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BEFORE THE

LA Public Service Commission

LOUISIANA PUBLIC SERVICE COMMISSION

EX PARTE:)	
APPLICATION OF CLECO)	
POWER LLC FOR: (1))	
IMPLEMENTATION OF)	DOCKET NO. U-_____
CHANGES IN RATES TO BE)	
EFFECTIVE JULY 1, 2024; AND)	
(2) EXTENSION OF EXISTING)	
FORMULA RATE PLAN)	

DIRECT TESTIMONY

OF

J. ROBERT CLEGHORN

ON BEHALF OF

CLECO POWER LLC

JUNE 30, 2023

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DIRECT TESTIMONY OF J. ROBERT CLEGHORN
LPSC DOCKET NO. U-_____**

EXHIBITS

EXHIBIT NO.	DESCRIPTION
Exhibit JRC-1	J. Robert Cleghorn List of Proceedings previously testified in

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I. INTRODUCTION AND BACKGROUND

Q: PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A: My name is J. Robert Cleghorn. I am the Vice President – Regulatory Strategy for Cleco Power LLC (“Cleco Power” or the “Company”). My business address is 2030 Donahue Ferry Road, Pineville, Louisiana, 71360.

Q: PLEASE DESCRIBE YOUR JOB RESPONSIBILITIES.

A: I am primarily responsible for coordinating the filings in various Cleco Power proceedings before the Louisiana Public Service Commission (“LPSC” or the “Commission”), as well as ensuring Cleco Power’s compliance with all applicable LPSC orders.

More specifically, my group prepares rate case filings and supporting documentation related to revenue requirements and ultimately calculates the rates and charges billed to Cleco Power’s customers. My group is also responsible for ensuring cost of service studies adequately allocate cost causation to the various customer classes and ensuring rates and charges collect the appropriate level of LPSC-authorized revenues on a just, reasonable, and not unduly discriminatory basis.

In coordination with other departments, my team ensures that Cleco Power’s monthly Fuel Adjustment Clause (“FAC”) rates and Environmental Adjustment Clause (“EAC”) rates, as well as many other regular and ongoing compliance filings, are prepared and filed accurately and timely.

I provide guidance in pricing LPSC-jurisdictional site-specific contracts which meet Rate Impact Measure (“RIM”) tests, thus ensuring that Cleco Power’s other customers pay no more than they would have paid had the customer on a site-specific rate not taken service from the Company. I further provide input in pricing Cleco Power’s FERC-jurisdictional

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1 wholesale contracts. Finally, my team commissions and reviews various analytical studies
2 necessary to support Cleco Power's initiatives requiring LPSC review and authorization.

3 **Q: PLEASE DESCRIBE YOUR PROFESSIONAL AND EDUCATIONAL HISTORY.**

4 **A:** I received a Bachelor of Business Administration degree from Georgia Southern College
5 in Statesboro, Georgia in 1981. After graduation, I went to work for Savannah Electric and
6 Power Company and was employed there from April 1981 through October 1987. During
7 that time, I held positions in General Accounting, Plant Accounting, Corporate Planning,
8 and Rates.

9 In 1987, I accepted a position with Cleco Power as a senior rate analyst and have held
10 several positions during my tenure with the Company. In 1993, I received a Master of
11 Business Administration from Northwestern State University in Natchitoches, Louisiana,
12 where I graduated Summa Cum Laude. In 1998, I became Manager - Market Planning and
13 Analysis and then Manager - Regulatory Planning in 1999. I became General Manager -
14 Regulatory Strategy in 2005. In 2012, Cleco Power's analytics group began to report to
15 me, and I began to serve as General Manager - Regulatory Strategy and Planning. In 2014,
16 I became Vice President - Regulatory Strategy and Planning. The Analytics group was
17 transitioned to Cleco Support Group LLC ("Cleco Support Group") in 2018, and my title
18 was changed to Vice President - Regulatory Strategy.

19 I represent Cleco Power on the Edison Electric Institute's Rates and Regulatory Affairs
20 Committee. I also serve on the Association of Edison Illuminating Companies' Load
21 Research Committee, where I have served as Chair, and have previously participated in
22 and served as Chair of the Southeastern Electric Exchange's Rates and Regulation
23 Committee. My group has won several Industry Excellence Awards from the Southeastern

1 Electric Exchange's Rates and Regulation Committee and Audit Committee for various
2 projects.

3 **Q: HAVE YOU PREVIOUSLY PRESENTED TESTIMONY IN A REGULATORY**
4 **PROCEEDING?**

5 **A:** Yes. Exhibit JRC-1 lists proceedings in which I have previously participated and testified.

6 **II. OVERVIEW OF TESTIMONY**

7 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

8 **A:** My testimony in this proceeding describes the cost pressures that Cleco Power currently
9 faces; the total amount of revenue increases that Cleco Power would be entitled to under
10 standard cost-of-service regulatory ratemaking principles (I refer to these amounts as
11 "indicative cost increases"); and the lesser amount that Cleco Power is actually requesting
12 in this proceeding in order to fairly balance the interests of its customers, the Company's
13 financial soundness and ability to provide reliable service, and the interest of the
14 Company's owners.

15 Cleco Power has utilized a customer-centric approach to address indicative cost increases
16 of \$260.8 million. It is essential to note that the indicative cost increases do not represent
17 the amount of base revenue increase that Cleco Power is requesting in this proceeding;
18 please see the discussion below regarding the base revenues that Cleco Power is requesting
19 to recover effective July 1, 2024. Rather, the indicative cost increases represent the amount
20 of additional cost that Cleco Power may incur to operate its business and reliably serve the
21 Company's customers. The primary drivers of the indicative cost increases are:

- 22 • The expiration of certain wholesale contracts will result in cost allocation
23 realignment of remaining rate base and expenses of \$89.4 million to LPSC-

jurisdictional customers. For further discussion please see Section III – Cost Allocation and Capacity Position.

- Operations and maintenance (“O&M”) costs, depreciation expense, storm reserve replenishment, and financing cost increases total \$171.4 million. For further discussion, please see Section IV – Cost Pressures At Cleco Power.

Rather than request the entirety of the foregoing indicative cost increases in base revenues effective July 1, 2024, Cleco Power proposes to prioritize customer affordability ahead of the Company’s financial needs by volunteering to delay recovery of more than 61.4% of the indicative costs (e.g., certain depreciation components; a portion of storm reserve replenishment) beyond the period for which the rates resulting from this rate case would be effective; committing to continued aggressive cost control; and recommending a three-year phase-in of the requested increase. Please see Section V – Cleco Power Customer Impact Moderation Measures.

With respect to the amount of base revenues increase that Cleco Power is requesting in this proceeding, please see Section VI – Revenue Requirements. In summary, under the approach described in Section VI, Cleco Power is requesting base revenues effective July 1, 2024, totaling \$818.9 million, offset by make-whole credits of \$23.8 million, and further offset by a requested first year phase-in credit of \$40 million for the twelve months ended (“TME”) June 30, 2025, for a net base revenue effective July 1, 2024, of \$755.0 million. The net change in first year base revenues of only \$115.5 million (only 44.3% of the indicative cost increases described, above), increases total retail revenues by 3.9%, net of fuel and other savings. The impact of the requested base revenue increase on the 1,000 kWh residential customer bill, along with a requested increase in the residential customer charge, is projected to be a change from \$131 per month (including \$41 for fuel and

1 environmental costs) to \$138 per month (including \$34 for fuel and environmental costs),
2 an increase of \$7 per month (5.2%). Please see Exhibit FDW-5 to the Direct Testimony of
3 Cleco Power witness Francesca D. Winter in this proceeding.

4 For the avoidance of doubt, Cleco Power is requesting a base revenue increase of \$155.5
5 million. To mitigate, however, the bill impact of the requested base revenue increase upon
6 the Company's customers, and assuming a reasonable resolution of this proceeding, Cleco
7 Power is proposing a rate credit of \$40 million in the first rate year, so that the net change
8 in base revenues for the first rate year would be \$115.5 million; in the second rate year,
9 Cleco Power is proposing a rate credit of \$20 million, so that the net change in base
10 revenues for the second rate year would be \$135.5 million. After the second rate year, the
11 full requested base revenue increase of \$155.5 million would go into effect.

12 The remainder of my testimony provides a detailed explanation of these key points.

13 **III. COST ALLOCATION AND CAPACITY POSITION**

14 **Q: PLEASE DISCUSS THE REALIGNMENT OF COSTS FROM WHOLESALE**
15 **CUSTOMERS TO LPSC JURISDICTIONAL CUSTOMERS.**

16 **A:** Cleco Power's cost of service study, as further detailed in the Direct Testimony of Cleco
17 Power witness Francesca D. Winter, first functionalizes costs (i.e., Production,
18 Transmission, etc.), then classifies those costs (e.g., demand-related or energy-related), and
19 finally allocates those costs to customer classes (e.g., Residential, Large Power Service, or
20 Wholesale).

21 For over five decades, Cleco Power has successfully utilized its capacity length to serve
22 full-requirements wholesale loads, which benefited LPSC-jurisdictional customers by
23 allocating costs away from LPSC-jurisdictional customers to wholesale customers. Prior

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1 to Cleco Power's rate case in LPSC Docket No. U-30689,¹ serving wholesale customers
2 was a factor in providing periodic refunds under Cleco Power's Rate Stabilization Plan. In
3 Docket No. U-30689 and in subsequent Cleco Power rate cases, Cleco Power's LPSC-
4 jurisdictional customers benefitted as LPSC-jurisdictional revenue requirements were
5 reduced due to costs that those customers would otherwise have paid being allocated to
6 wholesale loads.

