#### **BEFORE THE**

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#### LOUISIANA PUBLIC SERVICE COMMISSION

SOUTH LOUISIANA ELECTRIC COOPERATIVE COOPERATIVE ASSOCIATION	* DO *	CKET NO. U-37394
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## GUIDROZ FAMILY'S MEMORANDUM IN OPPOSITION TO SLECA'S MOTION IN LIMINE

This is a case of first impression.

By attempting to limit the voice of consumers who have been deprived of power because of its mistakes, SLECA seeks to establish a dangerous precedent that will harm consumers for decades.

In its memorandum filled with a blizzard of irrelevant citations, SLECA asks the Tribunal to overlook the absence of any relevant precedent. Neither SLECA nor anyone else has been able to find a case where the PSC authorized removal of power from nearly 300 consumers and determined that it was powerless to do anything for the affected consumers.<sup>1</sup>

Most of SLECA's motion in limine does not apply to the Guidroz intervenors because we have timely filed relevant direct and cross-answering testimony and promptly responded to discovery.

<sup>&</sup>lt;sup>1</sup> Not until footnote 31 does SLECA finally concede that:(1) the best it can do is find cases involving railroads which are no longer regulated by the PSC; and (2) it agrees that "there exist differences between railroad service and electric service", but somehow the PSC should rely on this thin authority to bar consumer remedies because "this line of cases is the most analogous body of jurisprudence." Certainly not controlling precedent for the case of first impression before this Tribunal.

However, for purposes of clarification we note that SLECA continually fails to state the real issues involved.

#### I. Questions Presented

A party to any controversy can always prevail if it limits the question to its desired outcome. Here, SLECA attempts to do just that. SLECA asks the Tribunal to ignore the Intervenors' losses and pleas for replacement power because it only filed a petition to abandon the now non-extant Lake Lines which SLECA wrongly removed without seeking authority from the PSC. The Utility then argues that because it has as made it is too expensive to rebuild lines that it wrongly removed the only question before the Tribunal is whether or not to abandon these non-extant facilities.

SLECA's bootstrap argument should be rejected.

Rather, the real questions presented in this case are:

When a power system is damaged by a storm, may the utility remove all infrastructure without the PSC's permission, promise consumers for three years that power will be restored, then decide not to restore power?

And the subsidiary question is:

May a Utility direct consumers to state their position before the Commission then, on the eve of trial, argue that the damages suffered by consumers from loss of power are irrelevant because the PSC is powerless to do anything about it?

II. SLECA seeks to create a precedent that will hamstring the PSC's performance of its constitutional duties.

SLECA is wrong about the Commission's jurisdiction. The Louisiana Constitution affords a broad range of power to the PSC. Given that Staff has considerable experience regarding the Commission's jurisdiction we will support their filing on this issue and make only the following observations:

- 1- General Order R-3301 contemplates "affordable alternatives" and "nothing herein should be construed to prevent the amicable resolution of disputes between electric and natural gas utilities and their consumers ". This language recognizes the Commission's power to make rate adjustments for affordable alternatives where a power line no longer exists.
- 2- By arguing that this is only a forward-looking proceeding, SLECA is asking the Tribunal to rule that a utility can rip out an entire system and if it's too expensive to replace under current codes there is nothing the Public Service Commission can do about what happened in the past.
- 3- PSC Rule 32 broadens to scope of admissible evidence in this proceeding beyond the rules in the civil evidence code by providing that "The rules of evidence shall be applied liberally in any proceeding to the end that all needful and proper evidence shall be conveniently, inexpensively and speedily heard while preserving the substantive rights of the parties to the proceeding."

- 4- This is not a jury trial and precedents seeking to exclude emotional testimony have no place here.
- 5- Attached to SLECA's petition as exhibit 2 is its letter to consumers dated August 21,2024 in which it notifies parties that it will file a petition for abandonment, and that "these public hearings give members yet another avenue to voice your opinion to our regulators regarding the abandonment of the lake lines". Now, rather than affording members an opportunity to "voice opinions" SLECA seeks to exclude all testimony not related to its narrow view of issues, and to further exclude 60 intervenors unrepresented by counsel who have been unable to respond to SLECA's burdensome discovery requests with their six pages of instructions and definitions.

# III SLECA's argument that Intervenors are raising issues beyond the pleadings is without merit.

Arguing that the scope of inquiry is restricted by the petition alone, SLECA seeks to ignore pleadings filed nine months ago. Attached as Exhibit 1 is a copy of our Intervention and Objection timely filed October 12, 2024. In paragraphs 19-24 we detailed the reasons for alternative power or compensation then made the following prayer for relief:

"Considering the foregoing and after due proceedings had, Intervenors respectfully requests that this Commission:

1) Order SLECA to restore the Lake Lines as soon as possible.

