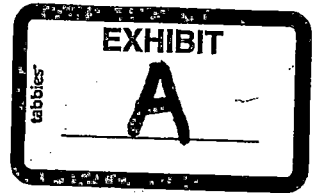


U-35807
12-4-2020

ATTACHMENTS

- Exhibit A – Special Order 61-2020
- Exhibit B – Minutes of the Commission's November 13, 2020 B&E Session
- Exhibit C – Credit Metrics and Financing Assumptions with and without Storm Damage Recovery
- Exhibit D – Storm Restoration Costs
- Exhibit E – Storm Restoration Cost Revenue Requirements
- Exhibit F – 2020 Monthly Customer Class Surcharge Factors for Storm Damage Recovery
- Exhibit G – Direct Testimony by Affidavit of J. Robert Cleghorn



LOUISIANA PUBLIC SERVICE COMMISSION

SPECIAL ORDER NO. 61-2020

LOUISIANA PUBLIC SERVICE COMMISSION EX PARTE

Undocketed, In re: Discussion and Possible Vote to Authorize Jurisdictional Electric Utilities to Establish, as Needed, a Regulatory Asset, for Accounting Purposes Only, for Costs Associated with Hurricane Laura.

(Decided at the Commission's Business and Executive Session held September 16, 2020.)

I. OVERVIEW

This matter was placed on the September 16, 2020 Business and Executive Session Agenda at the request of Chairman Francis. Chairman Francis' motion was read into the record as follows:

Hurricane Laura made landfall in Southwestern Louisiana on August 27, 2020 as a Category 4 storm with sustained winds of approximately 150 miles per hour with higher gusts. Hurricane Laura became the strongest hurricane to strike Louisiana in over 150 years resulting in unprecedented damage to the electrical grid of the LPSC-jurisdictional utilities. The hurricane destroyed more than 3,000 transmission towers and 12,000 distribution poles which resulted in a peak of over 614,000 customers losing electric service. As part of the extraordinary effort to promptly respond and restore service, Commission-jurisdictional utilities employed over 22,000 linemen and other assets from 29 other states to expedite restoration of service for Louisiana customers. In order to facilitate efforts to restore and maintain service after the extraordinary damage resulting from Hurricane Laura, I move to authorize Commission-jurisdictional utilities to establish, on an as needed basis, a regulatory asset to track and defer such expenses associated with Hurricane Laura. This regulatory asset may be used for accounting purposes only and does not guarantee future recovery. Any future recovery will be subject to Commission review, whether through a securitization docket or any other docket the Commission deems necessary. Further, any future recovery would be subject to any credits for dollars collected or paid/received by other entities.

II. COMMISSION JURISDICTION AND AUTHORITY

The jurisdiction of the Commission is set forth by the Louisiana Constitution Article IV, Section 21, which provides:

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 shall have other powers and perform other duties as provided by law.

III. CONCLUSION

This matter was considered at the September 16, 2020 Business and Executive Session. Chairman Francis' motion was seconded by Commissioner Skrmetta and unanimously adopted.

IT IS SO ORDERED.

This Order is effective immediately.

**BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
October 16, 2020**

/S/ MIKE FRANCIS
DISTRICT IV
CHAIRMAN MIKE FRANCIS

/S/ CRAIG GREENE
DISTRICT II
VICE CHAIRMAN CRAIG GREENE

/S/ FOSTER L. CAMPBELL
DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL

/S/ LAMBERT C. BOISSIERE, III
DISTRICT III
COMMISSIONER LAMBERT C. BOISSIERE, III

/S/ ERIC F. SKRMETTA
DISTRICT I
COMMISSIONER ERIC F. SKRMETTA



BRANDON M. FREY
SECRETARY

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM NOVEMBER 13, 2020
OPEN SESSION



MINUTES OF THE NOVEMBER 13, 2020 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN MIKE FRANCIS, VICE CHAIRMAN CRAIG GREENE, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER LAMBERT BOISSIERE, COMMISSIONER ERIC SKRMETTA AND EXECUTIVE SECRETARY BRANDON FREY.

Open Session of November 13, 2020, convening at 9:25 a.m., and adjourning at 10:34 a.m., the Galvez Building, 602 North 5th Street, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Brandon Frey.