7 In 2012, Cleco Power was selected as the winning bidder in a competitive solicitation to
8 serve a large wholesale customer, Dixie Electric Membership Corporation ("DEMCO"),
9 beginning in 2014 for a ten-year term expiring March 31, 2024. In order to serve
10 DEMCO's 600 MW load as environmental regulations affecting utility generation became
11 more stringent and given that Cleco Power's generation fleet included several generating
12 units approaching and/or exceeding 30 years of service, Cleco Power subsequently added
13 730 MW of newer combined cycle gas turbine capacity to the fleet in 2013 (that is, the
14 Coughlin Power Station, authorized by LPSC Order No. U-32766).²

15 Cost responsibility for the Company's generation fleet will be paid almost entirely by retail
16 customers upon termination of the wholesale contracts. Expiration of wholesale customer
17 contracts, therefore, has been and will be a factor in right-sizing the Company's generation
18 fleet.

¹ LPSC Docket No. U-30689, Cleco Power LLC, ex parte. *In re: Application of Cleco Power LLC for: (1) Implementation of Changes in Rates and Formula Rate Plan to be effective upon the Commercial Operation Date of Rodemacher Power Station Unit No. 3; (2) Favorable Public Interest Determination for Transmission Upgrades in the Acadiana Load Pocket; and (3) Renewal of Transaction Guidelines Applicable to Certain Economy Power Purchases for Acadia Power Partners, LLC.*

² LPSC Docket No. U-32766, Cleco Power LLC, ex parte. *In re: Application for Certificate of Public Convenience and Necessity for: (I) Authorization to Acquire the Coughlin Power Station from Cleco Evangeline LLC; (II) Authorization to Recover in its Jurisdictional Rates the Charges that Cleco Power LLC Incurs to Acquire, Own, and Operate the Coughlin Power Station; and (III) Expedited Treatment.*

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**Q: WHAT IS THE IMPACT ON REVENUE REQUIREMENTS OF THE
ALLOCATION OF WHOLESALE COSTS TO RETAIL CUSTOMERS?**

A: Cleco Power's LPSC-jurisdictional revenue requirement increases by \$89.4 million. Before including reductions in fuel costs and other components' revenue requirements, this would raise the 1,000 kWh residential bill by almost \$10 per month. But for the bill impact mitigation measures that Cleco Power is proposing in this proceeding, as described in my testimony, the bill increase to a 1,000 kWh residential bill would be almost \$24 per month, \$8 of which is largely attributable to the loss of the DEMCO load; the Commission authorized an alternative provider to DEMCO in Docket No. U-36133.³ Due to the bill impact mitigation measures that Cleco Power is proposing in this proceeding, the bill impact for a 1,000 kWh residential customer is projected to be \$7 per month, as discussed above.

**Q: WHY SHOULD LPSC-JURISDICTIONAL CUSTOMERS BEAR THE COST
REALIGNMENT FROM WHOLESALE TO RETAIL?**

A: While there are several cost components that are impacted by allocation factors that include wholesale load, the largest discrete cost component is Madison 3. When Madison 3 entered commercial operation in 2010 and was placed into rates pursuant to LPSC Order No. U-30689, issued October 28, 2010 (then identified as Rodemacher Unit 3 in Docket No. U-30689), LPSC jurisdictional customers were responsible for nearly 100% of the plant's revenue requirements.

³ LPSC Docket No. U-36133, Dixie Electric Membership Corporation, NextEra Energy Marketing, LLC, and Amite Solar, LLC, ex parte. *In re: Joint Application for Approval of Power Supply Agreements.*

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1 In contrast, in Cleco Power's last rate case in Docket U-35299,⁴ LPSC-jurisdictional
2 customers were responsible for approximately 80% of cost recovery driven by the
3 Company's investment in Madison 3. Upon expiration of the wholesale contracts, LPSC-
4 jurisdictional customers will again bear 99.1% of Madison 3 plant-related revenue
5 requirements.

6 **Q: WHAT IS THE OVERALL IMPACT ON ALLOCATIONS DUE TO THE**
7 **EXPIRATION OF CLECO POWER'S EXISTING WHOLESALE CONTRACTS?**

8 **A:** Utility rates are designed to recover a utility's cost, which includes recovery of O&M
9 expenses, depreciation, taxes and a return on capital (rate base at the pre-tax weighted
10 average cost of capital). When a utility enters into a wholesale contract, a portion of rate
11 base and current expense is allocated away from retail customers to the wholesale contract
12 customer. When that wholesale contract ends, rate base and current expense are
13 reevaluated to determine the requirements to meet the utility's reduced load resulting from
14 the expiration of the wholesale contract. The return on the necessary capital and O&M
15 expenses are then allocated to the remaining customers.

16 In its annual earnings monitoring report for the TME June 30, 2022, Cleco Power's cost of
17 service recognized that 84.5% of its rate base was allocated to LPSC-jurisdictional
18 customers. The portion of the Company's operating expenses allocated to LPSC-
19 jurisdictional customers was 84.2%

20 In contrast, after expiration of the wholesale contracts, 93.7% of rate base and 95.6% of
21 operating expenses will be allocated to LPSC-jurisdictional customers.

⁴ LPSC Docket No. U-35299, Cleco Power LLC, ex parte. *In re: Application for Implementation of Changes in Rates to be effective July 1, 2020 and Extension of Existing Formula Rate Plan.*

1 **Q: WHAT FACTORS LED TO THE EXPIRATION OF THE WHOLESALE**
2 **CONTRACTS?**

3 **A:** Cleco Power has had a long history of being competitive for full-requirements wholesale
4 loads. These full-requirements contracts included provisions to meet the capacity and
5 energy needs of each wholesale load. The Company was able to supply competitively
6 priced bulk power that was sourced from a diverse generation fleet located entirely within
7 the Company's Louisiana service territory. This fleet was capable of physically serving the
8 entirety of Cleco Power's load, both retail and wholesale.

9 During recent requests for proposals for power supply by electric cooperatives in
10 Louisiana, the electric cooperatives chose partial requirements contracts that do not supply
11 the entirety of capacity needed for each load. It is Cleco Power's understanding that the
12 new wholesale contracts do not contain provisions for identifying physical capacity to meet
13 the Midcontinent Independent System Operator, Inc. regional transmission organization's
14 ("MISO") Planning Reserve Margin Requirement ("PRMR"). Instead, Cleco Power
15 understands that the new wholesale providers plan to have large portions of capacity
16 obligations and PRMRs met with anticipated excess capacity within MISO Zone 9. A
17 significant amount of generation capacity, however, will be retired in MISO Zone 9 in the
18 near term (and Cleco Power has already retired Dolet Hills Power Station, removing the
19 Company's 330 MW from MISO Zone 9), which may ultimately result in a capacity
20 shortfall in MISO Zone 9. This highlights the difficulties of balancing dynamic energy
21 markets and the energy transition with grid reliability. The behavior of the cooperatives
22 has heightened the risk of a potential capacity shortfall in MISO Zone 9 and the risk of

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1 load shedding and blackouts to Cleco Power's retail customers, even as retail customers
2 continue to pay for sufficient capacity to cover their load requirements.

3 **Q: WHAT ARE SOME OF THE IMPLICATIONS OF THE LPSC'S**
4 **AUTHORIZATION OF THE COOPERATIVE CONTRACTS?**

5 **A:** In conjunction with the Commission's approval of certain electric cooperative contracts in
6 Docket No. U-36133 in 2022,⁵ the Commission initiated Docket No. R-36263⁶ to consider
7 whether it should adopt a minimum physical capacity obligation ("MCO") for load serving
8 entities. Cleco Power and others have urged the Commission to adopt an MCO equal to at
9 least 100% of the load serving entity's maximum annual demand. Requiring each
10 Louisiana load serving entity to supply 100% of its maximum annual demand is the best
11 way to ensure reliability, attract new businesses, and incentivize new generation build-out.
12 Without an MCO, customers of some load serving entities, especially investor-owned
13 utilities, bear unduly discriminatory risks and costs of maintaining the desired level of
14 electric supply in MISO Zone 9, which creates an inequitable situation as some customers
15 pay for physical capacity, while other customers do not. Specifically, customers of
16 investor-owned utilities in the state will continue to pay for prudent physical capacity.
17 Cooperatives who rely on temporary capacity length in the integrated MISO system for
18 reliability and actual dispatch essentially and inequitably freeload off of customers of the
19 investor-owned utilities. Ultimately, if there is insufficient capacity to serve the entire load,
20 cooperative customers will experience increased price volatility. And, unfortunately, all

⁵ LPSC Docket No. U-36133, Dixie Electric Membership Corporation, Next Era Energy Marketing, LLC, and, Amite Solar, LLC, ex parte. *In re: Joint Applications for Approval of Power Supply Agreements.*

⁶ LPSC Docket No. R-36263, Louisiana Public Service Commission, ex parte. *In re: Consideration of Whether the Commission Should Adopt Minimum Physical Capacity Threshold Requirements for Load Serving Entities.*

1 customers – including those who pay for actual identified capacity resources – will have
2 increased likelihood of experiencing load curtailment.

3 **Q: COULD THE EXPIRATION OF THE WHOLESALE CONTRACTS HELP AVOID**
4 **COSTS FOR WHICH RETAIL CUSTOMERS WOULD OTHERWISE BE**
5 **PARTIALLY RESPONSIBLE?**

6 **A:** Yes. Expiration of the wholesale contracts will be a factor in Cleco Power’s decisions
7 about its capacity portfolio. Cleco Power’s wholesale contracts in the aggregate have at
8 times exceeded 600 MW. The Company’s decisions to retire Dolet Hills Power Station in
9 December 2021 and Rodemacher Unit 2 by 2028, in the context of the loss of the DEMCO
10 wholesale load, means Cleco Power will not immediately need to source capacity to replace
11 those retired generating units.

