



Louisiana Public Service Commission

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Deputy Undersecretary

August 31, 2022

VIA HAND DELIVERY

Ms. Terri Bordelon
Louisiana Public Service Commission
Records and Recordings Division
602 N. 5th Street

2022 AUG 31 AM 10:12
LA PUBLIC SERVICE
COMMISSION

Re: DOCKET NO. S-36348 – Cleco Power LLC, ex parte. In re: Application for renewal of Cleco Power LLC's Blanket Financing Authorization, approved by the Commission in Order No. S-34866.

Dear Ms. Bordelon:

Please find *Staff's Report and Recommendation* to be filed in the above-referenced docket on behalf of Louisiana Public Service Commission Staff.

Thank you for your assistance in this matter. Should you have any questions please do not hesitate to contact me at (225) 342-5703.

Sincerely,

Lauren Temento Evans
Deputy General Counsel

Encl.
cc: Service List

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. S-36348

CLECO POWER LLC
EX PARTE

2022 AUG 31 AM 10:12
LA PUBLIC SERVICE
COMMISSION

In re: Cleco Power LLC, Ex Parte. In re: Verified Application of Cleco Power LLC for: (I) Renewal of Cleco Power LLC's Blanket Financing Authorization, Approved by the Commission in Order No. S-34866; and (II) Expedited Treatment.

STAFF'S REPORT AND RECOMMENDATION

Summary of Cleco's Application

Cleco Power, LLC ("Cleco Power" or "Company") is an investor-owned electric public utility that serves approximately 291,000 customers in the north, central, south-central, and southeast portions of Louisiana. On April 29, 2022, the Company submitted an application to renew its current four-year blanket financing authorization, set to expire on December 31, 2022, which was approved by the Louisiana Public Service Commission ("LPSC" or "Commission") in Order No. S-34866.¹ On May 13, 2022, notice of Cleco Power's filing was published in the Commission's Official Bulletin with an intervention period of fifteen (15) days. The intervention period elapsed without intervention. The Commission retained J. Kennedy and Associates, Inc. at its June 22, 2022 Business and Executive Session to assist the Commission Staff (collectively "Staff") (a) with the determination of whether the blanket financing authorization should be extended for another four-year term for the period January 1, 2023 through December 31, 2026, and (b) if so, with the approval process for each applicable debt issue authorization request over that period.

¹ See Order No. S-34866 (December 12, 2018), LPSC Docket No. S-34866, Cleco Power LLC, ex parte, *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 Order No. S-33218; and (ii) Expedited Treatment.*

Cleco Power's application details the history of the current authorization and why it was implemented. The first blanket authorization, for up to \$700 million, received by Cleco Power was incorporated into the LPSC's authorization on May 12, 2006 to construct Rodemacher Power Station Unit 3 (later renamed "Madison 3") in Docket No. U-28765.² In that proceeding, all parties agreed that Cleco Power's blanket authority would help to enhance financing flexibility, thus allowing it to react quickly to changing market conditions and business circumstances to the ultimate benefit of both Cleco Power and its customers. Because the blanket financing program has worked well for all parties, and has been an effective and efficient means for Cleco to issue debt with needed flexibility, the blanket financing has been extended by the Commission three times (Order No. U-31299,³ which extended the program for the years 2011-2014 with a debt ceiling for new issuances of \$650 million; Order No. S-33218,⁴ which extended the program for the years 2015-2018 with a debt ceiling of \$1.09 billion; and in Order No. S-34866, for the years 2019-2022 with a debt ceiling of \$770 million). The Company's application in the instant proceeding details each of the six issuances applicable to the latest extension, authorized in Order No. S-34866.⁵ Only \$625 million of the authorized \$770 million ceiling has been used to date and no other issuances are anticipated before the December 31, 2022 expiration date.

