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OCT 30 2025

LA Public Service Commission

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October 30, 2025

BY HAND DELIVERY

Mr. Brandon M. Frey
 Executive Secretary
 Louisiana Public Service Commission
 Post Office Box 91154
 Baton Rouge, La 70821-9154

Re: Docket No. _____ - Jefferson Davis Electric Cooperative, Inc. - *Application for Transmission Determination, Approval to Transfer Functional Control to MISO, and Expedited Consideration*

Dear Mr. Frey:

Attached please find for filing Jefferson Davis Electric Cooperative, Inc.'s ("JDEC" or "Cooperative") Application requesting that the Louisiana Public Service Commission ("LPSC" or "Commission"):

1. Determine that JDEC's new 230-kilovolt ("kV") hardened Loop qualifies as transmission under the Federal Energy Regulatory Commission's ("FERC") Seven-Factor Test;
2. Approve the transfer of functional control of the Loop to the Midcontinent Independent System Operator, Inc. ("MISO") pursuant to the Commission's March 18, 1994 General Order; and
3. Establish an expedited procedural schedule to allow timely integration of the facilities into MISO, ensuring that Louisiana consumers receive the reliability and economic benefits without unnecessary delay.

As further detailed in the Application, JDEC respectfully requests that the period for interventions and protests be **fifteen (15) days** to facilitate timely consideration and approval.

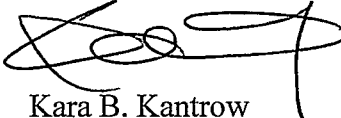
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Please note that the documents labeled **HSPM** and/or **Confidential** contain proprietary and competitively sensitive information and are being submitted under seal pursuant to Rule 12.1 of the Commission's Rules of Practice and Procedure. Confidential exhibits and testimonies are being provided separately under seal.

Should you have any questions or require additional information, please do not hesitate to contact me.

Thank you for your attention to this matter.

Sincerely,



Kara B. Kantrow

Enclosures: as stated

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OCT 30 2025

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

LA Public Service Commission

JEFFERSON DAVIS ELECTRIC COOPERATIVE, INC.,) DOCKET NO. U-_____
EX PARTE)

In re: Application for Transmission Determination, Approval to Transfer Functional Control to MISO, and Expedited Consideration.

**JEFFERSON DAVIS ELECTRIC COOPERATIVE, INC.'S APPLICATION
FOR TRANSMISSION DETERMINATION, APPROVAL TO TRANSFER
FUNCTIONAL CONTROL TO MISO, AND EXPEDITED CONSIDERATION**

NOW BEFORE the Louisiana Public Service Commission (“LPSC” or “Commission”) comes Jefferson Davis Electric Cooperative, Inc. (“JDEC” or “Applicant”), which respectfully requests that the Commission:

1. Determine that the facilities of JDEC’s 77.15-mile, 230-kilovolt (kV), hardened, looped system (the “Loop”) qualify as transmission assets under the Seven-Factor Test established by the Federal Energy Regulatory Commission (“FERC”);
2. Approve the transfer of functional control of the Loop to the Midcontinent Independent System Operator, Inc. (“MISO”); and
3. Establish an expedited procedural schedule so that JDEC’s approximately 7,710 member-owners may begin receiving the reliability and economic benefits of the project upon completion.

I. Introduction and Public Interest Justification

This Application demonstrates that JDEC's Loop qualifies as transmission under FERC's Seven-Factor Test and that transferring its functional control to MISO serves the public interest under the Commission's March 18, 1994 General Order ("1994 General Order").¹

The Loop is not merely a replacement for hurricane-damaged facilities. It is a modern, storm-hardened transmission backbone designed to withstand 160-mile-per-hour (mph) winds, eliminate radial exposure, enhance import capability, and improve resiliency for both JDEC and the broader Entergy Louisiana pricing zone. Nearly all construction costs are funded by the Federal Emergency Management Agency ("FEMA") and the Governor's Office of Homeland Security and Emergency Preparedness ("GOHSEP"), protecting JDEC's 7,710 member-owners from financial burden.