12 **Q: ARE THERE BENEFITS RETAIL CUSTOMERS WILL REALIZE AFTER**
13 **EXPIRATION OF THE WHOLESALE CONTRACTS?**

14 **A:** Yes. Customers will realize higher proportions of generator margin benefit through the
15 FAC mechanism. Generator margins – the difference between MISO locational marginal
16 price (“LMP”) and the variable cost of Cleco Power generation units – offset the load
17 serving entity’s obligation to purchase power from MISO at LMP as a market participant
18 on behalf of customers. Similar to recovery of costs through the FAC mechanism,
19 generator margins are applied as reductions to costs on a per unit (kWh) basis. After
20 expiration of the wholesale contracts, retail customers will be allocated a higher proportion
21 of generator margin per unit of usage. For the test year, it has been determined that \$24.8
22 million of generator margin that had been allocated to wholesale customers will instead
23 benefit LPSC-jurisdictional customers by lowering fuel costs.

1 **Q: DOES THE LOSS OF WHOLESALE LOAD OFFER THE OPPORTUNITY FOR**
2 **ANY MITIGATION OF CLECO POWER’S COST STRUCTURE?**

3 **A:** Potentially, yes. As more fully addressed in Cleco Power’s Final Integrated Resource Plan
4 filed May 31, 2023, in LPSC Docket I-36175,⁷ the Company may retire its 335 MW
5 (installed capacity) Teche Unit 3 generating unit sometime after the DEMCO wholesale
6 contract expires at the end of the first quarter in 2024.

7 **Q: WHAT IS CLECO POWER’S HISTORICAL CAPACITY LENGTH?**

8 **A:** For the past 10 years, Cleco Power has averaged 445 MW in summer capacity length.

9 **Q: WHAT IS CLECO POWER’S PROJECTED CAPACITY LENGTH UPON**
10 **EXPIRATION OF ITS WHOLESALE CONTRACTS AND RETIREMENT OF**
11 **TECHE UNIT 3?**

12 **A:** Upon the expiration of the wholesale contracts and the retirement of Teche Unit 3, Cleco
13 Power projects that, on average, it will have capacity summer length of 366 MW and winter
14 capacity length of 391 MW, from 2024 through 2028.

⁷ LPSC Docket No. I-36175, Cleco Power LLC, ex parte. *In re: 2021 Request to Initiate Integrated Resource Planning Process Pursuant to the General Order (Corrected) in Docket No. R-30021 Dated April 20, 2012.*

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TABLE JRC-1

1	Planning Year Start	6/1/2023	6/1/2024	6/1/2025	6/1/2026	6/1/2027	6/1/2028	6/1/2029	
2	Planning Year End	5/31/2024	5/31/2025	5/31/2026	5/31/2027	5/31/2028	5/31/2029	5/31/2030	
3	Existing Resources								
4	Nesbitt 1 [MW]	388	388	388	388	388	388	388	← Nesbitt length 388
5	Rodemacher 2 [MW]	132	132	132	132	132	0	0	
6	Madison 3 [MW]	437	437	437	437	437	237	237	
7	Acadia [MW]	529	529	529	529	529	529	529	
8	Coughlin 6 [MW]	241	241	241	241	241	241	241	
9	Coughlin 7 [MW]	476	476	476	476	476	476	476	
10	Teche 3 [MW]	195	0	0	0	0	0	0	
11	Teche 4 [MW]	34	34	34	34	34	34	34	
12	St Mary Energy Center [MW]	27	27	27	27	27	27	27	
13	Summer Accreditation [MW]	2,459	2,264	2,264	2,264	2,264	1,932	1,932	
14	Load [MW]	2,273	1,751	1,766	1,772	1,782	1,792	1,802	
15	Reserve Margin %	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	
16	Total Summer Load Requirement [MW]	2,441	1,881	1,897	1,903	1,914	1,925	1,936	
17	Summer Capacity Surplus/(Deficit) [MW]	18	384	368	351	351	8	(3)	← Interim Potential Capacity Length Summer 366
18	Existing Resources								
19	Nesbitt 1 [MW]	443	443	443	443	443	443	443	← Nesbitt length 443
20	Rodemacher 2 [MW]	127	127	127	127	127	0	0	
21	Madison 3 [MW]	307	307	307	307	307	107	107	
22	Acadia [MW]	529	529	529	529	529	529	529	
23	Coughlin 6 [MW]	237	237	237	237	237	237	237	
24	Coughlin 7 [MW]	306	306	306	306	306	306	306	
25	Teche 3 [MW]	238	0	0	0	0	0	0	
26	Teche 4 [MW]	36	36	36	36	36	36	36	
27	St Mary Energy Center [MW]	28	28	28	28	28	28	28	
28	Winter Accreditation [MW]	2,251	2,013	2,013	2,013	2,013	1,686	1,686	
29	Load [MW]	1,609	1,280	1,289	1,297	1,305	1,313	1,320	
30	Reserve Margin %	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	
31	Total Winter Load Requirement [MW]	2,020	1,606	1,618	1,628	1,638	1,648	1,657	
32	Winter Capacity Surplus/(Deficit) [MW]	232	407	395	385	375	38	30	← Interim Potential Capacity Length Winter 391

Assumptions: 1. Load is an organic load growth

2. Capacity accreditation is based on the most recent MISO accreditation methodology for the 2023-2024 Planning Year.

Q: AFTER TECHE UNIT 3 RETIRES, WHAT IS CLECO POWER'S NEXT ANTICIPATED PLANT RETIREMENT?

A: As described in the Direct Testimony of Cleco Power witness Christina C. McDowell in this proceeding, as well as in Cleco Power's Final Integrated Resource Plan referenced above, Cleco Power anticipates retirement of its 147 MW (installed capacity) share of Rodemacher Unit 2 by 2028, when environmental regulations under the U.S. Environmental Protection Agency's Coal Combustion Residuals Rule take effect and make it uneconomic for the unit to remain in service.

Q: WHY IS CLECO POWER CURRENTLY PLANNING TO KEEP RODEMACHER UNIT 2 IN SERVICE THROUGH 2028 RATHER THAN RETIRING IT SOONER?

A: Cleco Power's capacity length supports reliability and fuel diversity in MISO Zone 9 as the State of Louisiana and MISO transition to cleaner forms of energy. Also, due to the potential impact on employees, their families, and the communities in which they live, as well as Cleco Power's electrification goals (which are discussed in detail in the Company's Final Integrated Resource Plan referenced above), the capital intensity of capacity investment, and the long lead time necessary to build or acquire additional generation resources pursuant to the LPSC's Market Based Mechanism Order,⁸ Cleco Power does not currently intend to further accelerate the retirement of Rodemacher Unit 2.

Q: WHAT IS CLECO POWER'S PROJECTED SUMMER CAPACITY LENGTH POSITION AFTER THE RETIREMENT OF RODEMACHER UNIT 2?

A: Absent obtaining additional resources pursuant to the LPSC's Market Based Mechanism Order, Cleco Power projects that it will have no summer capacity length within two years after retiring Rodemacher Unit 2 (i.e., by 2028).

Q: ARE THERE ALTERNATIVES BEYOND CLECO POWER'S DIRECT CONTROL WHICH CAN REDUCE THE BURDEN ON CUSTOMERS AS A RESULT OF THE EXPIRATION OF DEMCO AND OTHER WHOLESALE CONTRACTS?

A: Yes. As more fully addressed in Cleco Power's comments in Docket No. R-36263, the LPSC can require all load serving entities to own or contract for capacity equal to their peak demand. If electric cooperatives are required to procure actual capacity rather than

⁸ General Order dated October 29, 2008 (Docket No. R-26172 Subdocket C).

1 relying on market capacity surplus, which is rapidly dwindling, some portion of Cleco
2 Power's interim capacity length could be used to supply capacity to those electric
3 cooperatives.

4 **Q: WILL THERE BE ANY BENEFIT TO RETAIL CUSTOMERS IF CLECO POWER**
5 **IS SUCCESSFUL IN NEGOTIATING CAPACITY CONTRACTS?**

6 **A:** Yes. Cleco Power proposes that for any such wholesale capacity contracts, revenues shall
7 be reflected in the excess earning mechanism contained in Cleco Power's proposed Third
8 Amended and Restated Formula Rate Plan. Please see the Direct Testimony of Cleco
9 Power witness Christina C. McDowell for a fuller discussion of the proposed Third
10 Amended and Restated Formula Rate Plan. Note that Cleco Power has not officially retired
11 Teche Unit 3. Depending upon the Commission's determination in Docket No. R-36263
12 regarding whether to adopt an MCO for load serving entities, the retirement of Teche Unit
13 3 could be delayed due to capacity needs in the market. This could provide additional
14 revenues that would be reflected in determining whether any refunds may be due as
15 provided under the excess earning mechanism contained in Cleco Power's proposed Third
16 Amended and Restated Formula Rate Plan.

17 **IV. COST PRESSURES AT CLECO POWER**

18 **Q: PLEASE FURTHER IDENTIFY THE DRIVERS OF THE COST INCREASES**
19 **REFERENCED PREVIOUSLY.**

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A: Cleco Power has continued to provide customers with the superior levels of service required by the LPSC and committed to by Cleco Power under its Service Quality Plan. The cost increases in rate base, depreciation expense, O&M expense, carrying charges, and storm reserve replenishment associated with providing this level of service total \$171.4 million.

The remainder of this section of my testimony will summarize various drivers of the increases as indicated in the immediately following table.

Table JRC-2
Cost increases

	Indicative
a. Bayou Vista Carrying charge	\$ 2.6
b. Depreciation	\$ 36.9
c. Inflation/Payroll	\$ 54.2
d. Production O&M deferral	\$ 9.5
e. ROE increase from 9.5% to 10.4%	\$ 20.9
f. Debt rate change 5.01% to 5.37%	\$ 5.6
g. Storm replenishment in Rider IICR	\$ 40.0
h. Storm prep costs in Rider IICR	\$ 1.2
i. Wholesale exclusion credit	\$ (3.1)
j. Other	\$ 3.6
k. Total	<u>\$ 171.4</u>

Q: WHAT HAS DRIVEN THE INCREASE IN RATE BASE?