Cleco Power's application in the instant docket seeks to extend the Company's blanket financing authorization through the end of 2026. The application reiterates the fact that the program has now worked well from the standpoint of all parties for a period of nearly sixteen years. The application stated, "The procedures authorized by the 2010 Blanket Financing Order, the 2014 Blanket Financing Order, and the 2018 Blanket Financing Order have operated as designed, allowing Cleco Power to respond timely to changes in the capital markets, while

² See Order No. U-28765-A (May 12, 2006), LPSC Docket No. U-28765, *In re: Application of CLECO Power, LLC for Certificate of Public Convenience and Necessity for (1) Authorization to Enter a Proposed Power Purchase Agreement with Calpine Energy Services, LP; (2) Authorization to Enter a Proposed Power Purchase Agreement with Williams Power Company, Inc.; (3) Authorization to Construct, Own, and Operate a Solid Fuel Generation Plant at Existing Rodemacher Power Station; and (4) Expedited Treatment.*

³ See Order No. U-31299 (March 16, 2010), LPSC Docket No. U-31299, Cleco Power LLC, ex parte, *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.*

⁴ See Order No. S-33218 (December 8, 2014), LPSC Docket No. S-33218, Cleco Power LLC, ex parte, *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 Order No. U-31299; and (ii) Expedited Treatment.*

⁵ See Application at 8-10.

ensuring extensive and active LPSC Staff (and Commission) oversight and review of Cleco Power's proposed financing transactions."⁶ In all previous extensions, the parties agreed on stipulated terms that defined the responsibilities of all parties. The terms agreed upon in Order No. S-34866 have been replicated and are included as Attachment A. Cleco Power's application to extend the program requests blanket financing authorization for an amount not to exceed \$640 million.⁷ This amount includes seven specifically identified projected debt refinancing needs together with a contingency of approximately 10% for less forecastable needs.⁸ Table 1 below summarizes the Company's expected long term debt transactions over the next four years.

<p>Table 1 Application Request - \$640 Million in Debt Projected Needs \$ Millions</p>			
Description of Long Term Debt Needs	Capital Required	Debt	Equity
Refinance Debt - Maturing in 2023 - \$100 Million	100	100	-
Refinance Debt - Maturing in 2024 - \$125 Million	125	125	-
Refinance Debt - Maturing in 2024 - \$50 Million	50	50	-
Refinance Debt - Mandatory Tender in 2025 - \$50 Million	50	50	-
Refinance Debt - Maturing in 2025 - \$75 Million	75	75	-
Refinance Debt - Maturing in 2026 - \$130 Million	130	130	-
Refinance Debt - Maturing in 2027 - \$50 Million	50	50	-
Total Before Debt Contingency	580	580	-
Debt Contingency		60	
Total	580	640	-

The Commission authorized a ratemaking capital structure of 52% equity and 48% debt when it approved a Second Amended and Restated Formula Rate Plan for Cleco Power in June

⁶ Application at 3.

⁷ *Id.*

⁸ Cleco Power anticipates refinancing the \$50 debt maturing in 2027 during 2026, prior to the actual maturity date.

2021.⁹ However, Cleco Power's actual capital structure throughout most of 2022 has remained close to 57% equity and 43% debt since there has been almost no short-term debt included via drawdown of the \$300 million short-term revolving credit facility. When asked about near-term capital structure targets in discovery, the Company indicated that it does not intend to issue incremental debt in the near term for such things as routine capital needs or capital structure rebalancing.¹⁰ The Company explained that its credit metrics were negatively impacted during 2020 and 2021 due to the significant storm restoration costs, the Dolet Hills Power Station closure costs, and the timing of the rate increase authorization in its last rate case.¹¹ The Company expects that its credit metrics will return to more normalized levels when a full year of rate increase impacts is realized and when the impacts of the recent securitization of storm restoration costs are considered. Until those credit metrics do improve, the Company does not plan to rebalance its actual capital structure by adding more incremental debt. It should be noted that the anticipated needs portrayed in the Company's application and in Table 1 are dependent upon circumstances as they develop.

