

**CLECO POWER LLC**  
**2016 ATTACHMENT O ANNUAL UPDATE**

**CITY OF ALEXANDRIA, LOUISIANA**  
**DATA/INFORMATION REQUEST NO. 1**

**(Page 1 of 6)**

October 13, 2016

**Attachment O only pertains to Cleco Power LLC. Cleco will answer the questions based on Cleco Power LLC only.**

**General Questions:**

COA 1-1. Please provide a copy of all data requests submitted by all parties pertaining to Cleco's 2016 Attachment O Annual Update posted on July 1, 2016, along with responses to those data requests. In addition, please provide this information on a continuing basis.

*There is no other data request at this time.*

COA 1-2. With respect to the Macquarie-Cleco merger, please provide a detailed tabulation by FERC Account of all costs recorded and/or incurred in 2015 by Cleco in connection with the merger, including cost to achieve the merger (i.e. labor, senior staff labor, consulting services, administrative and general expenses, taxes, attorney's fees, consultants, benefits, severance, employee bonuses, executive rewards/compensation).

*Cleco Power LLC did not merge with any Macquarie companies. No merger cost were recorded and/or incurred in 2015 by Cleco Power LLC.*

COA 1-3. Please identify any errors identified by Cleco since its revised formula rate posted on July 1, 2016.

*There have been no errors found since the June 1, 2016 posting of the formula.*

COA 1-4. Please identify the nature and amount of any one-time expenses that were written-off to any transmission O&M account or A&G account during 2015.

*Cleco is not aware of any one-time expenses written off to any transmission O&M or A&G accounts in 2015.*

COA 1-5. Please identify all expenditures for lobbying, regulatory affairs and other civic, political and related activities incurred during 2015 and included in Cleco's formula rate update. This identification should include, but not be limited to:

*Cleco Power LLC is unaware of any lobbying, regulatory affairs or other civic, political and related activities incurred in 2015 that were included in the 2016 formula rate plan.*

- a. Identification of the organization for which the expenditure was made;
- b. Identification of each amount during 2015 by month;
- c. Identification of the FERC Account where the donation was recorded; and

**CLECO POWER LLC**  
**2016 ATTACHMENT O ANNUAL UPDATE**

**CITY OF ALEXANDRIA, LOUISIANA**  
**DATA/INFORMATION REQUEST NO. 1**

**(Page 2 of 6)**

October 13, 2016

- d. Identification of all related expenditures incurred in 2015 that would not have been incurred but for the expenditure for civic, political and lobbying activities, including the details on these expenditures requested in items a. through c.

COA 1-6. Please identify all charitable donation expenditures incurred during 2015 and included in Cleco's 2016 formula rate update. This identification should include, but not be limited to:

Cleco Power LLC is unaware of any charitable contributions incurred in 2015 that were included in the 2016 formula rate plan.

- a. Identification of the organization for which the expenditure or donation was made;
- b. Identification of each amount during 2015 by month;
- c. Identification of the FERC Account where the expenditure or donation was recorded; and
- d. Identification of all expenditures incurred in 2015 that would not have been incurred but for the charitable expenditure or donation, including the details on these expenditures requested in items a. through c.

COA 1-7. Please identify any capital leases and their corresponding amounts included in the formula rate (i.e., General Plant, Transmission Plant).

There are no capital leases that are included in General Plant or Transmission Plant that is included in the formula rate.

COA 1-8. Please identify and quantify any Goodwill that is included in the common equity included in Cleco's capital structure during 2015.

Cleco Power LLC has no Goodwill on the Cleco Power balance sheet

COA 1-9. Please identify any regulatory assets reported in the 2015 Form 1 that now or in the future are expected to affect the charges under the Attachment O Formula Rate as a result of amortization through expenses, if and when approved by the appropriate regulatory body.

See file COA 1-9.xlsx

**CLECO POWER LLC**  
**2016 ATTACHMENT O ANNUAL UPDATE**

**CITY OF ALEXANDRIA, LOUISIANA**  
**DATA/INFORMATION REQUEST NO. 1**

**(Page 3 of 6)**

October 13, 2016

COA 1-10. Please provide a workable excel spreadsheet that shows how Cleco calculates its AFUDC rate for capitalizing transmission investment, including the ROE used in that calculation. In addition, please provide the derivation and the source of the debt cost and ROE used in the AFUDC capital structure.

[See file COA 1-10.xlsx](#)

COA 1-11. Please specify the FERC account number(s) in which Cleco records monetary penalties for violations of NERC Reliability Standards, and explain whether these accounts and the costs of any such monetary penalties are included in the formula rate. To the extent there were any monetary penalties for violations of NERC Reliability Standards during 2015, please provide the following information for each year:

[There were no penalties recorded in 2015.](#)

- a. the amount of the penalties;
- b. the FERC accounts where such penalties are recorded;
- c. the nature of the alleged violation that gave rise to the penalty; and
- d. the amount of the penalties included in the formula rate.