A: Rate base has increased compared to the attrition adjusted thirteen-month average at June 30, 2022, by \$28.1 million (0.7%), reflecting the completion of the Bayou Vista to Segura transmission line. The carrying charges, grossed up for income taxes, would be \$2.6 million annually.

Q: WHAT ARE THE DRIVERS OF THE \$36.9 MILLION INCREASE IN DEPRECIATION EXPENSE?

A: A depreciation study that was conducted in 2022 by Alliance Consulting Group indicates an overall increase of depreciation expense of approximately \$23.1 million.

The retirement of Rodemacher Unit 2 by December 2028 indicates depreciation expense should increase by \$12.8 million annually over the four-year term of Cleco Power's proposed Third Amended and Restated Formula Rate Plan to fully depreciate the asset by the time it is retired.

Finally, depreciation expense associated with the Bayou Vista to Segura transmission line increases by another \$1.0 million.

Please refer to the Direct Testimony of Cleco Power witness Christina C. McDowell for a fuller discussion of depreciation expense.

Q: PLEASE IDENTIFY THE INCREASES IN O&M EXPENSES.

A: Cleco Power's O&M expenses recovered through base rates increased from \$241.9 million for the TME June 30, 2021, to \$269.0 million for the TME June 30, 2022, an increase of \$27.1 million (11.2%). Given current inflation rates and economic conditions, similar impacts before approval of rates requested in this docket could total \$54.2 million annually.

Q: WHAT IS THE INDICATIVE ADJUSTMENT RELATIVE TO THE PRODUCTION O&M DEFERRAL?

A: Cleco Power's depreciation and amortization expenses for the TME June 30, 2022, were net of a production O&M deferral of \$9.5 million booked in December 2021.

Q: WHAT FACTORS SUPPORT AN INCREASE IN CARRYING COSTS?

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1 **A:** Over the last few years, inflation in the United States has reached levels not seen for
2 decades. The corresponding progression of aggressive rate hikes by the Federal Reserve
3 has resulted an environment of materially higher interest rates. Debt that was issued in
4 2017 and 2020 (when interest rates were lower) is scheduled to retire by 2024, and new
5 issuances are expected to bear higher interest rates. Accordingly, the current attrition
6 adjusted debt rate is calculated to be 5.37%, up from 4.85%, and indicates the need for
7 additional revenue requirements of \$5.6 million.

8 The Direct Testimony of Cleco Power witness Dr. Roger A. Morin in this proceeding
9 indicates investors' return on equity should rise to 10.4%, which raises revenue
10 requirements by \$20.9 million.

11 In addition, various other components of Cleco Power's cost structure net to an increase of
12 \$3.6 million annually.

13 **Q: WHY DOES CLECO POWER NEED TO REPLENISH ITS STORM RESERVE?**

14 **A:** Cleco Power's storm reserve of \$50 million that was established in connection with
15 securitization financing of Hurricanes Katrina and Rita storm damage costs in 2008 was
16 sufficient to cover storm-related O&M expenses incurred through 2020. Capitalized costs
17 were absorbed into Cleco Power's annual capital budget, which displaced other scheduled
18 investments.

19 In Cleco Power's most recent securitization financing of storm costs in LPSC Docket No.
20 U-35807,⁹ the securitized principal amount included a \$100 million funded restricted
21 reserve. However, Staff insisted (and Cleco Power agreed) that the reserve be used to pay

⁹ LPSC Docket No. U-35807, Cleco Power LLC, ex parte. *In re: Application of Cleco Power LLC for Recovery in Rates of Certain Storm Damage Costs Incurred as a Result of Hurricanes Laura, Delta, and Zeta and Winter Storms Uri and Viola, Related Securitization Financing and Establishment of a Storm Reserve.*

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1 for both the expenses and capital associated with storm restoration. The impact of this
2 change will undoubtedly deplete the reserve sooner than if only storm-related O&M
3 expenses were charged against it. Cleco Power has analyzed total storm costs over the
4 period 2013 through 2020. The average annual storm cost during that period was \$40
5 million. Clearly, the funded reserve should be replenished on an annual basis to extend its
6 life as long as possible.

7 Cleco Power is proposing to replenish its funded restricted storm reserve by \$10 million
8 annually.

9 **Q: ARE THERE OTHER STORM-RELATED COSTS FOR WHICH CLECO POWER**
10 **IS SEEKING RECOVERY?**

11 **A:** Yes. Certain storm preparation costs are no longer recoverable from the funded restricted
12 storm reserve. Therefore, Cleco Power is requesting recovery of an initial \$1.2 million.
13 These costs have been deferred as incurred. Cleco Power is requesting to collect these
14 costs through the Rider IICR mechanism of the proposed Third Amended and Restated
15 Formula Rate Plan beginning July 1, 2024, in each year the Third Amended and Restated
16 Formula Rate Plan is in effect.

17 **Q: ARE THERE ANY REDUCTIONS THAT BENEFIT CUSTOMERS?**

18 **A:** Yes. One wholesale contract will continue to be in effect for a portion of the year that new
19 rates are in effect. Cleco Power proposes to credit LPSC-jurisdictional customers' bills by
20 \$3.1 million for the first year of the proposed Third Amended and Restated Formula Rate
21 Plan.

V. CLECO POWER CUSTOMER IMPACT MODERATION MEASURES

Q: HAS CLECO POWER CONSIDERED MEASURES WHICH WOULD MODERATE THE INCREASES IDENTIFIED ABOVE?

A: Yes. Cleco Power has evaluated customer needs for affordability and reliability while balancing the Company's need to maintain strong financial health, including but not limited to meeting the credit metrics necessary to maintain the Company's investment-grade credit ratings (please refer to the Direct Testimony of Cleco Power witness Vincent M. Sipowicz in this proceeding). Therefore, rather than requesting Cleco Power's retail customers bear the full impact of the \$171.4 million of cost increases identified in Table JRC-2 above, Cleco Power is instead seeking recovery of \$66.1 million.

To that end, Cleco Power has identified four components of costs, discussed above, which will not be sought for recovery in this rate case and which in total moderate the potential rate increase by \$105.3 million. The four components identified are in the categories of depreciation expense, inflation, production O&M deferral, and storm replenishment and are further described immediately, below.

Q: HOW DOES CLECO POWER PROPOSE TO MODERATE THE IMPACT OF DEPRECIATION EXPENSE?

A: Cleco Power proposes to delay implementation of updated depreciation rates as indicated in the 2022 depreciation study until Cleco Power's next base rate proceeding. This measure would reduce the impact on customers in this proceeding by \$23.1 million annually.

Q: HOW DOES CLECO POWER PROPOSE TO MODERATE THE IMPACT OF INFLATION?

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1 **A:** Given that federal monetary policies may ultimately moderate inflationary pressures, rather
2 than seek an additional \$54.2 million of non-fuel O&M expense, Cleco Power is instead
3 seeking recovery of only the cost increases attributable to payroll and benefits of \$11.5
4 million. This measure would reduce the impact on customers in this proceeding by \$42.7
5 million annually.

6 **Q: HOW DOES CLECO POWER PROPOSE TO MODERATE THE IMPACT OF**
7 **PRODUCTION O&M DEFERRAL?**

8 **A:** Cleco Power proposes to negate the revenue increase that would be associated with adding
9 the December 2021 production O&M deferral of \$9.5 million to the historical test year by
10 instead lowering the production O&M deferral threshold to \$29.7 million.

11 Cleco Power's depreciation and amortization expenses for the TME June 30, 2022, were
12 net of a production O&M deferral of \$9.5 million booked in December 2021. Cleco
13 Power's non-payroll production O&M expenses for the TME June 30, 2022, were \$42.0
14 million. Absent any attrition adjustments, Cleco Power's expenses would need to increase
15 by \$9.5 million, and the production O&M threshold should rise to \$42 million.

16 The Dolet Hills Power Station portion of the \$42 million was \$2.8 million, which will no
17 longer be incurred subsequent to its retirement in December 2021. Cleco Power proposes
18 to forego the \$9.5 million attrition adjustment and set the deferral threshold to \$29.7 million
19 (\$42.0 million minus \$2.8 million minus \$9.5 million).

20 **Q: HOW DOES CLECO POWER PROPOSE TO MODERATE THE IMPACT OF**
21 **STORM REPLENISHMENT ON ITS CUSTOMERS?**

22 **A:** Cleco Power proposes to collect from retail customers \$10 million annually. The Company
23 further proposes to deposit the amounts collected into the existing funded restricted reserve

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within sixty (60) days after the end of each calendar quarter. The funded restricted reserve would continue to operate under the same terms as currently required pursuant to LPSC Order No. U-35807-A, issued April 1, 2022.

Cleco Power would address the parameters of any further collections once the funded restricted reserve drops below \$40 million in a separate proceeding filed within six months after the fund drops below \$40 million.

Q: PLEASE SUMMARIZE THE DIFFERENCE BETWEEN THE IDENTIFIED COST INCREASES AND CLECO POWER'S PROPOSED CUSTOMER IMPACT MODERATION MEASURES.

A: In order to benefit customer affordability, albeit with increased risk to the Company's investors, Cleco Power is proposing to collect only 38.6% of the indicative cost increases, as illustrated in the following table.

Table JRC-3
Cost Increases

	Indicative	Requested	Change
a. Bayou Vista Carrying charge	\$ 2.6	\$ 2.6	
b. Depreciation	\$ 36.9	\$ 13.8	\$ (23.1)
c. Inflation/Payroll	\$ 54.2	\$ 11.5	\$ (42.7)
d. Production O&M deferral	\$ 9.5	\$ -	\$ (9.5)
e. ROE increase from 9.5% to 10.4%	\$ 20.9	\$ 20.9	
f. Debt rate change 5.01% to 5.37%	\$ 5.6	\$ 5.6	
g. Storm replenishment in Rider IICR	\$ 40.0	\$ 10.0	\$ (30.0)
h. Storm prep costs in Rider IICR	\$ 1.2	\$ 1.2	
i. Wholesale exclusion credit	\$ (3.1)	\$ (3.1)	
j. Other	\$ 3.6	\$ 3.6	\$ -
k. Total	\$ 171.4	\$ 66.1	\$ (105.3)

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1 Please see the Direct Testimony and exhibits of Cleco Power witness Christina C.
2 McDowell, which discusses attrition adjustments to rate base and expenses incorporating
3 the lower requested changes identified above.