Ex. 1	<p>Chairman Francis congratulated Commissioner Campbell on his recent re-election as Commissioner. Chairman Francis announced that Commissioner Skrmetta is in the December 3, 2020 election runoff.</p> <p>Commissioner Boissiere congratulated his Technical Assistant, Jared Reese on his recent marriage.</p> <p>Deputy General Counsel Melissa Frey introduced the Legal Division's new Administrative Assistant, Kathy Briggs.</p>
Ex. 2	<p>T-35575 – Louisiana Public Service Commission vs. Davis Elite Energy Services, LLC (Kilgore, Texas). In re: Alleged violation of La. R.S. 45:161 through 180.1, by operating Intrastate without LPSC authority to transport saltwater utilized in oil well exploration and production on three hundred twenty-four (324) counts; allegedly occurring on or about April 30, 2019 through May 31, 2019.</p> <p>In re: Discussion and possible vote pursuant to Rule 57 on Affidavit and Stipulation executed by the Carrier.</p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Greene, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Greene, and unanimously adopted, the Commission voted to accept the Affidavit and Stipulation executed on October 2, 2020.</p>
Ex. 3	<p>S-35631 – Dixie Electric Membership Corporation, ex parte. In re: Request for Letter of Non-Opposition to Loan with Federal Financing Bank and Related Mortgage.</p> <p>In re: Discussion and possible vote on Staff Report and Recommendation.</p> <p>On motion of Vice Chairman Greene, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept Staff's Report and Recommendation filed into the record on November 4, 2020 with one additional condition that within 15 days after the loan funds advanced for each loan drawdown, the Cooperative shall file into the record of this proceeding notice of the interest rate applicable to the loan drawdown and whether the interest rate applicable to the loan drawdown is fixed or variable.</p>
Ex. 4	<p>S-35710 – Beauregard Electric Cooperative, Inc., ex parte. In re: Petition for Approval of Letter of</p>

	<p>Non-Opposition to Borrow Funds from National Rural Utilities Cooperative Finance Corporation.</p> <p>In re: Discussion and possible vote on Staff Report and Recommendation.</p> <p>On motion of Vice Chairman Greene, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept Staff's Report and Recommendation filed into the record on November 4, 2020, with one additional condition that within 15 days after the loan funds advanced for each loan drawdown, the Cooperative shall file into the record of this proceeding notice of the interest rate applicable to the loan drawdown and whether the interest rate applicable to the loan drawdown is fixed or variable.</p>
Ex. 5	<p>U-35427 – Louisiana Public Service Commission, ex parte. In re: Notice of Audit of Energy Efficiency Rate Rider of Cleco Power LLC for the Energy Efficiency Quick Start Program for the Years Ending October 31, 2017 and October 31, 2018.</p> <p>In re: Discussion and possible vote on Joint Report and Draft Order.</p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Greene, and unanimously adopted, the Commission voted to adopt the proposed Draft Order filed into the record on October 21, 2020.</p>
Ex. 6	<p>X-35643 – Entergy Louisiana, LLC, ex parte. In re: Report on Assessment of the Economic Viability of Entergy Louisiana, LLC's Legacy Gas Generation.</p> <p>In re: Discussion and possible vote to hire Outside Consultant.</p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Greene, and unanimously adopted, the Commission voted to retain Davis Energy Advisors for a budget of up to \$25,400 in fees and zero in expenses for a total not to exceed budget of \$25,400.</p>
Ex. 7	<p>1) <u>Reports</u></p> <p>Staff status report on Robocalls.</p> <p>Executive Secretary Frey informed the Commission the federal protocol rules that were implemented are working, as he's noticed a huge reduction in the amount of spam calls he has received. He did note that spam texts seem to be taking over, which are not covered by the new rules. Executive Secretary Frey indicated, Staff Attorney Barlow Holley will research the scope of the rules and provide an update at a future B&E.</p> <p>Staff report regarding recipients of Paycheck Protection Program funding.</p> <p>Pursuant to Vice Chairman Greene's directive at the Commission's September 16, 2020 Business and Executive Session, Staff offered a report regarding certain regulated utilities' utilization of the Paycheck Protection Program ("PPP").</p> <p>The report was provided by Staff Auditor, Thomas Broady, who informed the Commission that all the companies who received PPP funds indicated they believe 100% of the funds received will be eligible for forgiveness through the SBA PPP. Staff stated that the time lines for forgiveness relative to each company vary, but there is a designated procedure for the lender to submit for loan forgiveness and for SBA to approve or deny. In response to Staff's inquiries, the companies indicated the funds were mostly used to pay for payroll expenses and employee benefit expenses such as insurance and pensions, which are expenses typically recovered from ratepayers through</p>