Cleco Power's application also seeks authorization from the Commission to increase the amount of its revolving credit facility by \$100 million up to \$400 million under the blanket financing authorization procedures.¹² The current revolving credit facility amount is \$300 million and has remained at that level since 2010.¹³ The application points to the present inflationary environment and the additional uncertainty in planning for increased winter and summer storm activity as reasons for the proposed increase.¹⁴ The Company confirmed in discovery that total costs for the 2020 and 2021 storm events summed to approximately \$397 million.¹⁵ Costs for the 2020 Hurricanes Laura, Delta, and Zeta totaled approximately \$240 million while the 2021

⁹ See Order No. U-35299 (June 22, 2021), Cleco Power LLC, ex parte, *In re: Docket No. U-35299, In re: Application for Implementation of Changes in Rates to be Effective July 1, 2020 and Extension of Existing Formula Rate Plan*.

¹⁰ Response to Staff 1-2.

¹¹ *Id.*

¹² Application at 5. Alternatively, the Company seeks authority to create a new liquidity mechanism or mechanisms up to an amount of \$100 million so that Cleco Power would have access to \$400 million in total liquidity mechanisms.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ Response to Staff 1-6.

Hurricane Ida costs approximated \$92 million.¹⁶ Finally, costs associated with 2021 Winter Storms Uri and Viola summed to approximately \$65 million.¹⁷ The Company confirmed that the \$300 million revolving credit facility would not have been sufficient to finance these storm restoration costs on its own.¹⁸ The Company had to also rely upon deferring its dividend distributions and a dedicated short-term bond issuance to provide bridge financing until the securitization of storm costs could be finalized.¹⁹ It should be noted that the Company's actual capital structure would match the currently authorized ratemaking capital structure of 52% equity and 48% debt if it were required to draw \$400 million in short-term debt from its revolving credit facility based on current long-term debt and equity levels.

Staff Findings and Conclusions

The Staff, including its consultant, J. Kennedy and Associates, Inc., reviewed Cleco Power's application for a four-year extension of its blanket financing authorization. Staff also reviewed the Company's current authorization provided in Order No. S-34866, dated December 12, 2018, effective through the period ending December 31, 2022, along with all individual debt issuance authorization requests and approvals which were governed by the current authorization. In addition, Staff reviewed responses to discovery, the 2021 Federal Energy Regulatory Commission ("FERC") Form 1 filing, and the last annual debt information report filed with the Commission as required by Order No. S-34866. Staff also reviewed Order No. U-35299, wherein the Commission authorized an extension of Cleco's Formula Rate Plan. Finally, Staff reviewed the Commission's Order Nos. U-34794 and U-34794-A regarding the approval for the acquisition of NRG South Central Generating LLC by Cleco Corporate Holdings LLC and the potential impacts of that acquisition in this proceeding.

Staff finds that the current blanket financing authorization has operated as intended. There were six requests for financing authority filed by the Company subject to the 2018 authorization requirements. In all cases, Cleco Power provided the necessary documents in order for Staff to

¹⁶ *Id.*
¹⁷ *Id.*
¹⁸ *Id.*
¹⁹ *Id.*

review the requests completely and on a timely basis. In addition, the Staff issued letters of non-opposition related to all six requests. No problems with the operation of the blanket authority were noted by Staff or the Company in the investigation of the Company's request in this proceeding.

Staff issued data requests in order to analyze the actual capital structure to date throughout 2022. No additional long-term debt issues are expected to occur in 2022. The Company estimates that the balance on the \$300 million credit revolver will be approximately \$35.6 million at the end of 2022 as capital needs, potential storms, and net income for the rest of the year dictate. Cleco Power's responses to the discovery were utilized to verify that the anticipated need amounts listed in Table 1 above were reasonable. Staff did not observe any concerns with the amounts portrayed following its review.

Staff also issued data requests in regards to the requested authority to increase Cleco Power's revolving line of credit from its current \$300 million level to \$400 million upon renewal or replacement of the facility. Staff finds that the requested increase is reasonable due to the increased level of recent storm restoration costs, current and expected inflationary pressures, and the fact that the maximum amount has not been increased since 2010.