- 2) Alternatively, if SLECA is not ordered to restore the Lake Lines as previously constructed, the Commission should order SLECA to develop alternative systems to serve the affected consumer members;
- In the further alternative, if SLECA is not required to restore the Lake Lines or develop microgrids, this Commission should order SLECA to undertake the capital costs of constructing generator, battery, and solar systems at each affected property, and maintaining those systems and then charging the consumer members based on power usage;
- In the final alternative, if all three of the above remedies are denied, SLECA should be ordered to pay Intervenors, and other consumer members, just compensation as determined by the Commission based on the costs of generating alternative power on a monthly basis multiplied by the number of months available each consumer member on the remaining term of their leases"

Not having objected or moved to strike this pleading, SLECA cannot now be heard to argue that the pleadings have not placed the issue of alternative power firmly before the Commission.

For all the forgoing reasons, SLECA's motion in limine should be denied.

Respectfully submitted

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#### **CERTIFICATE OF SERVICE**

This is to certify that a copy of the above and foregoing has been served upon all parties via email, facsimile and/or by depositing same in the United States Mail, postage prepaid, this day of July, 2025 at New Orleans, Louisiana.

CHRISTOPHER M. GUIDROZ

#### **BEFORE THE**

### LOUISIANA PUBLIC SERVICE COMMISSION

ASOCIATION	*	DOCKET NO. S-37394
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In re: Petition for Approval of Prop	osed A	bandonment

### **GUIDROZ FAMILY INTERVENTION AND OBJECTION**

This Intervention is submitted to object to the Petition filed by South Louisiana Electric Cooperative Association ("SLECA") on September 25, 2024 seeking authority to abandon certain electric facilities defined in said Petition as the Lake Lines.

1.

Intervenors are parties in interest as defined in Rule 10 of the Rules of Louisiana Public Service Commission. Intervenors, Christopher Guidroz and his family, have been consumer members of SLECA and have consistently maintained and paid for electrical service at their property located on Bayou Decade in Terrebonne Parish, Section 34, T103S, R 1E (29 degrees 22" 15.5N; 90 degrees 55'02.2W) on long term lease LTLT-1856. Christopher Guidroz owns the camp. To ensure that the lease survives him, it is in the name of his wholly owned LLC, Action Charters. Mark Guidroz is also a party in interest since he attends to the utilities under SLECA Account 4153405902, meter 90406447.

Exhibet 1

Intervenors are among the distinct class of 282 consumer members who will be directly affected by and injured by SLECA's request to abandon. Intervenors and the other members of this limited class meet all prerequisites of Code of Civil Procedure art. 591.

#### **Guidroz Family Camp**

3.

Intervenor, Christopher Guidroz, is the oldest of eight siblings who, for the last four decades, have occupied and used the property served by SLECA on Bayou Decade. In addition to the eight siblings and their spouses, there are numerous children and grandchildren who have enjoyed the use of this property with continual electrical service. SLECA's unilateral decision to dismantle and then seek abandonment of this line not only causes economic damages, it violates public policy favoring continual service and will have a detrimental effect for generations to come. The camp is used by grandchildren who are tenth generation Louisianans maintaining a tradition which SLECA itself describes in its written correspondence as "the camp experience."

4.

Over the last 40 years the Guidroz Family has spent substantial funds improving this camp and securing leases for thirty-eight additional years, through 2062. Throughout this time, Intervenors have relied upon the electrical power provided by SLECA and have been assured, through SLECA's course of dealings and express written promises, of continuing electrical service. SLECA's unilateral decision to dismantle the line and seek

to abandon it has already caused and will continue to cause significant economic losses to Intervenors.

# SLECA's Request to Abandon is Inconsistent with Established Public Policy on Rural Electrification

5.

Arguing that it is inconvenient to repair a line that has continually served consumers for six decades, SLECA asks this Commission to approve an abandonment which is inconsistent with long -and well-established public policy on rural electrification. Such an approval would create a dangerous precedent allowing any utility that determines that it is not economically convenient to serve a customer located far away from main distribution systems. Since the rural electrification initiatives of the 1930s, this has never been the public policy of this Nation or this State.

### SLECA's Request is Not in Compliance with the Provisions of General Order R-30301

6.

While SLECA addresses various subparagraphs of General Order R-30301, it ignores the very basic policy underlying the Order as expressly stated by the Commission:

The Commission further encourages each electric and natural gas utility to file petitions for abandonment only as a last resort and to identify to the extent possible affordable alternatives to affected customer.

