kilowatt hour. This results in an average cost to the residential customers of \$1.96 per  
3 month. The line item (1.399 mills or approximately \$1.96 per month) will be charged to  
4 the customers on a kilowatt hour basis until the regulatory assets have been completely  
5 recovered in an estimated 12 months. See **Exhibit “NC-7”** attached.

6 **Q. WHAT STEPS OR MEASURES IS SLEMCO WILLING TO TAKE IN ORDER TO**  
7 **INSURE AN ACCURATE AND DULY AUTHORIZED RECOVERY?**

8 A. SLEMCO proposes a transparent reporting system that will allow the Commission to  
9 carefully monitor and tract the effect of the line item charge. SLEMCO proposes to file  
10 with the Commission every six months a report detailing the revenues collected through  
11 the line item, and the current balance of the regulatory assets.

12 **Q. DO YOU HAVE THE AUTHORITY TO REPRESENT SLEMCO’S POSITION**  
13 **TODAY?**

14 A. Yes.

15 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

16 A. Yes.

**BEFORE THE  
LOUISIANA PUBLIC SERVICE COMMISSION**

**DOCKET NO. S-37464**

**SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION,**

**EX PARTE**

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*In re: Request for a Letter of Non-Opposition to Establish a Regulatory Asset and For  
Recovery of Costs of Regulatory Asset*

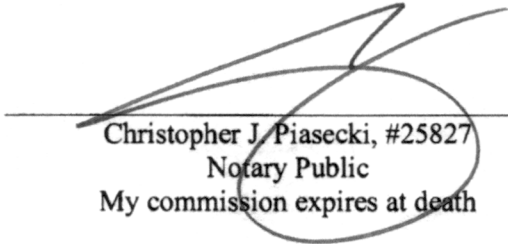
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**AFFIDAVIT OF WITNESS**

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

  
NICOLE CLEMENTS

Subscribed and sworn before me this 23<sup>rd</sup> day of May, 2025.

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

November 30, 2024

Hello Katherine,

I hope you and your family enjoyed the Thanksgiving holiday. I'm reaching out to inform you of a couple of important items as we head into December:

1. Your November 2023 invoice will include an increase in the Fuel Charge due to a higher Current Coal Price ("CCP") for the month of November. The Mississippi River remains at/near record low levels since September, and as a result, Cleco Cajun has been in Force Majeure with its logistics provider since late September. This ongoing Force Majeure has increased the cost for delivered tons for the current invoice period.
2. Also, Cleco Cajun has executed a purchase and sale agreement with Atlas Capital Holdings for the Cleco Cajun portfolio – the link below will bring you to the 8-K filing made yesterday. We remain business as usual here at Cleco Cajun and we anticipate the transaction to Close in Q2 2024.

<https://www.sec.gov/ix?doc=/Archives/edgar/data/1089819/000108981923000034/cnl-20231122.htm>

I expect a press release from Cleco on our website below (it has not posted as of this email).

<https://www.cleco.com/media/press-releases>

Should you have any questions after you've received your invoice, please contact me or Cleco Cajun billing.

Regards,

Jake

Jake Greig

Vice President – Commercial Operations

Cleco Cajun LLC

318-206-8654

**Katherine Domingue**  
Interim CEO & General Manager

phone: (337) 886-3337

fax: (337) 735-4891

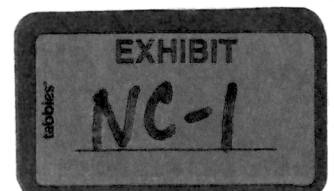


2727 SE Evangeline Thruway

Lafayette, LA 70508

[www.slemco.com](http://www.slemco.com)

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Billing Fax: 337/896-2536  
Service Fax: 337/896-2540  
Web: www.slemco.com

December 21, 2023

**VIA EMAIL AND CERTIFIED MAIL**

Richard Sharp, President  
Louisiana Generating, LLC  
112 Telly Street  
New Roads, La 70760

and

2030 Donahue Ferry Road  
P.O. Box 5000  
Pineville, LA 71361-5000

Re: SLEMCO Formal Protest  
December 2023 Invoice for the November Operating Month

Dear Mr. Sharp,

This correspondence serves as official notice from Southwest Louisiana Electric Membership Corporation (SLEMCO) that it is protesting the December 2023 invoice for the November operating month received from Cleco Cajun/Louisiana Generating pursuant to section 10.2 of the Power Supply and Service Agreement ("PSSA").