Staff Recommendation

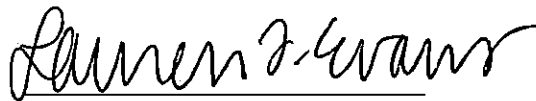
Based on Staff's review, Staff recommends that the Company's blanket financing authority for long-term and short-term financings should be renewed as requested for an additional four-year term through December 31, 2026 and that authority be granted for the proposed \$100 million increase in the maximum level of Cleco Power's revolving line of credit. Under the current arrangement, Cleco Power and its ratepayers have had the benefit of Commission oversight through a collaborative process and access to the most timely and favorable debt financing transactions available in the market. Other than for the minor modifications to the terms of the arrangement as outlined below and as restated in Attachment B, Staff recommends that the terms approved in Order No. S-34866 should continue in effect through December 31, 2026.

As mentioned above, the stipulated terms that define the responsibilities of all parties under the current blanket authority were incorporated into Order No. S-34866. Those terms have been replicated and are included as Attachment A. The Staff recommends that the same terms, with

only a few modifications, should be carried forward to regulate the operation of the blanket authority extension. Terms numbered #2, #4 and #7 stipulate certain dollar amounts and dates that should be modified to incorporate present amounts and dates. Term #10 in Attachment A regarding the potential acquisition by a group of NRG South Central Generating LLC by Cleco Corporate Holdings LLC should be eliminated. The acquisition, which occurred on February 4, 2019, did not affect the amount or structure of debt for Cleco Power.

Attachment B incorporates each of these changes to represent Staff's recommended modified terms. The modification to the governing terms resulted from a collaborative effort between Cleco Power and Staff.

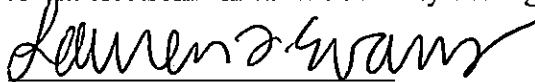
Respectfully Submitted,



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Lauren.Evans@la.gov

CERTIFICATE OF SERVICE

I certify that a copy of the Staff Report & Recommendation has been served on all parties on the service list for Docket No. S-36348 via electronic mail this 31st day of August, 2022.



Lauren Temento Evans

ATTACHMENT A

Ordering Terms in Order No. S-34866 Defining Operation of Blanket Financing Authority

1. Subject to the remaining terms and conditions set forth in this Order, and subject to the obligation of Cleco Power LLC ("Cleco Power") to conduct its debt financings in a prudent manner, i.e., at the lowest reasonable cost, the renewal of Cleco Power's blanket financing authority is prudent, reasonable, in the public interest, in the best interest of Cleco Power's customers, and will produce just, reasonable, and not unduly discriminatory rates.
2. The renewal of Cleco Power's blanket financing authority up to a total debt issuance amount of \$770 million, through 2022 is prudent, reasonable, and in the best interest of Cleco Power's retail customers.
3. Cleco Power shall provide the Louisiana Public Service Commission Staff ("Staff") with a prior review opportunity of at least thirty ("30") days in advance of any anticipated long-term debt issuance, or if that much advance review opportunity is not reasonably feasible due to the exigencies of the financing, such lesser amount of advance review opportunity as is reasonably possible under the circumstances. This advance review is not required either for draws on revolving credit agreements (described in ordering paragraph 4, below) or for issuances of short-term debt. If Staff has no objection to the specific long-term financing, and Staff hereby being authorized to do so, Staff shall issue a letter of no opposition to Cleco Power prior to the stated anticipated closing date for the specific financing. In such advance review opportunity given by Cleco Power to Staff, Cleco Power shall provide the following information pertaining to each proposed debt issue:
 - a. dollar amount of the issue;
 - b. timing of issue (i.e., anticipated schedule for issuance);
 - c. type of security and principal features (e.g., taxable or tax exempt, call protection, hedging characteristics, secured or unsecured);
 - d. rationale for the proposed structure;
 - e. term of the security;

- f. method of issuance (e.g. public issuance, private placement, bank loan);
- g. identity of the underwriters and other vendors handling the issuance and method of selection;
- h. expected interest rate, including credit spreads, and indicative pricing; and
- i. other estimated issuance expenses, including discounts or premiums.