4 **Q: WHAT IMPACT DOES REDUCING THE INDICATIVE COST INCREASES**
5 **HAVE ON RESIDENTIAL CUSTOMERS BILLS?**

6 **A:** Utilizing the requested amount instead of the indicative costs in calculating revenue
7 requirements lowers the 1,000 kWh residential customer bill by almost \$18 per month.

8 **Q: HAS CLECO POWER TAKEN OTHER MEASURES TO MODERATE COSTS?**

9 **A:** Yes. For as long as Cleco Cajun LLC (“Cleco Cajun”) remains an affiliate of Cleco Power,
10 Cleco Power proposes to continue a reduction to SAP-related information technology costs
11 borne by retail customers through a credit component included in Rider IICR. Should
12 Cleco Cajun remain an affiliate from July 1, 2024 through June 30, 2025, the total credit
13 would be \$4.3 million.

14 Further, as discussed more fully in the Direct Testimony of Cleco Power witness Christina
15 C. McDowell, Cleco Power has already securitized storm restoration costs incurred in 2020
16 and 2021 for Hurricanes Laura, Delta, Zeta, and Ida and Winter Storms Uri and Viola. This
17 removes \$200 million from rate base.

18 Cleco Power also entered into a settlement agreement with the LPSC Staff in the prudence
19 review of the costs to construct the St. Mary Clean Energy Center, which removed \$15
20 million in recoverable plant in service, reduced depreciation expense by \$0.5 million
21 annually, and provided customers with a one-time \$10.4 million refund. Please refer to

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1 LPSC Order No. U-35544, issued October 14, 2022, which authorized the foregoing
2 settlement agreement.¹⁰

3 **Q: PLEASE DISCUSS THE IMPACT OF LPSC DOCKET NO. U-35753, THE**
4 **PRUDENCY REVIEW RELATED TO COSTS ASSOCIATED WITH THE**
5 **RETIREMENT OF DOLET HILLS POWER STATION, AND THE ASSOCIATED**
6 **CESSATION OF MINING AT THE OXBOW MINE.**

7 **A:** That review has not concluded at the time of filing of Cleco Power's application in this
8 proceeding. In anticipation that Docket No. U-35753 will conclude prior to the
9 implementation of new rates requested in this proceeding, Cleco Power is proposing to
10 exclude \$230.7 million from rate base for purposes of establishing revenue requirements
11 in this proceeding.

12 Retirement of the plant also drives total production O&M costs down by \$10.5 million
13 annually and reduces depreciation expense by \$9.7 million annually. Should Docket No.
14 U-35753 conclude before new rates are implemented pursuant to this proceeding, Cleco
15 Power has proposed to reduce base rates by \$26.0 million annually.

16 Subsequent to the conclusion of the prudence review in Docket No. U-35753, Cleco Power
17 will pursue a securitization financing of the costs related to the retirement of Dolet Hills
18 Power Station. Depending on the amount securitized and interest rates, the annual
19 securitization revenue requirement for Dolet Hills Power Station costs is expected to be
20 approximately \$29 million, which will be offset by an accumulated deferred income tax
21 ("ADIT") surcredit of approximately \$7 million. This total added to customer bills will be

¹⁰ LPSC Docket No. U-35544, Cleco Power LLC, ex parte. *In re: Prudence Review of Cleco Power LLC St. Mary Clean Energy Center.*

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1 offset by a reduction in base revenue requirements of approximately \$26 million, and fuel
2 cost savings of \$40 million. The annual savings net of the securitization revenue
3 requirement would total \$44 million. It is important to note customers began realizing \$40
4 million annually of Dolet Hills Power Station-related fuel cost savings beginning in
5 January 2022 after Dolet Hills Power Station was retired, and that Cleco Power has borne
6 the financing costs of uncollected fuel expense with no concurrent increase in revenue
7 recognizing carrying charges on those uncollected fuel costs. By the time new rates go
8 into effect at the conclusion of this proceeding, customers will have saved approximately
9 \$100 million in fuel costs related to the retirement of Dolet Hills Power Station.

10 **Q: ARE THERE OTHER CUSTOMER SAVINGS CLECO POWER IS PROPOSING?**

11 **A:** Yes. Cleco Power is proposing to credit to retail customers the entirety of base revenues it
12 receives from a wholesale contract that expires in May 2025. Cleco Power proposes to
13 credit Rider IICR \$3.1 million from July 2024-June 2025.

14 Offsetting the increase in base revenue allocation to retail resulting from the expiration of
15 various wholesale contracts, generator margins currently shared between retail and
16 wholesale customers (commensurate with the allocation of fuel costs to all customer
17 classes) will instead inure to the benefit of LPSC-jurisdictional customers at a value of
18 \$24.8 million.

19 **Q: HOW DOES CLECO POWER PROPOSE TO TREAT ANY REVENUES**
20 **RECEIVED AS A RESULT OF WHOLESALE CONTRACTS THAT MAY BE**
21 **ENTERED INTO BEYOND THOSE IN EFFECT AT THE TIME OF THIS FILING?**

22 **A:** As currently provided in Cleco Power's Second Amended and Restated Formula Rate Plan,
23 Section 4.1, "revenues derived from obtaining additional retail and/or wholesale load

1 shall be reflected in the normal FRP excess earning mechanism.” To the extent
2 revenues received as a result of wholesale contracts entered into after new rates become
3 effective as a result of this proceeding drive Cleco Power’s LPSC-jurisdictional realized
4 return on equity into the sharing bands prescribed in the proposed Third Amended and
5 Restated Formula Rate Plan, customers will receive refunds at the prescribed levels.

6 **Q: HOW DOES CLECO POWER INTEND TO ADDRESS THESE FOREGONE**
7 **REVENUE REQUIREMENTS RELATIVE TO ITS COST STRUCTURE DURING**
8 **THE TERM OF THE PROPOSED THIRD AMENDED AND RESTATED**
9 **FORMULA RATE PLAN?**

10 **A:** Cleco Power anticipates that continued aggressive cost control by the Company may
11 balance out a portion of the foregone revenues.

12 Another avenue for Cleco Power to recover costs is potential revenue growth facilitated by
13 the federal Inflation Reduction Act of 2022,¹¹ via a combination of electrification from
14 customer adoption of personal electric vehicles, fleet conversion of commercial and
15 industrial customers to electric vehicles, and increased load (e.g., gas compression utilizing
16 electric pumping stations), and new customers and/or technologies requiring electric
17 sourcing solely from renewable energy.

18 Cleco Power will also incur expenses not included as an incremental request for recovery
19 in this proceeding in an effort to utilize more aggressive marketing efforts with the
20 expectation of additional customer growth above its historical growth rates of 0.4%
21 annually.

¹¹ H.R. 5376, Public Law No. 117-169 (08/16/2022).

1 Although not addressed in this proceeding (but to be addressed in a separate informational
2 filing that Cleco Power will make with the Commission on or before December 31, 2023),
3 Project Diamond Vault is expected to further narrow the gap between actual expenses and
4 revenues. In connection with a projected 2028 in-service date, Project Diamond Vault may
5 potentially provide for a decrease in customer costs as well. Please refer to the Direct
6 Testimony of Cleco Power witness William Fontenot in this proceeding for a further
7 discussion of Project Diamond Vault.

8 **Q: WILL CUSTOMERS REALIZE ANY BENEFITS SHOULD ELECTRIFICATION**
9 **OCCUR AND THE AGGRESSIVE COST CONTROLS BE ACHIEVED?**

10 **A:** Yes. To the extent that growth in revenues exceeds growth in expenses, the refund
11 provisions pursuant to Section 3 of the proposed Third Amended and Restated Formula
12 Rate Plan may result in customer refunds.

13 **Q: WHAT HAPPENS IF ACTUAL COSTS BEYOND THOSE APPROVED FOR**
14 **RECOVERY IN THIS PROCEEDING ARE HIGHER THAN REVENUE**
15 **GROWTH?**

16 **A:** Cleco Power will realize a lower equity return for its investors. Unlike the formula rate
17 plans for some other utilities regulated by the LPSC, there is no provision for Cleco Power
18 to be able to increase its rates for a realized equity return below its requested target return
19 of 10.4%.

20 **VI. REVENUE REQUIREMENTS**

21 **Q: HAS CLECO POWER DETERMINED THE PROPOSED LPSC-**
22 **JURISDICTIONAL BASE REVENUE REQUIREMENT REQUESTED IN THIS**
23 **PROCEEDING?**

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1 **A:** Yes. Please refer to the following table and the accompanying narrative.