	<p>tariffed rates. Staff did not recommend any specific action at this time; however, Staff intends to monitor the progression of the loan forgiveness process and keep the Commission informed of any necessary next steps. Staff anticipates that it will report back in six months with updated information.</p> <p>2) <u>Resolutions</u></p> <p>3) <u>Discussions</u></p> <p>4) <u>ERSC/OMS/SPP</u></p> <p>5) <u>Directives</u></p> <p><u>Directive to open an investigation of Guste Island Utility Company in response to customer complaints.</u></p> <p>At the request of Commissioner Skrmetta.</p> <p>Commissioner Skrmetta directed Staff to open an investigation of Guste Island Utility Company in response to customer complaints. Staff has authority to investigate, and take whatever action necessary to contract any necessary personnel to accomplish this task.</p> <p>There was no opposition.</p> <p><u>Directive to open a docket to establish rules consistent with Act. No. 42 of the 2020 Second Extraordinary Session.</u></p> <p>At the request of Chairman Francis.</p> <p>Chairman Francis directed Staff to take whatever action necessary, including the hiring of outside counsel and/or consultants if deemed necessary, to establish rules consistent with Act 42 of the 2020 Second Extraordinary Session, whether that be amending the Commission's current rules on disaster and response planning or establishing new rules to address cable and video service providers.</p> <p>There was no opposition.</p>
Ex. 8	<p>U-35049 – Cleco Power LLC, ex parte. In re: Formula Rate Plan – June 2018 Monitoring Report and Application for Authorization to Implement Rate Reductions Resulting from the Tax Cuts and Jobs Act of 2017 and Related Rate Changes and Refunds.</p> <p>In re: Discussion and possible vote on Unopposed Joint Motion for Consideration Pursuant to Rule 57 of Cleco Power's Application for Further Extension of TJCA Bill Credit.</p> <p>At the request of Commissioner Skrmetta.</p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Greene, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Greene, and unanimously adopted, the Commission voted to accept Staff Recommendation on the Unopposed Joint Motion of Cleco Power's Application for Further Extension of TJCA Bill Credit filed into the record on</p>

	November 4, 2020.
Ex. 9	<p>U-35173 – Louisiana Public Service Commission, ex parte. In Re: Audit of Fuel Adjustment Clause Filings for Southwestern Electric Power Company for the period of January 2016 through December 2018.</p> <p>In re: Discussion and possible vote on Joint Report and Draft Order.</p> <p>At the request of Commissioner Campbell.</p> <p>DEFERRED</p>
Ex. 10	<p>U-35762 – Entergy Louisiana, LLC, ex parte. In re: Application for Approval of Ratemaking Adjustment for Interim Hurricane Laura Financing.</p> <p>In re: Discussion and possible vote on Unopposed Joint Motion for Expedited Approval Pursuant to Rule 57 of Ratemaking Adjustment for Interim Hurricane Recovery Financing.</p> <p>At the request of Chairman Francis.</p> <p>On motion of Chairman Francis, seconded by Vice Chairman Greene, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Greene, and unanimously adopted, the Commission voted to accept Staff Recommendation on the Unopposed Joint Motion filed into the record on November 9, 2020.</p>
Ex. 11	<p>Undocketed – Discussion and possible vote to authorize jurisdictional utilities to establish a regulatory asset, as needed and for account accounting purposes only, for expenses associated with Hurricanes Laura, Delta, and Zeta.</p> <p>At the request of Chairman Francis.</p> <p>On motion of Chairman Francis, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to issue an Order superseding Special Order 61-2020 authorizing jurisdictional utilities to establish, on an as needed basis, a regulatory asset, for expenses associated with Hurricanes Laura, Delta, and Zeta. The expenses from each storm should be tracked for accounting purposes only and any future recovery is not guaranteed. Any future recovery will be subject to Commission review, whether through a securitization docket or any other docket the Commission deems necessary. Further, any future recovery would be subject to any credits for dollars collected or paid/received by other entities.</p>
Ex. 12	<p>Undocketed – Directive to Staff to open a rulemaking, or request comments in the existing “Water and Wastewater Best Practices” rulemaking regarding billing and disconnection practices of water and wastewater providers.</p> <p>At the request of Commissioner Boissiere.</p> <p>Commissioner Boissiere directed Staff to take whatever action necessary to open a rulemaking, or request comments in the existing “Water and Wastewater Best Practices” rulemaking, regarding billing and disconnection practices of water and wastewater providers.</p>