This informational list is not intended to restrict Staff from requesting additional pertinent information on an informal basis, and Cleco Power shall reasonably cooperate with such requests.

- 4. Cleco Power's periodic refinancings of debt, prior to the debt's maturity, in order to lower interest expense also will be reviewed under the blanket financing arrangement, but will not count toward the \$770 million total debt issuance ceiling amount, provided that Staff's letter of no opposition, issued pursuant to ordering paragraph 3 of this Order, so confirms. In addition, any renewal or replacement of Cleco Power's Revolving Credit Agreement (or loan facility of similar liquidity), up to \$300 million in capacity, will be subject to the prior review process with Staff, but will not count toward the \$770 million total debt issuance ceiling amount. Borrowing authority under the existing Revolver is currently \$300 million.
- 5. Expedited treatment under this blanket financing authorization will not be available for extraordinary and special debt offerings, such as storm damage securitization financings, which would be the subject of a separate Louisiana Public Service Commission ("Commission" or "LPSC") docket or subdocket.
- 6. Promptly following the closing of each unopposed long-term debt issue, Cleco Power shall provide LPSC Staff with the following information:
 - a. date of issuance;
 - b. date of maturity;
 - c. amount outstanding;
 - d. net proceeds;
 - e. interest rate;

- f. debt discount or premiums and annual amortization;
- g. issuance expenses (itemized, including hedging costs) and annual amortizations;
- h. effective cost rate(s) for ratemaking purposes;
- i. any difficulties encountered in issuance; and
- j. a description of any material differences in information previously provided to Staff pertaining to the issuance structure, cost, features or method of issuance, and reason for changes.

This informational list is not intended to restrict Staff from requesting additional pertinent information on an informal basis, and Cleco Power shall reasonably cooperate with such requests.

- 7. On an annual basis (by April 30 of each year, beginning April 30, 2019, and covering the period January 1 to December 31 of the immediately preceding calendar year) Cleco Power shall provide to the Commission and its Staff a report on Cleco Power's activities under the renewed blanket financing authorization. The annual filing shall include the following elements:
 - a. all credit rating reports issued within the preceding year;
 - b. the latest Cleco Power annual financial statements (including, but not limited to, Cleco Power's balance sheet, income statements and cash flow statements) for the preceding year;
 - c. a description of any major changes in financial policies of Cleco Power (e.g., dividend policy, capital structure targets, etc.) that became effective within the preceding year;
 - d. any Cleco Power presentations to credit rating agencies;
 - e. a current statement of long-term debt outstanding and a schedule showing the embedded cost of debt calculations;
 - f. a recent run of the Cleco Power corporate financial model extending three years; and
 - g. a schedule showing monthly amounts of Cleco Power's short-term debt and cost rate for the most recent 12 months.

8. Notwithstanding the Commission's renewal of Cleco Power's blanket financing authorization, Staff reserves the right to oppose any specific long-term debt issuance. Upon receipt of advance notice, Staff shall exercise best efforts and all due diligence to express any grounds of opposition to Cleco Power at the earliest possible time. Cleco Power and Staff shall cooperate to allow Staff a reasonable opportunity to express any objection to Cleco Power reasonably prior to Cleco Power's stated anticipated closing date for the specific financing in order to facilitate the resolution of such objection prior to the stated anticipated closing date.
9. Proceeds from the debt issues pursuant to this Order shall be used only for Cleco Power's utility purposes and for the benefit of Cleco Power's retail customers. Such proceeds may not be used for the financing of any unregulated non-public utility operations of Cleco Power, Cleco Power's parent, any entity possessing a controlling interest in Cleco Power's corporate parent, or any affiliate of Cleco Power, and may not be used for the financing of any operations of any merchant utility affiliate of Cleco Power, without in either case prior Commission authorization. Such debt issues pursuant to this Order: (a) must be for a lawful object within the corporate purposes of Cleco Power; (b) must be necessary and appropriate for and consistent with the performance by Cleco Power of its service to the public; and (3) must not impair Cleco Power's ability to perform that service.
10. Considering Cleco Corporate Holdings LLC's February 7, 2018 public announcement that its plans to acquire NRG South Central Generating LLC, and considering that the Commission has initiated Docket No. U-34794 for consideration of the acquisition application before the Commission, the Commission reserves all rights in said acquisition docket, or in any subsequent docket that may be initiated to consider the possible consolidation of the acquired assets into Cleco Power, expressly to amend this Order as may be appropriate under the circumstances of any authorization of the acquisition transaction that the Commission may grant.
11. This Order does not authorize Cleco Power to change its retail rates, nor does it authorize or approve cost recovery for any debt issuances that take place under the blanket authorization. Staff and any stakeholder retain their rights to take any position on the recovery of costs associated with the debt issuances that are covered by this approved blanket debt issuance authority in any future proceeding.

