

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER S-37599

SOUTH LOUISIANA ELECTRIC COOPERATIVE ASSOCIATION, EX PARTE.

Docket No. S-37599, In re: Request for Letter of Non-Opposition for approval to enter into loan agreement.

(Decided at the October 23, 2025 Business and Executive Session.)

ORDER

Overview

On June 6, 2025, South Louisiana Electric Cooperative Association (“SLECA” or the “Cooperative”) filed the above-captioned request (“Request”) pursuant to Louisiana Public Service Commission (“LPSC” or the “Commission”) General Order dated November 12, 1996. The Request was sought the Commission’s authorization for SLECA to enter into a loan agreement with the National Rural Utilities Cooperative Finance Corporation (“CFC”). Funds will be utilized to repay the full balance of SLECA’s current working line of credit which would free up access to capital for current operational needs. The Request was published in the Official Commission Bulletin #1351 dated June 6, 2025 with a fifteen (15) day intervention period. No interventions were received during, or subsequent to, the intervention period.

Cooperative’s Request

SLECA was seeking to enter into a Loan Agreement line of credit with CFC with an aggregate commitment of \$6,000,000.00 in order to clear out the current total of its working line of credit. SLECA intends to take the full amount from CFC in a single draw and has indicated that the clearing of the working line of credit would allow the Cooperative to better meet its current debt obligations while allowing for a better utilization of its operating line of credit. SLECA expects the interest rate to be consistent with CFC long term rates, which were approximately 5.55%-6.95% at the time of filing of the Request and dependent upon fixed or variable rate options. SLECA indicated in the Request that they expect to utilize a variable rate that provides the most favorable option if the Request is approved. The draft loan agreement indicated the Cooperative could extend repayment up to 40 years after the date of execution of the Loan Agreement.

In support of its Request, SLECA submitted a draft Loan Agreement with CFC and an 18 Point Analysis in accordance with LPSC General Order Dated March 18, 1994.

Commission Authority

The Commission exercises regulatory jurisdiction over all utility companies pursuant to Article 4, Section 21, of the Louisiana Constitution and applicable Commission Orders adopted pursuant to that authority.

La Const. Art. IV, Sec. 21 provides in pertinent part:

The Commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations, and procedures necessary for the discharge of its duties, and perform other duties provided by law.

General Order dated November 13, 1996:

Approval of this transaction is specifically required pursuant to the Commission's General Order dated November 13, 1996. In particular, the General Order states Item Number 1, No public utility shall issue any security or assume any obligation or liability as guarantor, endorser, surety, or otherwise in respect of any security of any other public utility, or of any other person, until it has been authorized to do so by Order of this Commission.

Staff Recommendation

Based on the foregoing, Staff concurred that the transaction is in the public interest and will have no immediate adverse effects on SLECA members. SLECA members would not see an immediate rate impact and would only likely see any rate impacts only if they were unable to maintain the existing debt service requirements of the FRP tariff. Staff recommended that the Commission express its non-opposition to the Request subject to the following conditions:

1. The Cooperative file into the record of this proceeding a copy of the signed loan agreement, outlining the final terms and conditions, within thirty (30) days of the loan closing date for each draw.
2. Should the loan agreement be modified in any way, prior to issuance of funds, the newly revised agreement shall be filed into the record of this proceeding no later than fifteen (15) days after such modification.
3. If the signed loan documents have not been filed within ninety (90) days of the date of an Order in this proceeding, the Cooperative must file a status update into the record on or before ninety (90) days from the date of an Order. The Commission reserves its right to rescind its non-opposition if the loan documents are not filed within ninety (90) days of the date of an Order in this proceeding.

4. This non-opposition is granted without prejudice to the authority of the Commission to make investigations and require any reasonably necessary change that the Commission may legally find to be in the public interest.

Commission Consideration

This matter was considered at the Commission's October 23, 2025, Business and Executive Session. On motion of Chairman Francis, seconded by Commissioner Lewis, with Vice Chairman Skrmetta and Commissioner Campbell concurring, and Commissioner Coussan temporarily absent, the Commission voted to accept the Staff Report and Recommendation filed into the record on September 30, 2025.

IT IS THEREFORE ORDERED THAT:

1. The Commission expressed its non-opposition to the Request, subject to conditions contained in Staff's Report filed September 30, 2025.
2. The Cooperative file into the record of this proceeding a copy of the signed loan agreement, outlining the final terms and conditions, within thirty (30) days of the loan closing date for each draw.
3. Should the loan agreement be modified in any way, prior to issuance of funds, the newly revised agreement shall be filed into the record of this proceeding no later than fifteen (15) days after such modification.

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4. If the signed loan documents have not been filed within ninety (90) days of the date of an Order in this proceeding, the Cooperative must file a status update into the record on or before ninety (90) days from the date of an Order. The Commission reserves its right to rescind its non-opposition if the loan documents are not filed within ninety (90) days of the date of an Order in this proceeding.
5. This non-opposition is granted without prejudice to the authority of the Commission to make investigations and require any reasonably necessary change that the Commission may legally find to be in the public interest.

This Order is effective immediately.

**BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
November 12, 2025**



A handwritten signature in blue ink, appearing to read "Brandon M. Frey".

**BRANDON M. FREY
SECRETARY**

A handwritten signature in blue ink, appearing to read "Mike Francis".

**DISTRICT IV
CHAIRMAN MIKE FRANCIS**A handwritten signature in blue ink, appearing to read "Eric F. Skrmetta".

**DISTRICT I
VICE CHAIRMAN ERIC F. SKRMETTA**A handwritten signature in blue ink, appearing to read "Foster L. Campbell".

**DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL**A handwritten signature in blue ink, appearing to read "Davante Lewis".

**DISTRICT III
COMMISSIONER DAVANTE LEWIS**

ABSENT

**DISTRICT II
COMMISSIONER JEAN-PAUL P. COUSSAN**