	There was no opposition.
Ex. 13	<p>Undocketed – Update from Staff on an analysis of regulated utilities offering unregulated repair services to customers.</p> <p>At the request of Commissioner Campbell.</p> <p>At the June B&E, Commissioner Campbell directed Staff to conduct an analysis of regulated utilities offering unregulated repair services to customers. Specifically, an analysis of the costs versus benefits, including any revenue received by the utility and how such revenue is utilized. Commissioner Campbell further indicated that he wanted this matter considered at the December B&E.</p>
Ex. 14	<p>Undocketed – LPSC, ex parte. In re: Discussion and possible vote to adopt a Resolution directed to Louisiana's Congressional Delegation requesting expansion of the Stafford Act to cover storm – related costs incurred by all Commission jurisdictional electric utilities.</p> <p>At the request of Commissioner Skrmetta.</p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Francis, and unanimously adopted, the Commission voted to adopt a Resolution directed to the Louisiana Congressional Delegation to consider expansion of the Stafford Act to cover storm-related costs incurred by all Commission jurisdictional electric utilities.</p>

On motion of Commissioner Skrmetta, seconded by Vice Chairman Greene and unanimously adopted, the Commission voted to adjourn.

MEETING ADJOURNED

The next Business and Executive Session will be held on Wednesday, December 16, 2020, at 9:00 a.m. at the Galvez Building in Baton Rouge, Louisiana.

EXHIBIT C

**Credit Metrics and Financing Assumptions
with and without Storm Damage Recovery**

**REDACTED TO OMIT COMPETITIVELY
SENSITIVE, TRADE SECRET, PROPRIETARY,
AND OTHER CONFIDENTIAL INFORMATION
PURSUANT TO RULE 12.1 OF THE COMMISSION'S
RULES OF PRACTICES AND PROCEDURES**

CLECO POWER LLC
Hurricane Restoration Costs
(Estimates as of Oct 31, 2020)

LPSC Docket No. U-
Exhibit D
Page 1 of 4

Line No.	Total Est. Cost	Laura Distribution	Laura Transmission	Laura Total	
1	Material Split % between Dist / Trans				
2	Material	\$10,000,000	\$1,017,207	\$11,017,207	
3	Lineman / ROW Contractors	100,689,101	7,615,338	\$108,304,439	
4	Internal Labor	8,000,000	850,965	\$8,850,965	
5	Base Logistics / Lodging / Food	35,889,101	2,190,793	\$38,079,894	
6	Transmission		356,000	\$356,000	
7	Fuel	5,200,000	570,000	\$5,770,000	
8	Safety / Environmental	3,400,000		\$3,400,000	
9	Other	2,600,000	85,082	\$2,685,082	
10	Total Cost	\$165,778,202	\$12,685,384	\$178,463,586	
11	Total cost split between Cap / O&M				
12	Material Capital (Dist 64) (Trans 49)	\$6,373,000	\$503,721	\$6,876,721	
	Material O&M (Dist 36) (Trans 51)	\$3,627,000	\$513,486	\$4,140,486	
13	Remainder of charges to allocate	155,778,202	11,668,177	167,446,379	
14	Capital	99,277,448	5,778,081	105,055,529	
15	O&M	56,500,754	5,890,096	62,390,850	
16	Total	\$155,778,202	\$11,668,177	\$167,446,379	
17	Total Capital	\$105,650,448	\$6,281,802	\$111,932,250	62.72%
18	Total O&M	60,127,754	6,403,582	66,531,336	37.28%
19	Total Cost	\$165,778,202	\$12,685,384	\$178,463,586	
20	O&M	\$60,127,754	\$6,403,582	\$66,531,336	
21	Less reserve at 12/31/05	9,774,924		9,774,924	
22	Net Expense (Reg. Asset)	\$50,352,830	\$6,403,582	\$56,756,412	