ATTACHMENT B

The Staff's Recommended Changes to the Ordering Terms in Order No. S-34866 Defining Operation of Blanket Financing Authority for Use with the Recommended Extension in Docket No. S-36348

1. Subject to the remaining terms and conditions set forth in this Order, and subject to the obligation of Cleco Power LLC ("Cleco Power") to conduct its debt financings in a prudent manner, i.e., at the lowest reasonable cost, the renewal of Cleco Power's blanket financing authority is prudent, reasonable, in the public interest, in the best interest of Cleco Power's customers, and will produce just, reasonable, and not unduly discriminatory rates.
2. The renewal of Cleco Power's blanket financing authority up to a total debt issuance amount of \$640 million, through 2026 is prudent, reasonable, and in the best interest of Cleco Power's retail customers.
3. Cleco Power shall provide the Louisiana Public Service Commission Staff ("Staff") with a prior review opportunity of at least thirty ("30") days in advance of any anticipated long-term debt issuance, or if that much advance review opportunity is not reasonably feasible due to the exigencies of the financing, such lesser amount of advance review opportunity as is reasonably possible under the circumstances. This advance review is not required either for draws on revolving credit agreements (described in ordering paragraph 4, below) or for issuances of short-term debt. If Staff has no objection to the specific long-term financing, and Staff hereby being authorized to do so, Staff shall issue a letter of no opposition to Cleco Power prior to the stated anticipated closing date for the specific financing. In such advance review opportunity given by Cleco Power to Staff, Cleco Power shall provide the following information pertaining to each proposed debt issue:
 - a. dollar amount of the issue;
 - b. timing of issue (i.e., anticipated schedule for issuance);
 - c. type of security and principal features (e.g., taxable or tax exempt, call protection, hedging characteristics, secured or unsecured);
 - d. rationale for the proposed structure;
 - e. term of the security;

- f. method of issuance (e.g. public issuance, private placement, bank loan);
- g. identity of the underwriters and other vendors handling the issuance and method of selection;
- h. expected interest rate, including credit spreads, and indicative pricing; and
- i. other estimated issuance expenses, including discounts or premiums.

This informational list is not intended to restrict Staff from requesting additional pertinent information on an informal basis, and Cleco Power shall reasonably cooperate with such requests.

- 4. Cleco Power's periodic refinancings of debt, prior to the debt's maturity, in order to lower interest expense also will be reviewed under the blanket financing arrangement, but will not count toward the \$640 million total debt issuance ceiling amount, provided that Staff's letter of no opposition, issued pursuant to ordering paragraph 3 of this Order, so confirms. In addition, any renewal or replacement of Cleco Power's Revolving Credit Agreement (or loan facility of similar liquidity), up to \$400 million in capacity, will be subject to the prior review process with Staff, but will not count toward the \$640 million total debt issuance ceiling amount. Draws under the Revolving Credit Agreement do not count toward the \$640 million total debt issuance ceiling amount. Borrowing authority under the existing Revolver is currently \$300 million. Cleco Power shall be authorized to increase the capacity amount of its Revolving Credit Agreement (or loan facility of similar liquidity) to \$400 million upon the next expansion, renewal, or replacement.
- 5. Expedited treatment under this blanket financing authorization will not be available for extraordinary and special debt offerings, such as storm damage securitization financings, which would be the subject of a separate Louisiana Public Service Commission ("Commission" or "LPSC") docket or subdocket.
- 6. Promptly following the closing of each unopposed long-term debt issue, Cleco Power shall provide LPSC Staff with the following information:
 - a. date of issuance;
 - b. date of maturity;
 - c. amount outstanding;