Declaring the Loop to be transmission and approving its transfer to MISO ensures that these facilities are subject to transparent regional planning, fair cost allocation, and coordinated operational standards that deliver lasting economic and reliability benefits for Louisiana consumers.

II. Background

JDEC, a member-owned nonprofit formed in 1941, currently serves approximately 7,710 members in Allen, Calcasieu, Cameron, Jefferson Davis, and Vermilion Parishes. Prior to Hurricanes Laura and Delta in 2020, JDEC maintained 105 miles of transmission infrastructure. Those storms destroyed all of JDEC's transmission assets.

¹ LPSC General Order dated March 18, 1994, Louisiana Public Service Commission, *ex parte, In re: Commission Approval of Sales, Leases, Mergers, Consolidations, Stock Transfers, and All Other Changes of Ownership or Control of Public Utilities Subject to Commission Jurisdiction.*

With support from FEMA and GOHSEP, JDEC has begun constructing a hardened, looped transmission system to replace the destroyed network. The new 230-kV lines and substations follow the original system's footprint and servitudes but use modern steel poles, elevated platforms, and advanced design criteria to ensure greater reliability. The project is scheduled for completion in 2026.

The Loop system includes the following facilities, which JDEC respectfully submits should be declared transmission assets:

230-kV Substations:

- Chalkley 230-kV Substation;
- Crown 230-kV Substation;
- Fulton 230/13.2-kV Substation;
- Hackett 230/24.9/13.2-kV Substation;
- Holly Beach 230-kV Switching Station;
- Manchester 230/13.2-kV Substation; and
- Sturlese 230/13.2-kV Substation.

230-kV Transmission Lines:

- Line from Fulton Substation to Sturlese Substation;
- Line from Hackett Substation to Manchester Substation;
- Line from Holly Beach Switching Station to Crown Substation;
- Line from Holly Beach Switching Station to Fulton Substation;
- Line from Sturlese Station to Hackett Substation; and
- Line from Manchester Substation to Chalkley Substation.

This configuration improves local and regional reliability, supports energy security, and can withstand sustained winds up to 160 mph, consistent with a September 2020 United States Department of Energy report that recognized the strategic importance of this region's infrastructure.²

² See United States Department of Energy, Cybersecurity, Energy Security & Emergency Response Infrastructure Security and Energy Restoration report entitled *Hurricane Laura Jeff Davis Electric Cooperative Damage Assessment* (Sept. 24, 2020).

It should also be noted that in the Commission's Order No. U-36661,³ the Commission granted JDEC a siting exemption due to the urgent need for storm recovery and FEMA's involvement. Thus, there is no siting issue related to this Application.

In short, the Loop is both a critical storm-recovery measure and a forward-looking investment in Louisiana's electric power infrastructure. It strengthens resiliency against future hurricanes while supporting long-term economic development opportunities for southwest Louisiana.

III. Transmission Determination Under FERC's Seven-Factor Test

FERC Order No. 888 outlines a Seven-Factor Test to distinguish transmission assets from local distribution assets. The test considers the following: (1) proximity to end-use customers; (2) radial versus looped configuration; (3) directionality of power flows; (4) use for local consumption versus broader markets; (5) geographic distribution of load served; (6) presence of end-use metering; and (7) voltage levels. The test is holistic and flexible, accounting for local system characteristics. Application of the Seven-Factor Test determines whether facilities qualify as intrastate local distribution (under state jurisdiction) or interstate transmission (under federal jurisdiction). Facilities that do not satisfy the Seven-Factor Test's criteria for local distribution are classified as transmission and subject to FERC jurisdiction.

JDEC engaged Electric Power Engineers, LLC ("EPE") to perform a facility-by-facility analysis under the Seven-Factor Test. The results of EPE's analysis confirm that JDEC's Loop satisfies all transmission criteria for the following reasons:

1. The system is not located near end-use, retail customers.

³ See LPSC Order No. U-36661 dated April 26, 2024, Jefferson Davis Electric Cooperative, Inc., *ex parte*, *In re: Request for Exemption under the Commission's General Order dated October 10, 2013 (The Transmission Siting Order)*.