CLECO POWER LLC
Hurricane Restoration Costs
(Estimates as of Oct 31, 2020)

LPSC Docket No. U-
Exhibit D
Page 2 of 4

Line No.	Total Est. Cost	DELTA Distribution	DELTA Transmission	DELTA Total	
1	Material Split % between Dist / Trans				
2	Material	\$1,300,000	\$26,533	\$1,326,533	
3	Lineman / ROW Contractors	29,747,228	1,013,407	\$30,760,635	
4	Internal Labor	2,400,000	153,566	\$2,553,566	
5	Base Logistics / Lodging / Food	11,847,228	62,081	\$11,909,309	
6	Fuel	1,400,000		\$1,400,000	
7	Safety / Environmental	1,200,000		\$1,200,000	
8	Other	1,400,000	9,176	\$1,409,176	
9	Total Cost	\$49,294,456	\$1,264,763	\$50,559,219	
10	Total cost split between Cap / O&M				
11	Material Capital (Dis 64%)	\$825,500	\$0	\$825,500	
	Material O&M (36%)	\$474,500		\$474,500	
12	Remainder of charges to allocate (64/36)	47,994,456	1,264,763	49,259,219	
13	Capital	30,476,480	0	30,476,480	
14	O&M	17,517,976	1,264,763	18,782,739	
15	Total	\$47,994,456	\$1,264,763	\$49,259,219	
16	Total Capital	\$31,301,980	\$0	\$31,301,980	61.91%
17	Total O&M	17,992,476	1,264,763	19,257,239	38.09%
18	Total Cost	\$49,294,456	\$1,264,763	\$50,559,219	
19	O&M	\$17,992,476	\$1,264,763	\$19,257,239	
20	Less reserve at 12/31/05	0	0	0	
21	Net Expense (Reg. Asset)	\$17,992,476	\$1,264,763	\$19,257,239	

CLECO POWER LLC
Hurricane Restoration Costs
(Estimates as of Oct 31, 2020)

LPSC Docket No. U-
Exhibit
Page 3 of 4

Line No.	Total Est. Cost	ZETA Distribution	ZETA Transmission	ZETA Total	
1	Material Split % between Dist / Trans				
2	Material	\$222,674		\$222,674	
3	Lineman / ROW Contractors	3,725,810	145,000	\$3,870,810	
4	Internal Labor	536,803		\$536,803	
5	Base Logistics / Lodging / Food	1,013,961		\$1,013,961	
6	Fuel	226,650		\$226,650	
7	Safety / Environmental	59,645		\$59,645	
8	Other	123,266		\$123,266	
9	Total Cost	\$5,908,808	\$145,000	\$6,053,808	
10	Total cost split between Cap / O&M				
11	Material Capital (63%)	\$139,973	\$0	\$139,973	
12	Material O&M (37%)	\$82,701		\$82,701	
13	Remainder of charges to allocate (63/37)	5,686,134	145,000	5,831,134	
14	Capital	3,574,304	0	3,574,304	
15	O&M	2,111,830	145,000	2,256,830	
16	Total	\$5,686,134	\$145,000	\$5,831,134	
17	Total Capital	\$3,714,277	\$0	\$3,714,277	61.35%
18	Total O&M	2,194,531	145,000	2,339,531	38.65%
19	Total Cost	\$5,908,808	\$145,000	\$6,053,808	
20	O&M	\$2,194,531	\$145,000	\$2,339,531	
21	Less reserve at 12/31/05	0	0	0	
22	Net Expense (Reg. Asset)	\$2,194,531	\$145,000	\$2,339,531	

CLECO POWER LLC
Hurricane Restoration Costs
(Estimates as of Oct 31, 2020)