TABLE JRC-4	
Proposed TME June 30, 2025 Revenue	
	LPSC
a. Rate Base used for Base Rates	\$ 3,258.7
b. Debt %	48%
c. Equity %	52%
d. Debt Rate	5.37%
e. Return on Equity %	10.40%
f. Debt Portion of Return (Lines 1 * 2 * 4)	\$ 84.0
g. Equity Portion of Return (Lines 1 * 3 * 5)	\$ 176.2
h. ITC Amortization	\$ (0.1)
i. Adj. Eq. Portion of Return (Lines 7 + 8)	\$ 176.1
j. Combined Tax Rate	26.925%
k. Tax Multiplier (1/(1-Rate))	136.85%
l. Income Taxes (Lines 11 * 9 - 9)	\$ 64.9
m. O&M Expense	\$ 263.3
n. Depreciation Expense	\$ 171.5
o. General Taxes	\$ 56.5
p. Debt Exp & Int on Customer Deposit	\$ 2.6
q. Base Rate Revenue Requirement	\$ 818.9
r. START Make-Whole Credit	\$ (4.3)
s. EDIT Make-Whole	\$ (16.4)
t. Wholesale Exclusion Credit	\$ (3.1)
u. Total Rider IICR credits	\$ (23.8)
v. Base Revenue Requirement, Net	\$ 795.0
w. Phase in (Year 1)	\$ (40.0)
x. Proposed LPSC Jurisdictional Base Revenue Requirement	\$ 755.0

2 Utilizing the attrition adjusted rate base and expenses supported by the Direct Testimony
3 of Cleco Power witness Christina C. McDowell, the allocated cost of service supported by
4 the Direct Testimony of Cleco Power witness Francesca D. Winter indicates LPSC-
5 jurisdictional customers are responsible for carrying charges on rate base of \$3,258.7
6 million (Line a. above). Financing 48% of the rate base with debt at a cost of 5.37%

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1 indicates base revenue requirements of \$84.0 million (Line f. above). Financing 52% of
2 the rate base with equity at a cost of 10.4% as supported by Cleco Power witness Dr. Roger
3 A. Morin indicates base revenue requirements of \$176.2 million (Line g. above).

4 Cleco Power's current combined tax rate is 26.925%, as described in the Direct Testimony
5 of Cleco Power witness Christina C. McDowell, which results in a tax multiplier for the
6 equity portion of carrying charges of 136.85% ($1/[1-0.26925]$). The income tax portion of
7 revenue requirements is \$64.9 million (Line l. above).

8 The LPSC-jurisdictional customers' portion of O&M expenses is \$263.3 million (Line m.
9 above), and \$171.5 million (Line n. above) of depreciation expense. General taxes and
10 interest on customer deposits are \$56.5 million (Line o. above) and \$2.6 million (Line p.
11 above), respectively.

12 Make-whole credits for the START project, excess deferred income taxes ("EDIT"), and
13 the wholesale exclusion credit total \$23.8 million (Line u. above).

14 Cleco Power is proposing that customers receive a phase-in credit beginning July 1, 2024,
15 of \$40.0 million (Line w. above), and an additional phase-in credit of \$20.0 million
16 beginning July 1, 2025. There will be no phase-in credits for the final two years of the
17 Third Amended and Restated Formula Rate Plan. The phase-in credits would have the
18 effect of reducing total revenue requirements in the first and second years of Cleco Power's
19 Third Amended and Restated Formula Rate Plan. Put another way, the credits would allow
20 Cleco Power's total revenue requirement increase to be phased in over a three-year period.
21 In summary, Cleco Power is requesting that its LPSC-jurisdictional customers' revenue
22 requirement effective July 1, 2024, be set at \$755.0 million (Line x. above).

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Q: WHAT ARE THE OTHER COMPONENTS OF REVENUES CLECO POWER'S LPSC-JURISDICTIONAL CUSTOMERS WILL BE PAYING?

A: Please reference the table below and the immediately following narrative.

Table JRC-5

	Existing	Proposed	Difference
a. Retail Base Revenue TME June 2022	\$ 690.7		
b. Less Interim Storm Revenue	\$ (15.8)		
c. Less Energy Efficiency Revenue	\$ (14.3)		
d. Less EDIT makewhole	\$ (22.7)		
e. Less Dolet costs per testimony	\$ (26.0)		
f. Rider IICR increase	\$ 33.6		
g. Attrition adjustments (Acctg vs Billing)	\$ (7.1)		
h. Louisiana Income tax increase	\$ 1.1		
i. Base Revenue	\$ 639.5	\$ 795.0	\$ 155.5
j. Fuel Revenue	\$ 353.5	\$ 288.4	\$ (65.1)
k. Energy Efficiency	\$ 16.4	\$ 11.2	\$ (5.2)
l. Protected EDIT Bill Credit	\$ (5.6)	\$ (5.6)	\$ -
m. Storm Securitization	\$ 25.6	\$ 25.6	\$ -
n. Dolet Revenue / Securitization	\$ 26.0	\$ 21.6	\$ (4.4)
o. Total TME June 2025	\$ 1,055.4	\$ 1,136.2	\$ 80.8
p. Phase in Credit TME June 2025	\$ -	\$ (40.0)	\$ (40.0)
q. Total TME June 2025 with Phase in	\$ 1,055.4	\$ 1,096.2	\$ 40.8
r. Percentage Increase			3.9%

Given commodity price projections as of May 2023, the TME June 2024, LPSC-jurisdictional customers would have paid \$353.5 million before retirement of Dolet Hills Power Station. Retirement of Dolet Hills Power Station began reducing fuel costs by \$40.0 million effective January 2022. Termination of wholesale contracts would further reduce fuel costs by \$24.8 million in generator margins. Fuel revenues would then total \$288.4 million, given commodity prices in the attrition adjusted test year.

Energy efficiency revenues through June 30, 2024, are projected to total \$16.4 million, inclusive of lost contribution for fixed costs. Resetting rates based on billing determinants

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1 for the TME June 30, 2022, reduces lost contribution for fixed costs by \$5.2 million to
2 \$11.2 million.

3 The remittance of the protected portion of EDIT is governed by the IRS's normalization
4 rules. Cleco Power proposes to credit customer bills an amount equal to the annual
5 amortization that would have been permitted in order to stay in compliance with those
6 normalization rules. Cleco Power anticipates the annual amount of this cash credit to
7 customer bills will be \$5.6 million for the rate year beginning July 1, 2024. The balance
8 will be credited to customer bills over the remaining average life of Cleco Power's plant in
9 service.

10 Storm securitization costs will be unchanged at \$25.6 million.

11 Dolet Hills Power Station related revenue requirements in current rates of \$26.0 million is
12 expected to reduce to \$21.6 million upon securitization, net of credits for ADIT.

13 All in, existing LPSC-jurisdictional revenue will rise from \$1,055.4 million to \$1,096.2
14 million, an increase of \$40.8 million, or 3.9%.

15 **Q: PLEASE ELABORATE ON CLECO POWER'S REQUEST TO PHASE-IN THE**
16 **INCREASE IN REVENUE REQUIREMENTS.**

17 **A:** Given economic conditions nationally, in the State of Louisiana, and in Cleco Power's
18 service territory, and assuming that Cleco Power reaches a satisfactory settlement that
19 meets the need of the financial health of the Company in this proceeding, the Company
20 proposes to provide a phase-in line-item bill credit.

21 Given that total revenues are anticipated to increase by a net of \$80.8 million, Cleco Power
22 proposes to provide its LPSC-jurisdictional customers a separate line-item monthly credit
23 targeting an annual total of \$40 million beginning July 1, 2024. This phase-in credit would

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1 target a reduction of \$20 million for the rate year July 1, 2025, through June 30, 2026.

2 There would be no phase-in rate credits for the rate years ending June 30, 2027, and June
3 30, 2028.

4 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

5 **A: Yes, at this time.**

STATE OF LOUISIANA

PARISH OF RAPIDES

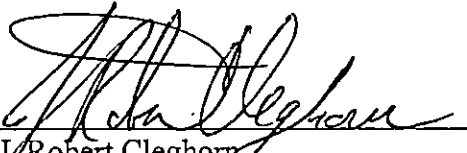
AFFIDAVIT

BE IT KNOWN, that before me, the undersigned Notary Public, duly commissioned and qualified for the state and parish/county aforesaid, personally came and appeared:

J. ROBERT CLEGHORN

("Affiant"), who after being duly sworn did depose and say:

1. Affiant has prepared Direct Testimony on behalf of Cleco Power LLC, dated June 30, 2023, in support of the Application of Cleco Power LLC for: (1) Implementation of Changes in Rates to be Effective July 1, 2024; and (2) Extension of Existing Formula Rate Plan.
2. To the best of Affiant's knowledge, information, and belief, Affiant's Direct Testimony is true, accurate, and complete in all material respects as of the date of this Affidavit.

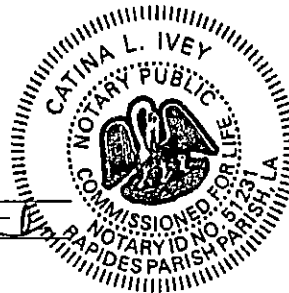

J. Robert Cleghorn
Cleco Power LLC
2030 Donahue Ferry Road
Pineville, LA 71360

SWORN TO AND SUBSCRIBED
BEFORE ME, NOTARY PUBLIC,
THIS 19th DAY OF JUNE, 2023.


NOTARY PUBLIC

BAR ROLL/NOTARY ID NO.: 51231

MY COMMISSION EXPIRES: at death



J. ROBERT CLEGHORN
PARTICIPATION IN REGULATORY PROCEEDINGS

1. LPSC U-_____ - In re: Cleco Power LLC, ex parte: Application of Cleco Power LLC for (1) Implementation of Changes in Rates to be Effective July 1, 2024; and (2) Extension of Existing Formula Rate Plan.
2. LPSC U-35753 – In re: Cleco Power LLC and Southwestern Electric Power Company, ex parte. In re: Applicants Application of Cleco Power LLC and Southwestern Electric Power Company for (I) Authorization to Close the Oxbow Mine; (II) Authorization to Include and Defer Certain Accelerated Mine Closing Costs in Fuel and Related Ratemaking Treatments.
3. LPSC U-35807- In re: Application of Cleco Power LLC for (i) Recovery of Rates of Certain Storm Damage Costs Incurred as a Result of Hurricanes Laura, Delta, and Zeta; and (II) Expedited Treatment. (2020)
4. LPSC U-35753- In re: Cleco Power LLC and Southwestern Electric Power Company, ex parte. In re: Applicants Application of Cleco Power LLC and Southwestern Electric Power Company for: (1) Authorization to Close the Oxbow Mine; (II) Authorization to Include and Defer Certain Accelerated Mine Closing Costs in Fuel and Related Ratemaking Treatments; and (III) Expedited Treatment. (2020)
5. LPSC U-35299- In re: Cleco Power LLC, ex parte: Application of Cleco Power LLC for (1) Implementation of Changes in Rates to be Effective July 1, 2020; and (2) Extension of Existing Formula Rate Plan. (2019)

