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MAR 13 2024

LA Public Service Commission

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March 13, 2024

**BY HAND DELIVERY**

Ms. Terri Bordelon

Louisiana Public Service Commission

Post Office Box 91154

Baton Rouge, La 70821-9154

*Docket No. S-\_\_\_\_\_ — 1803 Electric Cooperative, Inc., Beauregard Electric Cooperative, Inc., Claiborne Electric Cooperative, Inc., Northeast Louisiana Power Cooperative, Inc., South Louisiana Electric Cooperative Association, and Washington-St. Tammany Electric Cooperative, Inc., Ex Parte*

*In re: Petition for Approval of Asset Transfer by 1803 Member Cooperatives to 1803 and Operation of Transmission Facilities by 1803.*

Dear Ms. Bordelon:

Attached please find the Petition for Approval of Asset Transfer by 1803 Member Cooperatives to 1803 and Operation of Transmission Facilities by 1803 being filed on behalf of Petitioners, 1803 Electric Cooperative, Inc., Beauregard Electric Cooperative, Inc., Claiborne Electric Cooperative, Inc., Northeast Louisiana Power Cooperative, Inc., South Louisiana Electric Cooperative Association, and Washington-St. Tammany Electric Cooperative, Inc. The Petition includes the following attachments:

1. Exhibit A – 18 Point Analysis
2. Direct Testimony of Mr. Brian W. Hobbs, with the following Exhibit:
  - i. BWH-1 - *Confidential* - Amendments to the Wholesale Power Contracts between 1803 and the 1803 Cooperatives submitted *in globo* and designated as Highly Sensitive Protected Materials (“HSPM”)

ROUTE TO Bul <sup>15 days</sup> ROUTE FROM \_\_\_\_\_  
DEPT. Bul DATE 3/13 DEPT. \_\_\_\_\_  
DEPT. \_\_\_\_\_ DATE \_\_\_\_\_ DEPT. \_\_\_\_\_

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Ms. Teri Bordelon  
1803/1803 Cooperative Petition  
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3. Direct Testimony of Mr. Ronald Repsher, with the following Exhibits:
  - i. RR-1. Asset List with Redacted Values (*Public* Version)
  - ii. RR-2. Asset List with Values Included (*Confidential* Version)

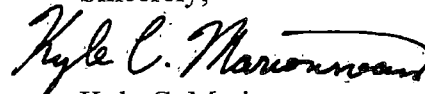
4. Direct Testimony of Mr. Dane Hocott

Please note that the documents labeled HSPM and/or Confidential are considered confidential information and are being submitted confidentially under seal pursuant to Rule 12.1 of the Rules of Practice and Procedure of the Commission. Placeholder pages are included with the filing for the two (2) confidential exhibits, with the confidential exhibits being submitted separately under seal.

Please note that Petitioners are requesting that the period for interventions and protests to this Application be shortened to fifteen (15) days, as further detailed in the Petition. Please also see the attached requested additions to the Official Service List in this docket.

Should you have any questions or need anything further from us, please contact me. Thank you and kindest regards.

Sincerely,



Kyle C. Marionneaux

Enclosures: as stated

cc: Commissioner Skrmetta ([psc-dist1@la.gov](mailto:psc-dist1@la.gov))  
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**OFFICIAL SERVICE LIST REQUEST**

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**South Louisiana Electric Cooperative Association**

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**LOUISIANA PUBLIC SERVICE COMMISSION  
ADMINISTRATIVE HEARING DIVISION**

**DOCKET NO. S-\_\_\_\_\_**

**1803 ELECTRIC COOPERATIVE, INC.,  
BEAUREGARD ELECTRIC COOPERATIVE, INC.,  
CLAIBORNE ELECTRIC COOPERATIVE, INC.,  
NORTHEAST LOUISIANA POWER COOPERATIVE, INC.,  
SOUTH LOUISIANA ELECTRIC COOPERATIVE ASSOC., AND  
WASHINGTON-ST. TAMMANY ELECTRIC COOPERATIVE, INC.**

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***In Re: Petition for Approval of Asset Transfer by 1803 Member Cooperatives to 1803 and  
Operation of Transmission Facilities by 1803.***

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**PETITION FOR APPROVAL OF ASSET TRANSFER**