LPSC Docket No. U-
Exhibit D
Page 4 of 4

Line No.	Total Est. Cost	ALL 3 Storms Distribution	ALL 3 Storms Transmission	ALL 3 Storms Total	
1	Material Split % between Dist / Trans				
2	Material	\$11,522,674	\$1,043,740	\$12,566,414	
3	Lineman / ROW Contractors	\$134,162,139	\$8,773,745	\$142,935,883	
4	Internal Labor	\$10,936,803	\$1,004,531	\$11,941,334	
5	Base Logistics / Lodging / Food	\$48,750,290	\$2,252,874	\$51,003,163	
6	Transmission		\$356,000	\$356,000	
7	Fuel	\$6,826,650	\$570,000	\$7,396,650	
8	Safety / Environmental	\$4,659,645	\$0	\$4,659,645	
9	Other	\$4,123,266	\$94,258	\$4,217,524	
10	Total Cost	\$220,981,466	\$14,095,147	\$235,076,613	
0					
11	Total cost split between Cap / O&M				
12	Material Capital	\$7,338,473	\$503,721	\$7,842,194	
	Material O&M	\$4,184,201	\$513,486.09	\$4,697,687	
13	Remainder of charges to allocate	209,458,792	13,077,940	222,536,732	
14	Capital	133,328,232	5,778,081	139,106,313	
15	O&M	76,130,561	7,299,859	83,430,419	
16	Total	\$209,458,792	\$13,077,940	\$222,536,732	
				0	
17	Total Capital	\$140,666,704	\$6,281,802	\$146,948,507	62.51%
18	Total O&M	80,314,762	7,813,345	88,128,106	37.49%
19	Total Cost	\$220,981,466	\$14,095,147	\$235,076,613	
20	O&M	\$80,314,762	\$7,813,345	\$88,128,106	
21	Less reserve at 12/31/05	9,774,924	0	9,774,924	
22	Net Expense (Reg. Asset)	\$70,539,838	\$7,813,345	\$78,353,182	

CLECO POWER LLC
HURRICANES LAURA, DELTA, AND ZETA
Revenue Requirement - Return ON

LPSC Docket No. U-
Exhibit E
Page 1 of 1

ASSUMPTIONS:	100% Cost	Retail	Retail Portion		Retail Amort/Dep	
1 Capital Portion-Transmission	\$ 6,282	85%	\$ 5,340	Plt n Serv	\$ 178	30 years
2 Capital Portion-Distribution	\$ 140,667	99%	\$ 139,260	Plt n Serv	\$ 4,642	30 years
3 O&M-Transmission	\$ 7,813	85%	\$ 6,641	Reg Asset	\$ 221	30 years
4 O&M-Distribution	\$ 80,315	99%	\$ 79,512	Reg Asset	\$ 2,650	30 years
5 Funded Storm Reserve	\$ (9,775)	100%	\$ (9,775)	Reg Asset	\$ (326)	30 years
6 LCFC	\$ 12,046	100%	\$ 12,046	Reg Asset	\$ 402	30 years
7 ADIT	\$ (31,561)		\$ (31,056)		\$ (1,052)	30 years
8 Total Storm Cost	\$ 205,787		\$ 201,967			

Rate Base:	Return ON
9 Plant in service	\$ 144,600
10 Regulatory Asset (30 Yr)	\$ 88,424
11 ADIT	\$ (31,056)
12 Rate Base	\$ 201,967

	Ratio	Cost	WACC	Tax	Tax Gross- up	Revenue Requirement
13 Debt	49.00%	5.02%	2.46%		2.46%	\$ 4,968
14 Equity	51.00%	10.00%	5.10%	26.08%	6.90%	\$ 13,934
15 Total			7.56%		9.36%	\$ 18,902

16 Cost per 1,000 kWh \$2.64

Cleco Power LLC
Storm Restoration Recovery
Class Allocation & Surcharge Factors
Based on 2019 Rate Stabilization Plan Filing