2. The configuration is looped, not radial, ensuring redundancy and no single point of failure.
3. Power flows bidirectionally through the system.
4. The system supports wholesale markets beyond JDEC's footprint.
5. Power is delivered over a broad area, not locally confined (i.e., provides electricity beyond JDEC's membership and historic footprint).
6. Meters are placed at transmission-distribution interfaces.
7. Voltage is maintained at high transmission levels (230 kV).

These findings leave no ambiguity that the Loop functions as transmission. Its inclusion in MISO's system is consistent with FERC precedent, MISO's Business Practices Manual 028, and the Commission's own decision in Order No. U-37441 dated June 18, 2025, approving a similar transfer.

IV. Economic and Reliability Benefits

The economic and reliability benefits of the Loop are clear, measurable, and significant. As detailed in the Direct Testimonies of Cynthia A. Menhorn and Martin Lodyga, the Loop produces both economic savings and reliability enhancements that exceed its costs many times over. These quantified benefits reflect only the incremental value of MISO integration, since compliance-driven reliability projects were excluded to avoid overstating results. Even under conservative assumptions, the evidence confirms sustained, net positive benefits for JDEC's members and for Louisiana ratepayers statewide.

V. Transfer of Functional Control to MISO

Upon Commission approval, JDEC will transfer functional control of the Loop to MISO while retaining ownership, operational oversight, and Supervisory Control and Data Acquisition

(“SCADA”) visibility. JDEC will continue to perform day-to-day operations through a qualified contractor, coordinating outages with MISO to ensure compliance with FERC-jurisdictional, open-access tariffs. This structure enhances transparency, reliability, and accountability without altering JDEC’s ownership or the Commission’s retail jurisdiction.

VI. Compliance with the 1994 General Order

Pursuant to the 1994 General Order, JDEC addresses below each of the 18 factors that guide the Commission’s review of transfers of utility assets. The record demonstrates that the proposed classification and transfer fully satisfy all applicable factors and serve the public interest.

18-Factor Review:

1. **Public Interest:** Transferring functional control to MISO ensures that the Loop will be operated as part of a coordinated, regional transmission system. This improves reliability, speeds storm restoration, and lowers costs for customers in the Entergy Louisiana pricing zone. Net benefits of approximately \$46.1 million in net present value demonstrate that the benefits exceed the costs many times over, as shown in Ms. Menhorn’s Pre-filed Direct Testimony. The evidence demonstrates benefits far exceeding costs, confirming that this transfer squarely advances the public interest.
2. **Operational Competency of Purchaser:** There is no purchaser involved in this matter. As noted throughout, JDEC has executed an Operation and Maintenance (“O&M”) Agreement for the Loop. (*See Confidential Exhibit “E” attached hereto.*)
3. **Financial Condition:** The transfer will not adversely affect JDEC’s financial health. The project is predominantly funded by FEMA, and future operational costs will be offset through cost recovery mechanisms in MISO.
4. **Service Quality:** The Loop, under MISO’s dispatch and planning authority, will allow for more efficient outage management and restoration. This looped configuration also mitigates the risk of radial line failure.
5. **Ratepayer Impact and Ratemaking:** Ms. Menhorn’s analysis shows that JDEC members may see a one-time rate adjustment in 2026, followed by sustained reductions from 2027 forward.
6. **Competition:** There is no adverse effect on competition. The transfer facilitates open access to the transmission system, a core tenet of FERC Order No. 888. By joining MISO’s market framework, JDEC’s assets become part of a non-discriminatory, competitive, wholesale market.