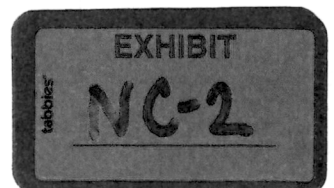
SLEMCO was notified by email dated November 30, 2023 from Jake Greig, Vice President Commercial Operations for Cleco Cajun that:

*"Your November 2023 invoice will include an increase in the Fuel Charge due to a higher Current Coal Price ("CCP") for the month of November. The Mississippi River remains at/near record low levels since September, and as a result, Cleco Cajun has been in Force Majeure with its logistics provider since late September. This ongoing Force Majeure has increased the cost for delivered tons for the current invoice period."*

In a meeting with SLEMCO attended by you and Jake Greig, few questions were answered and relatively little information was shared to support or substantiate the increase.

Based upon the very limited information SLEMCO has been provided at this time compounded by Cleco Cajun's refusal to provide supporting evidence to explain its calculation, SLEMCO asserts that Sections 3.2.2.1 and 3.2.4(C) in Exhibit A of the PSSA are called into issue. Based on the extremely high CCP for the November operating month, SLEMCO has reason to believe that a minimal tonnage of coal was delivered. SLEMCO believes that Cleco Cajun has failed to procure its coal delivery in good faith; as required in Exhibit A, Section 3.2.2.1, resulting

*This institution is an equal opportunity provider and employer.*



Mr. Richard Sharp

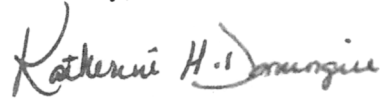
December 21, 2023

Page 2

in significantly higher fuel costs for SLEMCO, and significantly lower incremental costs for Cleco Cajun.

SLEMCO will pay the invoice subject to this protest and request that Cleco Cajun provide additional information to support the invoice in a timely manner.

Sincerely,

A handwritten signature in black ink that reads "Katherine H. Domingue". The signature is written in a cursive style with a large initial 'K'.

Katherine Domingue  
CEO and General Manager

Cc: William Fontenot  
Kristin Guillory  
Jake Greig  
General Counsel Louisiana Generating, LLC



Mail:  
PO Box 90866  
Lafayette, Louisiana 70509-0866

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2727 SE Evangeline Thruway  
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Billing Fax: 337-896-2536  
Service Fax: 337/896-2540

Web: [www.slemco.com](http://www.slemco.com)

January 25, 2024

***VIA EMAIL AND CERTIFIED MAIL***

Louisiana Generating LLC  
Richard Sharp, President  
112 Telly Street  
New Roads, La 70760

And

2030 Donahue Ferry Road  
P.O.Box 5000  
Pineville, LA 71361-5000

Re: Southwest Louisiana Electric Membership Corporation Formal Protest  
January 2024 Invoice for the December 2023 Operating Month

Dear Mr. Sharp,

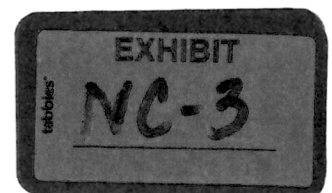
This correspondence serves as official notice from Southwest Louisiana Electric Membership Corporation ("SLEMCO") that it is protesting the January 2024 Invoice for the December 2023 operating month received from Cleco Cajun/Louisiana Generating pursuant to section 10.2 of the Power Supply and Service Agreement ("PSSA").

Thank you for your correspondence of January 17, 2024 and your revised correspondence of January 24, 2024. We do not believe that the offer to spread payments affords SLEMCO enough incentive to withdraw any protests or to pay without protest. As you indicated in our conversation this problem is very possibly going to resurface in February and we will be back at the drawing board. SLEMCO would like to seriously discuss an alternative, reasonable and agreed upon method of calculation of CCP.