Line No.	Description	Total	Residential	General Service					Municipal	Ser
				Non Demand	Secondary	Primary				
1	Transmission Related	\$ 11,980,750								
2	Distribution Related	\$ 189,986,405								
3	Total Storm Damage	\$ 201,967,155								
4	Base Rate Rev. (\$000)	\$ 565,041	\$ 287,904	\$ 33,162	\$ 150,506	\$ 40,837	\$ 6,805	\$		
		100.0%	51.0%	5.9%	26.6%	7.2%	1.2%			
5	Storm Damage Recovery									
6	Transmission Related	\$ 1,121,275	\$ 571,321	\$ 65,807	\$ 298,666	\$ 81,038	\$ 13,504	\$		
7	Distribution Related	\$ 17,780,777	\$ 9,632,886	\$ 1,109,546	\$ 5,035,721	\$ 1,366,358	\$ 227,684	\$		
8	Total Storm Damage	\$ 18,902,052	\$ 10,204,207	\$ 1,175,353	\$ 5,334,387	\$ 1,447,396	\$ 241,188	\$		
9	Applicable Billing Determinants									
10	MWh Sales @ Meter		3,591,737	334,108	2,199,297	981,878	98,327			
11	kW Demand @ Meter				8,026,969.67	2,255,155				
12	Surcharge Recovery Factors for 2021									
13	Per kWh basis		\$ 0.002841	\$ 0.003518			\$ 0.002453			
14	Per kW basis				\$ 0.664558	\$ 0.641817				

Rate Calculation

Breakpoint @ 1,000 kWhs

> 1,000 kWh rate 20% higher than <= 1,000 kWh rate

		2019 Monitoring			
		Report kWhs	Prelim Rate	Storm Revenue	
15	Annual Residential kWh <= 1,000 kwh per customer	2,197,355,124	\$ 0.002636	\$ 5,792,949	
16	Annual Residential kWh > 1,000 kwh per customer	1,394,381,756	\$ 0.003164	\$ 4,411,258	
		<u>3,591,736,880</u>		<u>\$ 10,204,207</u>	

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

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DOCKET NO. U-_____

DECEMBER 3, 2020

DIRECT TESTIMONY BY AFFIDAVIT OF J. ROBERT CLEGHORN

STATE OF LOUISIANA

PARISH OF RAPIDES

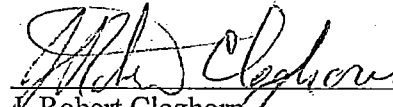
NOW BEFORE ME, the undersigned authority, personally came and appeared **J. Robert Cleghorn**, who after being duly sworn by me, did depose and say:

A. I am a person of the full age of majority and am competent to make this affidavit.


B. I am employed by Cleco Power LLC ("Cleco Power") as Vice President – Regulatory Strategy. I am primarily responsible for developing the electric rates applicable throughout Cleco Power's service area and ensuring that the electric rates applicable throughout Cleco Power's service area are developed and implemented on a just, reasonable, and not unduly discriminatory basis. In that capacity, I oversee the preparation of revenue requirements and cost of service and rate design studies, as well as Cleco Power's load research and sales statistics processes that support those activities. I also coordinate and ensure the timely and accurate filing of certain periodic compliance filings at the Louisiana Public Service Commission ("LPSC" or "Commission"), including Cleco Power's monthly Environmental Adjustment Clause ("EAC") and Fuel Adjustment Clause ("FAC") factors and the annual cost of service, in accordance with Cleco Power's Formula Rate Plan ("FRP"), as approved by the Commission in Order No. U-32779, issued June 27, 2014. I also supervise Cleco Power's integrated resource planning function. More specifically, I was involved in the preparation of the *Application of Cleco Power LLC for: (I) Recovery in Rates of Certain Storm Damage Costs Incurred as a Result of Hurricanes Laura, Delta, and Zeta; and (II) Expedited Treatment* (the "Application"). Capitalized terms used but not defined in my Direct Testimony shall have the meaning specified in the Application.

C. The Application, including without limitation all statements, exhibits, and requests of Cleco Power therein, are hereby incorporated into my Direct Testimony by reference, and adopted by me as part of my Direct Testimony.

E. This concludes my Direct Testimony, at this time.


J. Robert Cleghorn
Vice President – Regulatory Strategy
Cleco Power LLC
2030 Donahue Ferry Road
Pineville, Louisiana 71360

SWORN TO AND SUBSCRIBED
BEFORE ME THIS 3rd DAY
OF DECEMBER, 2020.


NOTARY PUBLIC

My commission expires: at death