7. **Management Quality:** JDEC’s internal leadership and governance will remain unchanged. JDEC will retain ownership of the Loop and will continue to manage its distribution system under a seasoned management team and elected board of directors.
8. **Employee Impact:** The transfer effects functional control only. JDEC employees will see no job losses and minimal changes to duties.
9. **Fairness to Members:** As a member-owned cooperative, JDEC has no outside shareholders. The proposed transfer is equitable to JDEC’s member-owners, who will gain improved reliability, reduced exposure to prolonged outages, and stable retail rates through FEMA support and MISO allocation.
10. **Economic Impact:** The enhanced grid resilience and redundancy will attract industrial development and commercial investment in the area. The Loop’s strategic location supports not only local members, but also the broader Louisiana economy.
11. **Preservation of Commission Jurisdiction:** JDEC’s distribution facilities and retail rate base remain subject to full LPSC oversight. The Commission’s regulatory authority over reliability, rate recovery, and customer service will not be disturbed.
12. **Mitigation of Adverse Consequences:** No adverse consequences are anticipated. On the contrary, the transfer improves system performance and customer benefits. The O&M Agreement—*see* Confidential Exhibit “E”—and integrated SCADA systems to ensure seamless transition and compliance with MISO’s standards.
13. **Regulatory Compliance:** MISO has a strong record of compliance with FERC regulations and has operated Louisiana transmission assets for over a decade.
14. **Financial Capability of Operators:** Both JDEC and its selected O&M contractor are financially and technically equipped to fulfill their respective responsibilities. MISO is an established, creditworthy entity.
15. **System Integrity and Condition:** The facilities are newly constructed to modern standards. Ongoing maintenance will be coordinated under the O&M Agreement and MISO planning process, ensuring cost-effective upkeep and shared responsibility for future upgrades.
16. **Permitting and Environmental Compliance:** JDEC has obtained, or is in the process of obtaining, all required permits. The project complies with applicable health, safety, and environmental standards.
17. **Financing and Asset Encumbrance:** Because the assets were largely grant-funded and not heavily debt-financed, there is no undue financial risk or encumbrance resulting from the transfer.⁴

⁴ See LPSC Order No. S-37500 dated September 29, 2025, Jefferson Davis Electric Cooperative, Inc., *ex parte*, *In re: Request for Letter of Non-Opposition to establish a non-revolving line of credit for interim financing associated with JDEC’s transmission loop*.

18. **Need for Conditions:** The evidentiary record demonstrates that the transfer is prudent, fair, and beneficial as filed. No additional conditions are needed to protect ratepayers, though JDEC is willing to file annual reports post-transfer to support Commission monitoring, consistent with past precedent.

As demonstrated in the accompanying Direct Testimonies of Mr. Michael J. Heinen, Mr. Timothy Kopp, Ms. Cynthia A. Menhorn, and Mr. Martin Lodyga, JDEC's Application satisfies each of the 18 factors set forth in the 1994 General Order, confirming that the classification of the Loop's facilities as transmission assets and the transfer of its functional control to MISO are consistent with the public interest and with the Commission's duty to ensure safe, efficient, and affordable service.

VII. Exhibits Supporting JDEC's Application

In support of this Application, JDEC submits the Direct Testimonies and associated exhibits of the following witnesses:

- Exhibit "A," the Direct Testimony of Mr. Michael J. Heinen – Mr. Heinen, JDEC's Chief Executive Officer and General Manager, provides an overview of this Application and its supporting evidence. He explains why the Loop qualifies as transmission under FERC's Seven-Factor Test and sets forth the rationale for transferring functional control to MISO. Mr. Heinen also addresses each of the Commission's 18 factors under the 1994 General Order, concluding that the classification and transfer of the Loop are squarely in the public interest.
- **PUBLIC AND CONFIDENTIAL** Exhibit "B *in globo*," the Direct Testimony and associated exhibits of Mr. Timothy Kopp – Mr. Kopp, a consultant with EPE, applies the FERC Seven-Factor Test to JDEC's facilities and confirms that the Loop should be classified as transmission facilities. He further explains how MISO integration enhances reliability, supports regional planning, and fairly allocates costs across all

beneficiaries. Mr. Kopp's Direct Testimony strengthens the legal and technical basis for Commission approval under both federal precedent and the 1994 General Order. A public and confidential version of Mr. Kopp's testimony is being submitted, and, pursuant to Rule 12.1 of the Commission's Rules of Practice and Procedure, JDEC respectfully requests confidential treatment of the confidential version of this exhibit, which contains proprietary information related to the O&M Agreement for the Loop. Confidential version filed under seal pursuant to Rule 12.1 of the Commission's Rules of Practice and Procedure.