A compromise pricing formula/mechanism for the balance of this contract would afford predictability and would obviate the possibility of this alleged force majeure event in the future. We do not believe that alternative pricing is beyond our ability to consider. It has been done before when Cleco Cajun was facing a delivered coal price of \$0.00 under its current interpretation of the PSSA. Now that the tables have turned the opposite way Cleco Cajun taking the position that it cannot entertain an alternative pricing mechanism seems somewhat disingenuous.

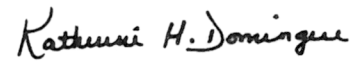
I understand that while we may have a one-month reprieve from Cleco Cajun's higher calculation of CCP, there is concern that the scenario that Cleco Cajun has identified to support its CCP calculation may reoccur. We would like to keep the lines of communication open as we work toward a solution and/or dispute resolution.

*This institution is an equal opportunity provider and employer.*



Mr. Richard Sharp  
January xx, 2024  
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Respectfully submitted,

A handwritten signature in black ink that reads "Katherine H. Domingue". The signature is written in a cursive style with a large, stylized initial 'K'.

Katherine H. Domingue  
CEO and General Manager

Cc: William Fontenot  
Kristin Guillory  
Jake Greig  
General Counsel Louisiana Generating LLC

**SLEMCO**  
**Calculation of Carrying Cost to Include in Regulatory Asset**  
**Cleco Cajun Fuel Cost**

12/27/24

Average Cleco Cajun Fuel Cost over 12 months ending  
 November 2023

Average Cleco Cajun Fuel Cost over 12 months ending  
 December 2023

Month	Cleco Energy Billed	Fuel Cost Billed	per kWh Cost	Month	Cleco Energy Billed	Fuel Cost Billed	per kWh Cost
Dec-22	226,881,499	9,483,419.78	0.041799	Jan-23	185,054,141	7,482,849.25	0.040436
Jan-23	185,054,141	7,482,849.25	0.040436	Feb-23	176,070,989	7,204,120.59	0.040916
Feb-23	176,070,989	7,204,120.59	0.040916	Mar-23	178,971,308	7,706,146.58	0.043058
Mar-23	178,971,308	7,706,146.58	0.043058	Apr-23	160,247,582	6,559,734.77	0.040935
Apr-23	160,247,582	6,559,734.77	0.040935	May-23	225,480,672	9,178,416.23	0.040706
May-23	225,480,672	9,178,416.23	0.040706	Jun-23	275,639,592	11,233,415.93	0.040754
Jun-23	275,639,592	11,233,415.93	0.040754	Jul-23	289,138,878	11,665,018.89	0.040344
Jul-23	289,138,878	11,665,018.89	0.040344	Aug-23	329,291,892	13,233,582.56	0.040188
Aug-23	329,291,892	13,233,582.56	0.040188	Sep-23	253,008,007	10,098,308.58	0.039913
Sep-23	253,008,007	10,098,308.58	0.039913	Oct-23	208,078,995	8,432,609.35	0.040526
Oct-23	208,078,995	8,432,609.35	0.040526	Nov-23	184,153,655	13,144,151.28	0.071376
Nov-23	184,153,655	13,144,151.28	0.071376	Totals	2,664,104,558	120,361,406.76	0.045970083
Totals	2,692,017,210	115,421,773.79	0.043412583				Dec Service Mth

Month	Cleco Energy Billed	Fuel Cost Billed	Avg kWh cost	Base Fuel using Avg cost	Fuel cost to be Amor	Monthly amount for 12 mths	Nov-23	Dec-23
Nov-23	184,153,655	13,144,151.28	0.043412583	7,994,585.89	5,149,565.39	429,130.45	429,130.45	429,130.45
Dec-23	198,968,847	14,423,052.75	0.045970083	9,146,614.48	5,276,438.27	439,703.19	429,130.45	439,703.19
Totals							429,130.45	868,833.64