**NOW BEFORE THIS COMMISSION**, through undersigned counsel, come Applicants, 1803 Electric Cooperative, Inc. (“1803”), Beauregard Electric Cooperative, Inc. (“BECi”), Claiborne Electric Cooperative, Inc. (“Claiborne”), Northeast Louisiana Power Cooperative, Inc. (“NELPCO”), South Louisiana Electric Cooperative Association (“SLECA”), and Washington-St. Tammany Electric Cooperative, Inc. (“WST”) (with BECi, Claiborne, NELPCO, SLECA, and WST referred to collectively herein as the “1803 Cooperatives”), who submit this Petition for Approval of Asset Transfer (the “Transaction”), with 18-Point Analysis in conformity with the Louisiana Public Service Commission’s (the “Commission” or LPSC”) General Order of March 18, 1994, and supporting testimony, as follows:

1.

1803 was incorporated on April 1, 2019 as a Louisiana electric cooperative organized pursuant to La. R.S. 12:401 *et seq.*, and is comprised of and governed by the LPSC-regulated 1803 Cooperatives. 1803 was established as a wholesale generation and transmission cooperative (commonly called a “G&T” cooperative in the rural electric cooperative industry as compared to a distribution cooperative serving retail end-use member consumers) regulated as a public utility by the LPSC, as provided in LPSC Order No. S-35709 issued on July 2, 2021. 1803 was

established to, among other things, provide economies of scale to its member cooperatives through a consolidation of services, costs, and staffing in order to increase efficiencies and provide savings for the ultimate benefit of the member-consumers of the 1803 Cooperatives. 1803's initial power supply portfolio was approved by the Commission in LPSC Order No. U-35927, dated January 28, 2022. The relationship between 1803 and the 1803 Cooperatives is governed by a Wholesale Power Contract between 1803 and each of the 1803 Cooperatives, whereby, beginning in 2025, 1803 shall **sell and deliver** (emphasis added) to the 1803 Cooperatives, and the 1803 Cooperatives shall purchase and receive from 1803, all electric power and energy required by the 1803 Cooperatives. The Wholesale Power Contracts, along with 1803's Wholesale Rate Tariff, were approved by the LPSC in LPSC Order No. U-36268, dated August 9, 2022.

2.

1803 will begin providing wholesale power to the 1803 Cooperatives in 2025, with its provision of wholesale power to NELPCO beginning January 1, 2025, and the remaining four 1803 Cooperatives on April 1, 2025. In those same timeframes, at the conclusion of the 1803 Cooperatives' current wholesale power contracts (Power Supply and Service Agreements ("PSSAs")) with Louisiana Generating LLC ("LaGen"),<sup>1</sup> certain high voltage delivery assets and facilities will, in accordance with the PSSAs, transfer in ownership and management from LaGen to the 1803 Cooperatives. Additionally, the 1803 Cooperatives own assets for which (i.) they are responsible for maintenance, operation, and compliance, or (ii.) they are paying third parties to operate, maintain, and perform compliance services. In furtherance of the goal to consolidate these functions to optimize economies of scale and cost, the 1803 Cooperatives have determined that a conveyance of those assets to 1803 is likewise in their best interest and the best interest of their

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<sup>1</sup> Louisiana Generating LLC is a limited liability company domiciled in Wilmington, Delaware, understood by 1803 and the 1803 Cooperatives to be a subsidiary of Cleco Cajun LLC.

respective member-consumers. Collectively, these assets and facilities may include, without limitation, the high side of substations, delivery points, meter points, certain electric lines, meters and equipment associated with meters, and such similar assets (collectively the “Assets”).

3.

The boards of directors of each of the 1803 Cooperatives have determined that the interests of their member-consumers would be best served by transferring the ownership, operation, maintenance, compliance, and overall management of the Assets to 1803, with an agreement that the respective Assets shall revert to each 1803 Cooperative, including, without limitation, the real estate and any applicable remaining debt, upon the termination or conclusion of each 1803 Cooperative’s membership in, and Wholesale Power Contract with, 1803.

4.