- Exhibit "C *in globo*," the Direct Testimony and associated exhibits of Ms. Cynthia A. Menhorn – Ms. Menhorn, a consultant with MCR Performance Solutions, presents a detailed economic analysis of the proposed transfer using JDEC's historical data and projected transmission costs. She demonstrates that, while members may experience a one-time rate adjustment in 2026, rates will decline beginning in 2027 and produce a net present value benefit to customers in the Entergy Louisiana pricing zone through 2035. Her Direct Testimony supports findings under the 1994 General Order.
- Exhibit "D *in globo*," the Direct Testimony and associated exhibits of Mr. Martin Lodyga – Mr. Lodyga, a consultant with EPE, presents load cost savings modeling and reliability analysis using PROMOD-based Long Range Transmission Planning models developed by MISO and Loss of Load Modeling. He confirms that the Loop produces net economic benefits for the entire Entergy Louisiana pricing zone and materially improves resiliency, thereby satisfying the Commission's public-interest standard and supporting approval under the 1994 General Order. Confidential version filed under seal pursuant to Rule 12.1 of the Commission's Rules of Practice and Procedure.

- **CONFIDENTIAL** Exhibit “E,” the O&M Agreement executed between JDEC and GridLiance Louisiana, LLC. Filed under seal pursuant to Rule 12.1 of the Commission’s Rules of Practice and Procedure.
- Exhibit “F,” the Confidentiality Agreement – JDEC anticipates that the parties to this proceeding may seek discovery of matters that are confidential. Therefore, attached hereto as Exhibit F is a Confidentiality Agreement that may be used to facilitate the exchange of confidential information while still protecting information from disclosure, to the extent appropriate.

VIII. Request for Confidential Treatment

Pursuant to Rule 12.1 of the Commission’s Rules of Practice and Procedure, JDEC respectfully requests confidential treatment of certain portions of supporting testimonies and exhibits which contain proprietary information related to the O&M Agreement for the Loop or that constitute Critical Energy Infrastructure Information. These documents have been filed under seal and should be treated accordingly. Additionally, as noted above, JDEC has enclosed a Confidentiality Agreement that should be executed by parties desiring to view confidential information (*See Exhibit “F” attached hereto*).

IX. Request for Expedited and Timely Treatment

JDEC respectfully requests expedited review of this Application. Construction of the Loop is expected to be completed in 2026, and prompt Commission approval is necessary to ensure timely MISO integration and to prevent JDEC’s member-owners from shouldering costs for facilities that serve the entire Entergy Louisiana pricing zone. Expedited consideration will allow all Louisiana consumers to realize the Loop’s reliability and economic benefits without delay. JDEC further requests a **15-day intervention period.**

X. Request for Notice

JDEC requests that all notices, filings, discovery, correspondence, and other communications concerning this Application be directed to the following persons:

Kara B. Kantrow
H. Barlow Holley
Marionneaux Kantrow, LLC
10202 Jefferson Highway, Building C
Baton Rouge, Louisiana 70809-3183
Telephone: (225) 769-7473
Facsimile: (225) 757-1709
Email: kara@mklawla.com
barlow@mklawla.com

JDEC requests that the foregoing persons also be placed on the official service list for this proceeding.

XI. Prayer for Relief

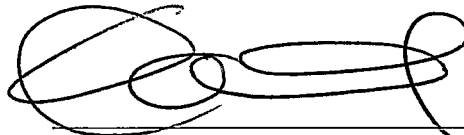
WHEREFORE, in addition to the specific relief requested in this Application, JDEC respectfully prays that the Commission issue an order:

1. Determining that the Loop qualifies as transmission under the FERC Seven-Factor Test;
2. Approving the transfer of functional control of the Loop to MISO;
3. Finding that the transfer satisfies the 1994 General Order and serves the public interest;
and
4. Granting JDEC such other general and equitable relief consistent with the record and the law.

[Signature page follows.]

Respectfully submitted,

MARIONNEAUX KANTROW, LLC



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H. Barlow Holley (Bar Roll No. 38275)

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