Service Month	Fuel Cost to Amortize	Less Amortized Amt to Date Prior Month	Balance Due	Interest Rate Cobank STD LOC	Balance Due times Rate/12 mths	
Nov-23	5,149,565.39	0	5,149,565.39	0.0724	31,069.04	
Dec-23	10,426,003.66	(429,130.45)	9,996,873.21	0.0724	60,314.47	
Jan-24	10,426,003.66	(1,297,964.09)	9,128,039.57	0.0724	55,072.51	
Feb-24	10,426,003.66	(2,166,797.73)	8,259,205.93	0.0724	49,830.54	
Mar-24	10,426,003.66	(3,035,631.36)	7,390,372.29	0.0724	44,588.58	
Apr-24	10,426,003.66	(3,904,465.00)	6,521,538.66	0.0724	39,346.62	
May-24	10,426,003.66	(4,773,298.64)	5,652,705.02	0.0724	34,104.65	
Jun-24	10,426,003.66	(5,642,132.28)	4,783,871.38	0.0724	28,862.69	
Jul-24	10,426,003.66	(6,510,965.92)	3,915,037.74	0.0724	23,620.73	
Aug-24	10,426,003.66	(7,379,799.55)	3,046,204.10	0.0724	18,378.76	
Sep-24	10,426,003.66	(8,248,633.19)	2,177,370.47	0.0724	13,136.80	
Oct-24	10,426,003.66	(9,117,466.83)	1,308,536.83	0.0724	7,894.84	
Nov-24	10,426,003.66	(9,986,300.47)	439,703.19	0.0724	2,652.88	
Dec-24	10,426,003.66	(10,426,003.66)	(0.00)		-	
Totals					5	408,873.11



April 2024 Spring Storm  
Charge Code Grand Totals

Charge Code	Construction		Retirement		Tracking		Net Total
	Amount	Amount	Amount	Amount	Amount	Amount	
1 - LABOR	39,493.77	18,211.26			234,023.26		291,728.28
3 - MATERIAL	98,108.23	1,386.34			0.00		96,721.89
4 - TRANSPORTATION	10,761.13	5,611.89			76,531.11		92,904.13
5 - STORES	20,167.50	0.00			0.00		20,167.50
6 - TAXES	2,807.75	1,266.32			16,572.11		20,646.18
7 - MISC. OVHD	5,468.39	537.83			0.00		4,930.56
8 - PUR. LABOR	0.00	0.00			244,437.48		244,437.48
9 - PUR. MATL	1,074.64	0.00			938.58		2,013.22
12 - PR. OVHD	21,403.16	9,627.65			124,048.48		155,280.29
25 - TRAINING MEALS AND LODGING	0.00	0.00			5,361.77		5,361.77
<b>Total</b>	<b>\$199,284.57</b>	<b>\$33,011.94</b>			<b>\$201,913.79</b>		<b>\$394,210.30</b>

Total For All Work Orders:  
May/2024 Spring Storms  
Charge Code Grand Totals

Charge Code	Construction		Retirement		Tracking		Net Total
	Amount	Amount	Amount	Amount	Amount	Amount	
1 - LABOR	86,674.79	30,246.24			1,248.29		120,169.32
3 - MATERIAL	168,625.06	42.53			150.88		168,733.41
4 - TRANSPORTATION	35,412.75	13,458.90			453.20		49,324.85
5 - STORES	41,096.42	0.00			37.09		41,123.51
6 - TAXES	8,312.55	2,843.16			115.39		11,271.10
7 - MISC. OVHD	33,106.90	10,284.28			0.00		43,391.16
8 - PUR. LABOR	349,566.25	138,729.41			21,129.80		509,425.46
9 - PUR. MATL	0.00	0.00			10,302.30		10,302.30
12 - PR. OVHD	44,605.56	15,222.01			608.62		60,436.19
25 - TRAINING MEALS AND LODGING	0.00	0.00			20,400.94		20,400.94
<b>Total</b>	<b>\$759,990.28</b>	<b>\$210,741.46</b>			<b>\$54,448.51</b>		<b>\$1,025,178.24</b>