As discussed below, SLECA has utterly failed to consider affordable alternatives. For instance, petitioning FEMA to support either microgrids or solar systems under existing FEMA policies could result in systems that would be affordable. Throughout its petition SLECA argues that a fortified system would cost \$115,000,000 and that SLECA

does not have its ten percent share. Yet, SLECA has not demonstrated that it has considered an alternative such as solar systems.

7.

Intervenors are not in the solar electricity business and have no economic interest in any such companies, yet they are advised that at most a fully functional solar system with substantial battery backup would cost in the range of \$60,000 per camp, which, if FEMA would fund ninety percent, would only result in a \$6,000 charge per camp which SLECA could recover over a period of time with deminimus monthly charges.

8.

General Order R-30301 Subsection B.8 requires SLECA to expressly describe "the existence of alternative energy sources for the consumer and the estimated cost per customer to convert to each alternative energy source."

### Hurricane Ida did not destroy the line, SLECA did

9.

Throughout its Petition, SLECA makes that boot-strap argument that there is no line to abandon because over the past three years SLECA has removed the line. It obliquely and frequently suggests that Hurricane Ida destroyed the line. This is not true. Hurricane Ida damaged the Lake Lines, SLECA entirely dismantled them. Intervenors have been informed that using traditional methods, the lines could have been repaired in under sixty days. Rather than repairing the Lake Lines as it has done repeatedly in the past, SLECA completely removed all of the poles, transformers, and infrastructure. SLECA cannot now be heard to argue that there is nothing to abandon when SLECA has unilaterally removed the lines without authority.

# SLECA's All or Nothing Proposal Leaves \$100 Million of Federal Funding on the <u>Table</u>

10.

Over the past three years, SLECA has continuously represented to Intervenors and other consumers on the Lake Lines that it was removing the infrastructure pursuant to an agreement with FEMA to replace the lines with a fortified system funded ninety percent by FEMA. Suddenly and without warning, after three years, SLECA has unilaterally decided to abandon the lines.

11.

Having concluded that it does not have the ability to fund ten percent of the cost of the replacement of the Lake Lines, SLECA leaves \$100 million of FEMA federal funding unclaimed. SLECA nevertheless offers no creative solutions beyond wood or steel pole construction. As discussed hereinafter, there are other commercially viable, technical solutions to this problem that SLECA apparently have left unexplored.

# The Proposed Abandonment Violates SLECA's Express and Implied Obligations to Intervenors and Other Consumer Members on the Lake Lines

12.

Intervenors and other consumer members on the Lake Lines, have all entered into written customer agreements with SLECA, the express terms of which require SLECA to continue service. In addition, SLECA's course of dealings and repeated representations to Intervenors and other consumer members on the Lake Lines have created an implied contractual obligation to continue maintenance of the Lake Lines. SLECA's Petition is in violation of these express and implied contractual obligations.

# Intervenors and Other Consumer Members, Have Updated and Fortified Their Properties, but SLECA has Not Updated and Fortified the Line in Response to Changing Environmental Conditions

13.

Throughout its Petition, SLECA points out that the area served by the Lake Lines has undergone change over the last sixty years. SLECA has not responded to these changes and cannot now be heard to say that it's deferred action should permit it to completely abandon the Lake Lines. For example, after Hurricanes Katrina and Rita damaged the Guidroz Family camp, Intervenors undertook, at significant expense, to bulkhead their property on all four sides, fill the land, and build an entirely new camp elevated sixteen feet and fortified with continuous steel rods running from pilings to roof structure and reinforced roof structure. By contrast, after each storm, SLECA simply continued with its technique of using wood poles without reinforcement to respond to changing environmental conditions.

### SLECA's Letters Written Over the Last Three Years are Inconsistent with its <u>Current Position</u>

14.

On December 1, 2021, SLECA wrote that the lines will "be out of power for an extended period of time. This timeframe could last well into the next year if not longer." SLECA did not say that it would not restore the lines, and Intervenors and other consumer members continued to take temporary mitigation efforts fully expecting that the lines would be restored.

15.

On July 13, 2022, SLECA sent a letter to Intervenors and other consumer members in which it stated that "we wanted to write to address any concern you have and to dispel

any rumors or hearsay about the future of the line." SLECA then made an express promise that it now seeks to ignore:

We want to go on record and reassure all camp owners and those who enjoy the "camp experience" that, as of this time, SLECA has ever intention of rebuilding these damaged Lake Lines.

SLECA then went on to discuss other activities and concluded "but even with all of these ongoing activities, please know that we have not forgotten our camp owners, nor have we put this issue on the back burner."

16.

SLECA then wrote:

Please know that we are looking at all options for the rebuild, but we promise that the ultimate decision that is made will be for the betterment of SLECA's system and you, our camp owners.

17.