6. LPSC U-34966 – In re: Entergy Louisiana, LLC, Cleco Power LLC and Southwestern Electric Power Company In re: Joint Application for Approval of Toledo Bend Hydroelectric Power Sales Agreement.
7. LPSC X-34855 - In re: Audit of Federal Environmental Adjustment Clause Flings of Cleco Power LLC for the period of January 2016 through December 2017.
8. LPSC U-34794 – In re: Application for authorizations, waivers, and regulatory interpretations of certain provisions of LPSC Order No. U-33434-A and authorization for Cleco Corporate Holdings LLC to pledge ownership interest in Cleco Power LLC for the purpose of allowing a newly formed wholesale subsidiary of Cleco Corp to acquire NRG South Central Generating LLC.
9. LPSC X-34765 - In re: Audit of Fuel Adjustment Clause Flings of Cleco Power LLC for the period of January 2016 through December 2017.
10. LPSC X-34729 – In re: Audit of the Energy Efficiency Rate Rider of Cleco Power LLC for the Energy Efficiency Quick Start Program Years ending October 31, 2015 and October 31, 2016.
11. LPSC U-34687 – In re: Cleco Power LLC's June 30, 2017 Cost of Service and Formula Rate Plan (2017)
12. LPSC S-34624 - In re: Cleco Power LLC's Verified Application for Commission Authorization of New Mortgage Indenture.
13. LPSC U-34618 – In re: Cleco Power LLC's Application requesting Commission consideration of a Proposed Long-Term Derivative Hedging Program, pursuant to General Order R-32975

14. LPSC U-34617 – In re: Cleco Power LLC’s Application requesting Commission consideration of a Proposed Physical Bilateral Hedge Program and a Proposed Long-Term Derivative Hedging Program, pursuant to General Order R-32975
15. LPSC U-34501 – In re: Application Regarding the Costs and Benefits of Continued Participation in the Midcontinent Independent Systems Operator, Inc. Regional Transmission Organization.
16. LPSC U-34342 - In re: Cleco Power LLC’s Request for Recovery Through its Fuel Adjustment Clause Cost Associated with New Natural Gas Supply.
17. LPSC U-34289 – In re: Cleco Power LLC’s June 30, 2016 Cost of Service and Formula Rate Plan (2016).
18. LPSC X-33972 – In re: Audit of Fuel Adjustment Filings for Cleco Power LLC for the period of January 2014 through December 2015.
19. LPSC X-33970 – In re: Audit of Environmental Adjustment Clause Filings for Cleco Power LLC for the period of November 2010 through December 2015.
20. LPSC U-33880 – In re: The Housing Authority of the City of Opelousas vs. Cleco Power LLC (Allegations of Violations and Discriminatory applications by Cleco Power LLC of its tariffs and Standard Terms and Conditions in its provisioning of service to the Housing Authority of the City of Opelousas and its residents).
21. LPSC U-33848 – In re: Cleco Power LLC’s June 30, 2015 Cost of Service and Formula Rate Plan (2015).
22. LPSC S-33825 – In re: Directive to Establish a Service Quality Improvement Program (SQP) for Cleco Power LLC.

23. LPSC U-33593 – In re: Application for (1) a Certificate of Public Convenience and Necessity authorizing Cleco Power LLC to construct, own, and operate a 40 megawatt generating unit at Cabot Corporation's Canal Carbon Black Plant in order to provide a source of renewable power for Cleco's customers; (ii) authorization to recover the costs associated with such 40 megawatt generating unit and related waste heat purchase and sale agreement in LPSC-jurisdictional rates; and (iii) expedited treatment.
24. LPSC U-33447 – In re: Cleco Power LLC's June 30, 2014 Cost of Service and Formula Rate Plan (2014).
25. LPSC U-33434 – In re: Potential Merger Transaction between Cleco Corporation, Macquarie Infrastructure Real Assets, and British Columbia Investment Management Corporation, together with John Hancock Financial and other infrastructure investors (2014).
26. LPSC X-33325 - In re: Audit of Cleco Power LLC's charges flowed through its Fuel Adjustment Charge, pursuant to Commission's General Order U-21497 dated November 6, 1997, from the period beginning January 1, 2009 through December 31, 2013 (2014).
27. LPSC S-33218 - In re: Application of Cleco Power LLC for Non-Opposition to: (i) Renewal of Cleco Power LLC's Blanket Financing Authorization Approved by the Commission in Docket No. U-31299; and Expedited Treatment (2014).
28. LPSC U-33196 – In re: Application of Cleco Power LLC and Southwestern Electric Power Company for Certification of Messick-Layfield Transmission Project (2014).
29. LPSC U-33036 – In re: Cleco Power LLC's June 30, 2013 Cost of Service and Formula Rate Plan (2014).

30. LPSC I-33015 - In re: 2013 Integrated Resource Planning (“IRP”) Process for Cleco Power Pursuant to General Order dated April 20, 2012 (2014).
31. LPSC U-32839 - In re: Application requesting: (i) Approvals Addressing Certain Implementation and Integration Issues Regarding Cleco Power LLC Joining the Midcontinent Independent System Operator, Inc. and (ii) Expedited Treatment (2014).
32. LPSC U-32779 - “In re: Application of Cleco Power LLC for: (i) Extension of Its Formula Rate Plan (FRP), First Authorized by LPSC Order No. U-30689, Issued October 28, 2010; and (ii) Consolidation of Docket No. U-32153 with this Docket (2014).
33. LPSC U-32766 - In re: Application for Certificate of Public Convenience and Necessity to (I) Authorization to Acquire the Coughlin Power Station from Cleco Evangeline LLC; (II) Authorization to Recover in its Jurisdictional Rates the Charges that Cleco Power LLC Incurs to Acquire, Own, and Operate the Coughlin Power Station; And (III) Expedited Treatment (2013).
34. LPSC U-32631 - In re: Application of Cleco Power LLC for: (i) public interest finding in favor of the transfer of functional control of certain transmission assets to the Midwest Independent Transmission System Operator, Inc. Regional Transmission Organization; (ii) an accounting order deferring costs related to Cleco Power LLC’s transition into the MISO RTO and permitting Cleco to collect such prudently-incurred, deferred costs from Cleco’s LPSC-jurisdictional customers upon Cleco’s integration into the MISO RTO; and (iii) expedited treatment (2013).
35. LPSC U-32598 - In re: Cleco Power LLC June 2012 Cost of Service and Formula Rate Plan Filing (2013).

36. LPSC U-32507 – In re: Application of Cleco Power LLC for: (i) Authorization to Install Emissions Control Equipment at certain of its Generating Facilities in order to comply with the Federal National Emissions Standards for Hazardous Air Pollutants from Coal and Oil-Fired Electric Utility Steam Generating Units Rule; and (ii) Authorization to Recover the Costs Associated with the Emissions Control Equipment in LPSC Jurisdictional Rates (2012).
37. LPSC U-32275 - In re: DEMCO Purchased Power Agreement with Cleco Power LLC (2012).
38. LPSC X-32236 - In re: Cleco Power LLC's Notice of Intent to Conduct its 2012 RFP for Long-Term Generating Power and/or Purchased Power Contract, Pursuant to the Commission's MBM Order (2012).
39. FERC ER1378-000 and ER1379-000 – Request to Revise Cleco Power's Open Access Transmission Tariff in Order to Implement Cost-Based Formula Rates for Network Integration Transmission Service, Point-to-Point Transmission Service, and Schedule 1 (Scheduling, System Control and Dispatch Service) Ancillary Services (2012).
40. LPSC U-32223 - In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for: (i) Authorization for Cleco Power LLC to enter into a Proposed Power Purchase Agreement with Cleco Evangeline LLC (ii) Authorization for Cleco Power LLC to Flow-Through in its Jurisdictional Rates, the Charges that it Pays under the Power Purchase Agreement; and (iii) Expedited Treatment under the LPSC's Streamlined Procedures for Limited Term Purchase Power Agreements (2012).
41. LPSC U-32155 - In re: Informational Filing Containing Draft Request for Proposals for Biomass Fuel Resources (2012).

42. LPSC U-32153 - In re: Application of Cleco Power LLC for: (i) Authorization to Install Emissions Control Equipment at certain of its Generating Facilities in Order to Comply with the Federal Cross-State Air Pollution Rule; (ii) Authorization to Recover the Costs Associated with the Emissions Control Equipment in LPSC-Jurisdictional Rates (2011).
43. LPSC U-32150 - In re: First Annual Review of the Federal Environmental Adjustment Clause Filings of Cleco Power LLC (2011).
44. LPSC U-32149 - In re: Cleco Power LLC's June 2011 Cost of Service and Formula Rate Plan Filing (2011).
45. LPSC U-32096 - In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for: (i) Authorization for Cleco Power LLC to enter into Proposed Power Purchase Agreements with Cleco Evangeline LLC and NRG Power Marketing, LLC; (ii) Authorization for Cleco Power LLC to Flow-Through in its Jurisdictional Rates, the Charges that it Pays under the Power Purchase Agreements; and (iii) Expedited Treatment under the LPSC's Streamlined Procedures for Limited Term Purchase Power Agreements (2011).
46. LPSC X-32091 - In re: Cleco Power LLC, Informational Filing, Containing Request for Proposals for Contractual Resources to Meet the Cross-State Air Pollution Rule beginning in May 2012 (2011).
47. LPSC U-31792 - In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for: (i) Authorization to Install Certain Biomass Fuel Conversion Equipment at its Madison Unit No. 3 (Madison 3) Generating Facility; (ii)