Total For All Work Orders:  
June/2024 Spring Storms  
Charge Code Grand Totals

Charge Code	Construction		Retirement		Tracking		Net Total
	Amount	Amount	Amount	Amount	Amount	Amount	
1 - LABOR	20,625.32	7,865.21			55,488.09		84,188.62
3 - MATERIAL	34,010.25	0.00			0.00		34,010.25
4 - TRANSPORTATION	7,529.35	2,209.02			0.00		9,738.37
5 - STORES	8,489.54	0.00			0.00		8,489.54
6 - TAXES	1,692.98	646.57			0.00		2,339.55
7 - MISC. OVHD	8,855.75	2,745.56			0.00		11,601.31
8 - PUR. LABOR	54,606.35	17,729.10			45,975.00		118,380.45
12 - PR. OVHD	11,325.78	4,275.46			6,887.64		22,488.88
25 - TRAINING MEALS AND LODGING	0.00	0.00			22.76		22.76
<b>Total</b>	<b>\$147,335.32</b>	<b>\$35,540.92</b>			<b>\$108,383.49</b>		<b>\$291,259.73</b>

Total For All Work Orders:

GRAND TOTAL AMOUNT FOR ALL SPRING STORMS

\$1,116,610.17

\$279,294.31

\$864,743.79

\$2,260,548.27



# WORK ORDER WORK ORDER SUMMARY

Work Order	Rev	Description	Charge Code	Construction Amount	Retirement Amount	Tracking Amount	Net Total
202405231	0	ACADIA EMERGENCY RESERVE STORM-	1 - LABOR	495.53	196.02	7,418.65	8,110.20
			3 - MATERIAL	182.30	0.00	0.00	182.30
			4 - TRANSPORTATION	137.00	56.49	2,063.63	2,257.12
			5 - STORES	51.62	0.00	0.00	51.62
			6 - TAXES	29.21	11.84	446.29	487.34
			7 - MISC. OVHD	232.54	117.16	0.00	349.70
			9 - PUR MATL	0.00	0.00	1,579.65	1,579.65
			12 - PR OVHD	266.37	105.50	3,981.99	4,353.86
			25 - TRAINING MEALS AND LO	0.00	0.00	299.88	299.88
		<b>Total For Revision: 0</b>		<b>1,394.57</b>	<b>487.01</b>	<b>15,790.09</b>	<b>17,671.67</b>
		<b>Total For Work Order: 202405231</b>		<b>1,394.57</b>	<b>487.01</b>	<b>15,790.09</b>	<b>17,671.67</b>
202405236	0	LAFAYETTE EMERG RESERVE STORM-F	1 - LABOR	2,283.69	0.00	12,485.04	14,768.73
			4 - TRANSPORTATION	499.93	0.00	2,306.43	2,806.36
			6 - TAXES	182.90	0.00	931.16	1,114.06
			7 - MISC. OVHD	1,012.80	0.00	0.00	1,012.80
			8 - PUR LABOR	0.00	0.00	428,334.11	428,334.11
			9 - PUR MATL	0.00	0.00	92,569.57	92,569.57
			12 - PR OVHD	1,282.74	0.00	6,878.81	8,161.55
			25 - TRAINING MEALS AND LO	0.00	0.00	333,839.49	333,839.49
		<b>Total For Revision: 0</b>		<b>5,262.06</b>	<b>0.00</b>	<b>877,344.61</b>	<b>882,606.67</b>
		<b>Total For Work Order: 202405236</b>		<b>5,262.06</b>	<b>0.00</b>	<b>877,344.61</b>	<b>882,606.67</b>
202405237	0	ST. LANDRY EMERG RESERVE STORM-F	1 - LABOR	0.00	0.00	13,141.07	13,141.07
			4 - TRANSPORTATION	0.00	0.00	5,659.58	5,659.58
			6 - TAXES	0.00	0.00	814.01	814.01
			9 - PUR MATL	0.00	0.00	1,028.53	1,028.53