1803’s management team is prepared to own, operate, and manage the Assets so that safe, reliable, and adequate service will be provided to the 1803 Cooperatives’ member-consumers. In particular, Chief Executive Officer Brian Hobbs and Chief Operating Officer Ron Repsher have significant experience with other G&T cooperatives that own, operate, maintain, perform compliance activities, and manage substation and transmission assets on behalf of and for the benefit of their respective distribution cooperative members and their end-use member-consumers. Messrs. Hobbs and Repsher each are familiar with available options for operating and managing such Assets and for consulting and contract services regarding the same. 1803 is prepared to own, operate, and manage the Assets, to provide for maintenance, restoration, and upgrades, reliability compliance, MISO interactions and planning, and provide for the 24-hour operation of the same, so that safe, reliable, and adequate service will be provided to the 1803 Cooperatives’ member-consumers at the lowest reasonable cost.

5.

To give effect to this Transaction, 1803 and the 1803 Cooperatives have prepared and entered into Amendments to the Wholesale Power Contract between them, with the Amendments being substantively identical as between 1803 and each 1803 Cooperative. This Second Amendment to Wholesale Power Contract (“Amendment”) between 1803 and each 1803 Cooperative has been entered into, subject to Commission approval, and the Amendments are attached *in globo* to testimony herein as identified below.

6.

1803 and the 1803 Cooperatives seek approval of this proposed Transaction pursuant to the Commission’s General Order dated March 18, 1994, *In re: Commission Approval Required of Sales, Leases, Mergers, Consolidations, Stock Transfers, and All Other Changes of Ownership or Control of Public Utilities Subject to Commission Jurisdiction*. As is detailed in the 18-point analysis attached as Exhibit A, 1803 and the 1803 Cooperatives shall meet their burden of satisfying the requirements of this General Order.

7.

With this Application, 1803 and the 1803 Cooperatives submit the Direct Testimonies of Brian W. Hobbs, Ron Repsher, and Dane Hocott which testimonies are incorporated into this Application, with exhibits as identified, along with the purpose of each witness’ Direct Testimony, as follows:

- **Brian W. Hobbs** – Mr. Hobbs is the Chief Executive Officer of 1803. In his testimony, Mr. Hobbs discusses his related experience and the specifics and benefits of the anticipated Transaction. The Amendments to the Wholesale Power Contracts between 1803 and the 1803 Cooperatives are attached to Mr. Hobbs’ Direct Testimony *in globo* and designated as Highly Sensitive Protected Materials (“HSPM”) as HSPM Exhibit BWH-1.
- **Ronald Repsher** – Mr. Repsher is the Chief Operating Officer of 1803. In his testimony, Mr. Repsher discusses his related experience and discussion of the Transaction, the Assets, and the role of 1803 as the G&T. The Asset List is attached to Mr. Repsher’s Direct



Testimony with Redacted Values (Public Version) as Exhibit RR-1 and Confidentially with Values Included as Exhibit RR-2 (Confidential Version). The Asset List is provided to the best knowledge of 1803 and the 1803 Cooperatives at the time of this filing and may need to be supplemented as further assets are identified and as further information becomes known.

- **Dane Hocott** – Mr. Hocott is the General Manager/CEO of Washington-St. Tammany Electric Cooperative, Inc., one of the 1803 Cooperatives, and a board member of 1803. In his testimony, Mr. Hocott discusses his experiences with distribution cooperatives both as an independent cooperative and as member of a generation and transmission cooperative, the services provided by a G&T cooperative to its member cooperatives, and the representative benefits of this Asset transfer to Washington-St. Tammany and its end-use member-consumers.

8.

The acquisition price for the Assets will be revenue neutral in the sense that 1803 will acquire the Assets in the following described manner. For the Assets that come from LaGen, 1803 will acquire the Assets at the same cost at which each of the 1803 Cooperatives would or will acquire the Assets from LaGen, regardless of whether the Assets are directly acquired by 1803 from LaGen, which is the preference of 1803 and the 1803 Cooperatives, or if the Assets are transferred from LaGen to the 1803 Cooperatives who then in turn convey the Assets to 1803. For the Assets that the 1803 Cooperatives own today and will transfer to 1803, the cost will generally be at net book value at the time of the Transaction.

**REQUEST FOR TIMELY TREATMENT**

9.

Time is of the essence in beginning this proceeding and moving it to its completion in an expedited and efficient manner to complete this transition before 1803 begins to provide wholesale power to the 1803 Cooperatives. 1803 anticipates further filings related to these issues including, without limitation, a letter of non-opposition for financing of these transactions and adjustments to 1803's wholesale tariffs for the same. In furtherance of the goal of achieving timely consideration, 1803 requests that the period for interventions and protests to this Application be

shortened to fifteen (15) days and that a scheduling conference be held the week of, or the week following, the close of the intervention period. 1803 further requests that an appropriate Procedural Schedule be established to allow for expedited treatment.