Two years later on August 21, 2024, when SLECA sent Intervenors a letter stating that it was going to abandon the lines, Intervenors were shocked and sent a letter to SLECA with specific questions. Intervenors' letter of August 22, 2024 is attached as Exhibit 1. Intervenors pointed out that on previous occasions, such as after Hurricane Andrew, SLECA imposed a special monthly assessment on each camp account to recover repair costs. It is Intervenors' belief that this is why there are differential rates cited in SLECA's Petition. Yet, SLECA never considered the alternative, or even proposed to Intervenors or other camp owners, that a differential cost adjustment be made so that SLECA could recover some of its costs of repair on a go-forward monthly basis.

Intervenors also asked SLECA what the cost of repairing the lines would have been had the lines not been hardened. SLECA did not provide any answer to this question and should provide such answer in discovery conducted pursuant to these proceedings.

## If SLECA is Permitted to Abandon the Existing Lines, It Should Provide Alternative Sources of Power

19.

SLECA has not addressed two fundamental questions posed by Intervenors in their letter of August 22, 2024. The first unanswered question was:

You write that the Board explored Steel Pile Construction and Wood Pole Construction transmission from the grid. Did SLECA consider any other forms of possible replacement power such as the implementation of a microgrid?

Intervenors attached as Exhibit 2, information regarding microgrids and FEMA, which was obtained through a simple internet search. So far as Intervenors know SLECA has made no efforts to seek FEMA funding for a microgrid or solar systems for the camps.

20.

SLECA has also not addressed another fundamental question posed in Intervenors' letter of August 22, 2024:

Did SLECA explore with FEMA the possibility of operating distributed power systems at each camp using solar and battery power supplemented by a generator to be constructed and maintained by the utility which would sell metered power to each camp based on fuel and maintenance costs, plus amortization of capital costs not reimbursed by FEMA?

Intervenors respectfully suggests that SLECA should be ordered to explore the possibilities of operating microgrids or distributed power systems and report back directly to the Commission on these issues.

# If SLECA is Permitted to Abandon the Lake Lines Intervenors and Other Consumer Members Will Suffer Significant Economic Damages

21.

In response to Intervenors' inquiry about compensation, SLECA's representatives have indicated there is no plan to compensate Intervenors or other similarly situated consumer members. Anticipating such concerns, SLECA's Petition makes much of the fact that the consumer members have not had power for three years, and suggests that "a generator costs about \$1,000." Both of these statements are without merit. First, SLECA cannot benefit from consumer members not having power for three years when SLECA decided to not repair the lines and instead dismantle them.

22.

Second, SLECA is wrong about generator power. It is true that a small gasoline powered air cooled generator costs in the range of \$1,000. What SLECA does not say is that these generators are good for perhaps a year to a year and a half. Intervenors are already on their second generator and our neighbors are on their third.

23.

SLECA makes a point of saying that average utility bills on the Lake Lines ran in the range of \$50. What is doesn't say is that the cost of generator power averages between \$350 and \$400 per month. Simply put, the cost of powering Intervenors and other consumer members properties with generators is between seven to ten times more expensive per kilowatt hour than commercial utility power.

24.

In practical terms, SLECA's decision to dismantle the Lake Lines has imposed a cost on Intervenors and other consumer members in excess of previous utility bills. This

excess costs averages \$300 per month and will continue throughout the remaining term of the camp leases on the Lake Lines.

25.

SLECA's abandonment of the Lake Lines is in effect an expropriation of Intervenors' and similarly situated consumer members' property rights. The removal of the Lake Lines will cause significant diminution in the value of Intervenors and other similarly situated consumer members' property.

#### Prayer for Relief

Considering the foregoing and after due proceedings had, Intervenors respectfully requests that this Commission:

- Order SLECA to restore the Lake Lines as soon as possible;
- Alternatively, if SLECA is not ordered to restore the Lake Lines as previously constructed, the Commission should order SLECA to develop alternative systems to serve the affected consumer members;
- In the further alternative, if SLECA is not required to restore the Lake Lines or develop microgrids, this Commission should order SLECA to undertake the capital costs of constructing generator, battery, and solar systems at each affected property, and maintaining those systems and then charging the consumer members based on power usage;
- 4) In the final alternative, if all three of the above remedies are denied, SLECA should be ordered to pay Intervenors, and other consumer members, just compensation as determined by the Commission based on the costs of generating alternative power on a monthly basis multiplied by the number

of months available to each consumer member on their remaining term of their leases.

Respectfully submitted,

Christopher M. Guidroz Mark J. Guidroz Action Charters, LLC By and Through Undersigned Counsel

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### **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy and foregoing has been forwarded to all known parties via U.S. Mail, postage prepaid and properly addressed, this 14<sup>th</sup> day of October, 2024.

Christopher M. Guidroz