			12 - PR OVHD	0.00	0.00	7,087.41	7,087.41
			25 - TRAINING MEALS AND LO	0.00	0.00	468.88	468.88
		<b>Total For Revision: 0</b>		<b>0.00</b>	<b>0.00</b>	<b>28,199.48</b>	<b>28,199.48</b>
		<b>Total For Work Order: 202405237</b>		<b>0.00</b>	<b>0.00</b>	<b>28,199.48</b>	<b>28,199.48</b>
202405238	0	ST. MARTIN EMER RESERVE STORM-FR	1 - LABOR	767.93	255.97	3,001.24	4,025.14
			4 - TRANSPORTATION	214.56	71.50	907.27	1,193.33
			6 - TAXES	56.54	18.85	222.37	297.76
			7 - MISC. OVHD	364.90	154.66	0.00	519.56
			12 - PR OVHD	416.94	138.85	1,634.07	2,189.86
		<b>Total For Revision: 0</b>		<b>1,820.87</b>	<b>639.83</b>	<b>5,764.95</b>	<b>8,225.65</b>
		<b>Total For Work Order: 202405238</b>		<b>1,820.87</b>	<b>639.83</b>	<b>5,764.95</b>	<b>8,225.65</b>
202405239	0	VERMILION EMERG RESERVE STORM-F	1 - LABOR	644.85	262.35	9,505.69	10,412.89
			3 - MATERIAL	2,280.66	0.00	0.00	2,280.66
			4 - TRANSPORTATION	175.57	79.79	2,621.07	2,876.43
			5 - STORES	645.63	0.00	0.00	645.63
			6 - TAXES	45.83	13.28	551.62	610.73
			7 - MISC. OVHD	292.42	155.25	0.00	447.67
			8 - PUR LABOR	8,296.65	2,905.60	648.10	11,850.35
			9 - PUR MATL	0.00	0.00	2,483.27	2,483.27
			12 - PR OVHD	355.26	139.63	5,094.37	5,589.26
			25 - TRAINING MEALS AND LO	0.00	0.00	10,675.16	10,675.16
		<b>Total For Revision: 0</b>		<b>12,736.87</b>	<b>3,555.90</b>	<b>31,579.28</b>	<b>47,872.05</b>
		<b>Total For Work Order: 202405239</b>		<b>12,736.87</b>	<b>3,555.90</b>	<b>31,579.28</b>	<b>47,872.05</b>
<b>Grand Total:</b>				<b>\$ 21,214.37</b>	<b>\$ 4,682.74</b>	<b>\$ 958,678.41</b>	<b>\$ 984,575.52</b>

**Charge Code Grand Totals**

Charge Code	Construction Amount	Retirement Amount	Tracking Amount	Net Total
1 - LABOR	4,192.00	714.34	45,551.69	50,458.03
3 - MATERIAL	2,462.96	0.00	0.00	2,462.96
4 - TRANSPORTATION	1,027.06	207.78	13,557.98	14,792.82
5 - STORES	697.25	0.00	0.00	697.25
6 - TAXES	314.48	43.97	2,965.45	3,323.90
7 - MISC. OVHD	1,902.66	427.07	0.00	2,329.73
8 - PUR LABOR	8,296.65	2,905.60	428,982.21	440,184.46
9 - PUR MATL	0.00	0.00	97,661.02	97,661.02
12 - PR OVHD	2,321.31	383.98	24,676.65	27,381.94
25 - TRAINING MEALS AND LODGING	0.00	0.00	345,283.41	345,283.41
<b>Total For All Work Orders:</b>	<b>\$ 21,214.37</b>	<b>\$ 4,682.74</b>	<b>\$ 958,678.41</b>	<b>\$ 984,575.52</b>

**PARAMETERS ENTERED:**

Work Order: 202405231 0, 202405232 0, 202405233 0, 202405234 0, 202405235 0, 202405236 0, 202-

Closed Date:

Capitalized Date:

GL Account: All

Charge Code: Yes

Page Break By Work Order: No

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