### **SERVICE AND NOTICES OF PLEADINGS**

10.

1803 requests that all notices, pleadings, correspondence, and other communications in this docket should be directed to:

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Kara B. Kantrow  
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For the 1803 Cooperatives, please see the signature pages that follow for the identity of each representative and their contact information. 1803 and the 1803 Cooperatives request that the above and following persons be placed on the Official Service List for this proceeding.

### **REQUEST FOR CONFIDENTIAL TREATMENT**

11.

Portions of the supporting Direct Testimony and Exhibits contain information considered by 1803 and the 1803 Cooperatives to be proprietary and confidential. Disclosure of certain information would present an unreasonable risk of harm to 1803 and the 1803 Cooperatives. Therefore, in the light of the sensitive nature of such information, 1803 has submitted two versions of the Application and the Direct Testimonies, with exhibits, one marked "Public Version" and the other marked "Highly Sensitive Protected Material" ("HSPM"). Although the confidential

information and documents included with the Application may be reviewed by appropriate representatives of LPSC Staff and intervenors pursuant to the terms and conditions of a suitable confidentiality agreement once such an agreement has been executed, this confidential information also is being provided, and shall be exempt from public disclosure, pursuant to LPSC General Order dated August 31, 1992 and Rule 12.1 of the LPSC's Rules of Practice and Procedure.

### **PRAYER FOR RELIEF**

**WHEREFORE**, applicant, 1803 Electric Cooperative, Inc. and the 1803 Cooperatives pray, for the reasons set forth above and in the Direct Testimonies of the witnesses accompanying this Application, with exhibits, that the LPSC grant the following relief and issue such order(s), as follows:

- 1) Approving the proposed Transaction between 1803 and the 1803 Cooperatives pursuant to the Commission's General Order dated March 18, 1994, *In re: Commission Approval Required of Sales, Leases, Mergers, Consolidations, Stock Transfers, and All Other Changes of Ownership or Control of Public Utilities Subject to Commission Jurisdiction* as meeting the burden of the 18-point analysis provided for therein, as well as any other applicable statute or LPSC order or regulation, finding this Transaction to be in the public interest;
- 2) Approving the Second Amendment to Wholesale Power Contract between 1803 and each 1803 Cooperative;
- 3) Finding that 1803 has complied with the LPSC's general orders and requirements related to the requests made herein;
- 4) Declaring that all costs associated with this transaction be deemed eligible for rate recovery by 1803 subject to 1803's affirmative obligation to prudently manage the transaction and assets for the benefit of the 1803 Cooperatives and their members;
- 5) Finding, as provided in the LPSC's General Order dated August 31, 1992, that the confidential direct testimony, exhibits, and other materials referenced in the Application shall be exempt from public disclosure pursuant to such General Order and Rule 12.1 of the LPSC's Rules of Practice and Procedure;
- 6) Directing that the period for interventions and protests be shortened to fifteen (15) days and that, to the extent practical, a scheduling conference be held the week of, or the week following, the close of the intervention period;

- 7) Developing and implementing a procedural schedule as considered appropriate for timely and expedited treatment; and
- 8) Ordering such other general and equitable relief as to which 1803 may show itself so entitled.

Respectfully submitted,

**MARIONNEAUX KANTROW, LLC**



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***Counsel for Applicant, 1803 Electric Cooperative, Inc.***

[Additional signatures on the following pages]

**Respectfully submitted,**

**LESTAGE AND ANDREWS LLC**

A handwritten signature in black ink, appearing to read 'Charlie Lestage', written over a horizontal line.

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*Counsel for Beauregard Electric Cooperative, Inc.*

**Respectfully submitted,**

**KITCHENS LAW FIRM, APLC**



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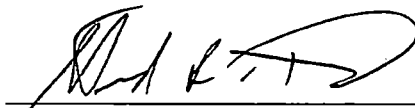
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Counsel for Northeast Louisiana Electric Cooperative, Inc.

[Additional signatures on following page]

**Respectfully submitted:**

**DUVAL, FUNDERBURK, SUNDBERY,  
RICHARD & WATKINS, APLC**



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Respectfully Submitted:

BY: Charles Hughes / w/permission  
KCM

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