- d. net proceeds;
- e. interest rate;
- f. debt discount or premiums and annual amortization;
- g. issuance expenses (itemized, including hedging costs) and annual amortizations;
- h. effective cost rate(s) for ratemaking purposes;
- i. any difficulties encountered in issuance; and
- j. a description of any material differences in information previously provided to Staff pertaining to the issuance structure, cost, features or method of issuance, and reason for changes.

This informational list is not intended to restrict Staff from requesting additional pertinent information on an informal basis, and Cleco Power shall reasonably cooperate with such requests.

- 7. On an annual basis (by April 30 of each year, beginning April 30, 2023, and covering the period January 1 to December 31 of the immediately preceding calendar year) Cleco Power shall provide to the Commission and its Staff a report on Cleco Power's activities under the renewed blanket financing authorization. The annual filing shall include the following elements:
 - a. all credit rating reports issued within the preceding year;
 - b. the latest Cleco Power annual financial statements (including, but not limited to, Cleco Power's balance sheet, income statements and cash flow statements) for the preceding year;
 - c. a description of any major changes in financial policies of Cleco Power (e.g., dividend policy, capital structure targets, etc.) that became effective within the preceding year;
 - d. any Cleco Power presentations to credit rating agencies;
 - e. a current statement of long-term debt outstanding and a schedule showing the embedded cost of debt calculations;
 - f. a recent run of the Cleco Power corporate financial model extending three years; and

- g. a schedule showing monthly amounts of Cleco Power's short-term debt and cost rate for the most recent 12 months.
- 8. Notwithstanding the Commission's renewal of Cleco Power's blanket financing authorization, Staff reserves the right to oppose any specific long-term debt issuance. Upon receipt of advance notice, Staff shall exercise best efforts and all due diligence to express any grounds of opposition to Cleco Power at the earliest possible time. Cleco Power and Staff shall cooperate to allow Staff a reasonable opportunity to express any objection to Cleco Power reasonably prior to Cleco Power's stated anticipated closing date for the specific financing in order to facilitate the resolution of such objection prior to the stated anticipated closing date.
- 9. Proceeds from the debt issues pursuant to this Order shall be used only for Cleco Power's utility purposes and for the benefit of Cleco Power's retail customers. Such proceeds may not be used for the financing of any unregulated non-public utility operations of Cleco Power, Cleco Power's parent, any entity possessing a controlling interest in Cleco Power's corporate parent, or any affiliate of Cleco Power, and may not be used for the financing of any operations of any merchant utility affiliate of Cleco Power, without in either case prior Commission authorization. Such debt issues pursuant to this Order: (a) must be for a lawful object within the corporate purposes of Cleco Power; (b) must be necessary and appropriate for and consistent with the performance by Cleco Power of its service to the public; and (3) must not impair Cleco Power's ability to perform that service.
- 10. This Order does not authorize Cleco Power to change its retail rates, nor does it authorize or approve cost recovery for any debt issuances that take place under the blanket authorization. Staff and any stakeholder retain their rights to take any position on the recovery of costs associated with the debt issuances that are covered by this approved blanket debt issuance authority in any future proceeding.

**Service List for S-36348
as of 8/30/2022**

Commissioner(s)

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Craig Greene
Mike Francis
Foster L. Campbell

LPSC Staff Counsel

Lauren Evans, Deputy General Counsel

LPSC Staff

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