- Authorization to Test Burn Biomass Fuel in Madison 3; and (iii) Authorization to Install Biomass Fuel Conversion Equipment and Test Burn Biomass Fuel (2011).
48. LPSC U-31750 - In re: Cleco Power LLC, June 30, 2010 FRP pursuant to Docket No. U-30689 (2010).
 49. LPSC U-31393 - In re: Application for Certificate of Public Convenience and Necessity for: (i) Authorization to Install, Own and Operate Advanced Metering Infrastructure; (ii) Authorization to Recover in Jurisdictional Rates All Costs Reasonably and Prudently Incurred to Install, Own and Operate Advanced Metering Infrastructure; and (iii) Expedited Treatment (2010).
 50. LPSC U-31352 - In re: Petition for Declaratory Order Relating to Certain Claims within the Jurisdiction and Special Expertise of the Commission Raised in Class Action Lawsuit Filed by Opelousas Ratepayers against Cleco Power LLC (2010).
 51. LPSC U-31299 - In re: Application of Cleco Power, LLC for renewal of Cleco Power LLC's Blanket Financing Authorization, Approved by the Commission in Order No. U-28765-A (2010).
 52. LPSC U-31157 - In re: Application for Certificate of Public Convenience and Necessity for: (i) Authorization to Acquire Power Block One and an Undivided 50% Ownership Interest in the Common Facilities of the Acadia Power Station from Acadia Power Partners LLC; (ii) Authorization to Recover in its Jurisdictional Rates the Charges that Cleco Power LLC incurs to Acquire, Own, and Operate the Acadia Facility and; and (iii) Request for Expedited Treatment (2009).
 53. LPSC U-31123 - In re: Application for Certificate of Public Convenience and Necessity for: (i) Authorization to Enter into a Proposed Power Purchase Agreement between

Acadia Power Partners, LLC as seller and Cleco Power LLC as Buyer; (ii) Authorization to Recover in its Jurisdictional Rates the Charges that Cleco Power LLC pays under the Power Purchase Agreement; and (iii) Request for Expedited Treatment under the LPSC's Streamlined Certification Procedures for Limited Term Power Purchase Agreements (2009).

54. LPSC U-30975 - In re: Joint Application of Cleco Power LLC and Southwestern Electric Power Company for: (I) Authorization to Enter into a Proposed Agreement with North American Coal to Purchase the Permit, Leases, and Reserves Associated with the Oxbow Mine; (II) Authorization to Include the Permit, Leases, and Reserves in Jurisdictional Rate Base and Related Rate Making Treatments; and (III) Expedited Treatment (2009).
55. LPSC U-30958 - In re: Application of Cleco Power LLC for Certificate of Public convenience and Necessity for: (i) Authorization for Cleco Power LLC to Enter Into a Proposed Power Purchase Agreement with NRG Power Marketing LLC; (ii) Authorization for Cleco Power LLC to Recover in its Jurisdictional Rates the Charges that it Pays under the Power Purchase Agreement; and (iii) Expedited Treatment (2009).
56. LPSC U-30955 - In re: Fuel Adjustment Clause Audit for Cleco Power, LLC for Years 2003-2008 (2009).
57. LPSC U-30913 - In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for Authorization to Construct, Own and Operate a Blackstart Generating Unit at Existing Teche Power Station; and Expedited Treatment (2009).

58. LPSC U-30823 - In re: Investigation into the Prudence of Cleco Power, LLC's Preparation for, and Response to, Hurricanes Gustav and Ike (2008).
59. LPSC U-30689-A - In re: Application of Cleco Power, LLC for a Favorable Public Interest Determination for Transmission Upgrades in the Acadiana Load Pocket (2008).
60. LPSC U-30689 - In re: Application Of Cleco Power LLC For: (1) Implementation Of Changes in Rates and Formula Rate Plan To Be Effective Upon The Commercial Operation Date Of Rodemacher Power Station Unit No. 3 (RPS-3); (2) Favorable Public Interest Determination For Transmission Upgrades In The Acadiana Load Pocket; And (3) Renewal Of Transaction Guidelines Applicable To Certain Economy Power Purchases From Acadia Power Partners LLC (2008).
61. LPSC S-30587 - In re: Application for Approval of Interconnection Agreement for Qualifying Cogeneration Facility Between Weyerhaeuser Company, as Interconnection Customer, and Cleco Power LLC, as Interconnection Provider, dated as of March 14, 2008; and Request for Expedited Treatment (2008).
62. LPSC U-30334 - In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for (i) Authorization for Cleco Power LLC to Enter Proposed Power Purchase Agreements with NRG Power Marketing Inc. and Union Power Partners, L.P.; (ii) Authorization for Cleco Power LLC to Flow-through, in its Jurisdictional Rates, the Charges that it Pays under the Power Purchase Agreements; and (iii) Expedited Treatment (2007).

63. LPSC U-29797 - In re: Joint Application of Cleco Power LLC and Southwestern Electric Power Company for Amendment of Order No. U-21453, U-20925 (SC) (Subdocket G) (Approving Dolet Hills Term Sheet), issued May 31, 2001 (2006).
64. LPSC U-29784 - In re: Request for a Letter of Non-Opposition Authorizing the Agreement for Purchased Power from a Qualified Cogeneration Facility between Columbian Chemicals Company, as Seller, and Cleco Power LLC, as Purchaser (2006).
65. LPSC U-29599 - In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for (i) Authorization to Enter a Proposed Power Purchase Agreements with ConocoPhillips Company and NRG Power Marketing Inc.; (ii) Authorization for Cleco Power LLC to Flow-Through, in its Jurisdictional Rates, the Charges that it Pays under the Power Purchase Agreements; and (iii) Expedited Treatment (2006).
66. LPSC U-29526 - In re: Letter Application of Cleco Power LLC for Limited Exemption from the Lower of Cost or Market Pricing and Competitive Bidding Rules for Affiliate Transactions, in Connection with Purchases of Economy and Emergency Power from Acadia Power Station (2006).
67. LPSC U-29174 - In re: Prudency Inquiry of Cleco Power LLC's, Resource Planning, Resource Procurement Practices, and Incurred Fuel Costs for the Period of January 2005 through October 2005 (2005).
68. LPSC U-29157 - In re: Application of Cleco Power LLC for Recovery in Rates of Amortization of Storm Damage Costs incurred as a Result of Hurricanes Katrina and Rita effective January 1, 2006 (2005).

69. LPSC S-28529 - In re: Cleco Power LLC Request for a Letter of Non-Opposition for Cleco to Borrow an Additional \$150 Million of Long Term Debt and execute an Unsecured, Intermediate Term Revolving Credit Agreement and to Borrow up to \$125 Million (2005).
70. LPSC U-28765 - In re: Application of Cleco Power LLC for Approval of the Construction of the Rodemacher Unit 3 (2005).
71. LPSC U-28388 - In re: Application for authorization of a proposed Agreement for Purchased Power with North Bend Cogen LLC (2004).
72. LPSC U-27980 - In re: Verified application for Certificate of Public Convenience and Necessity for (i) Authorization to enter a proposed Power Purchase Agreement with Calpine Energy Services, LP, (ii) Authorization for Cleco Power LLC to Flow-Through, in its Jurisdictional Rates, the Charges that it Pays under the Power Purchase Agreement, (iii) Expedited Treatment) (2004).
73. LPSC. U-27867 - In re: Power Purchase Agreement between Enterprise Gas Processing, LLC and Cleco Power (2004).
74. LPSC U-26994. - In re: An Investigation into the Electricity Trading, Affiliate Transactions, and Fuel Adjustment Clause Practices of Cleco Power LLC and its Affiliates Pursuant to the Commission's General Order Dated October 25, 1993 (The Fuel Audit) (2002).
75. LPSC U-25166, U-25166(A), U-25166(B), U-25166(C) - In re: Requesting the Commission to Further Amend its Order Grant Authority to Cleco Power, LLC to (a) Issue and Sell through Agents, to Agents as Principals, or to Investors, an Additional

\$150 Million in Long-Term Debt, resulting in (b) no more than \$350 Million Outstanding at any One Time (2000 – 2003)

76. LPSC U-24064 – In re: Red Simpson, Inc. et. al. vs. Cleco Corporation In re: Complaint against Cleco Corporation arising out of Prohibited Subsidization of a Non-Regulated Affiliate, Cleco Services, LLC (1999).
77. LPSC U-23969 – In re: Request approval of rate change pursuant to U-21497 in Order to Realign Certain Fuel Costs from Fuel Cost Adjustment Clause Recovery to Base Rate Recovery (1998)
78. LPSC U-21496, U-21496(A), U-21496(B), U-21496(C), U-21496(D), U-21496(E), U-21496(F), U-21496(G) and U-21496(H): - In re: An Investigation of Central Louisiana Electric Company's Rates Services Rendered, and Operations (Cleco's Base Rate Case and Resulting Rate Stabilization Plan, and Subsequent Annual Reviews). (1996 - 2009)
79. LPSC U-21128(A) - In re: Joint Special Filing by Cleco and Teche requesting appropriate treatment of unrefunded amounts of patronage capital pursuant to Rule 3 of the Rules of Practice and Procedure of the LPSC (2001).
80. FERC ER90-39-002 – Request to Increase Cleco Wheeling Rates (1990)
81. FERC ER88-433-000 – Request to Increase Cleco Full Requirements Wholesale Rates (1988)
82. FERC ER88-433-000 – Request to Increase Cleco Full Requirements Wholesale Rates (1988)
83. GPSC 3584-U – Application for Change of Fuel Cost Rate of Savannah Electric and Power Company (1986)

84. GPSC 3523-U – Application for Increase of Base Rates and Charges of Savannah Electric and Power Company (1985)
85. GPSC 3479-U - Application for Change of Fuel Cost Rate of Savannah Electric and Power Company (1984)
86. GPSC 3407-U - Application for Change of Fuel Cost Rate of Savannah Electric and Power Company (1983)
87. GPSC 3381-U - Application for Change of Fuel Cost Rate of Savannah Electric and Power Company (1983)
88. GPSC 3360-U – Application for Increase of Base Rates and Charges of Savannah Electric and Power Company (1982)