COA 1-12. To the extent Cleco has any utility pipelines in its transmission rights of way and receives revenues for such use of the rights of way, please provide the following:

[Cleco does not receive revenue for utility pipelines in its transmission right of way.](#)

- a. Identify the FERC Accounts where Cleco records the revenues received for the use of the rights of way;
- b. Indicate whether or not such revenues are reflected in the formula rate and, if not, why not; and
- c. A copy of the contracts/agreements for use of the rights of way.

**Note: This is for Cleco Power LLC only, not on the corporate level.**

**The following questions pertain to the spreadsheet file “Attach\_O\_-\_Cleco\_ER15-1490\_(Eff\_06\_01\_15)\_final\_v4\_Material\_cost\_adjustment” and Cleco Power’s 2015 FERC Form 1:**

COA 1-13. In reference to Cleco’s 2015 FERC Form 1, p. 111, Line 57, Prepayments, please provide a detailed tabulation of every entry booked to this account during 2015, including name, description of cost item and amount.

[See file COA 1-13 provided with these responses.](#)

**CLECO POWER LLC**  
**2016 ATTACHMENT O ANNUAL UPDATE**

**CITY OF ALEXANDRIA, LOUISIANA**  
**DATA/INFORMATION REQUEST NO. 1**

**(Page 4 of 6)**

October 13, 2016

COA 1-14. In reference to Cleco's 2015 FERC Form 1, p. 321, Line 97, Account 566 – Miscellaneous Transmission Expenses, please provide a detailed tabulation of every entry booked to this account during 2015, including name, description of cost item and amount.

[See file COA 1-14 provided with these responses.](#)

COA 1-15. In reference to Cleco's 2015 FERC Form 1, p. 323, Line 181, Account 923 – Outside Services Employed, please provide a detailed tabulation (excel format) of every entry booked to this account during 2015, including name, description of cost item and amount.

[See file COA 1-15 provided with these responses.](#)

COA 1-16. In reference to Cleco's 2015 FERC Form 1, p. 323, Line 187, Account 926 – Employee Pensions and Benefits, please provide supporting documentation for the approximate 53% increase from \$24,605,868 to \$37,523,993 in 2014 and 2015, respectively.

[Account 926 – Employee Pensions and Benefits increased from \\$24,605,868 in 2014 to \\$37,523,993 in 2015 for two reasons. The first reason for the increase is due to updated mortality assumptions published by the Society of Actuaries which reflect significant increases to life expectancies. The second reason for the increase is due to the discount rate decreasing from 5.14% in 2014 to 4.21% in 2015.](#)

COA 1-17. In reference to Cleco's 2015 FERC Form 1, p. 323, Line 192, Account 930.2 – Miscellaneous General Expenses, please provide a detailed tabulation of every entry booked to this account during 2015, including name, description of cost item and amount.

[See file COA 1-17 provided with these responses.](#)

COA 1-18. In reference to Cleco's 2015 FERC Form 1, pp. 350 and 351, Line 10 – Cleco IRP – Docket No. I-33015, please provide the justification for recording this line item to Account 923 – Outside Services Employed rather than to Account 588 – Miscellaneous distribution expenses given that this line item is distribution related.

[The justification for recording this line item to Account 923 – Outside Services Employed is that the Federal Energy Regulatory Commission Code of Federal Regulations \(Part 101, Page 489, \) states that that account 923 should include fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.](#)

**CLECO POWER LLC**  
**2016 ATTACHMENT O ANNUAL UPDATE**

**CITY OF ALEXANDRIA, LOUISIANA**  
**DATA/INFORMATION REQUEST NO. 1**

**(Page 5 of 6)**

October 13, 2016

COA 1-19. In reference to Cleco's 2015 FERC Form 1, pp. 350 and 351, Line 12 – Market Based Rates, please provide a detailed description of this expense.

Line 12 “Market Based Rates” includes consultant fees for the updated FERC market power analyses (18 C.F.R. § 35.36).

COA 1-20. In reference to Cleco's 2015 FERC Form 1, pp. 350 and 351, Line 14 – FRP Annual Review – Docket No. U-33036/U-33447, please provide the justification for recording this line item to Account 923 – Outside Services Employed rather than to one of the customer accounts (Account 903 through 910) given that this line item is related to Cleco's retail customers.

The justification for recording this line item to Account 923 – Outside Services Employed is that the Federal Energy Regulatory Commission Code of Federal Regulations (Part 101, Page 489, ) states that that account 923 should include fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.

COA 1-21. In reference to the tab entitled “Nonlevelized-IOU,” Row 32, please provide the derivation and listing of the load associated with each GFA from Grandfathered Interzonal Transactions over one year in the amount of 400,917 kW.

The 12 month average load per GFA customer is as follows:

NL1450	200,250 KW
NL1424	4,667 KW
NL1499	14,500 KW
NL1447	181,500 KW

COA 1-22. In reference to the tab entitled “Taxes P. 3,” Row 25, Page 263.6.i, please provide a detailed explanation of the drivers behind the approximate 215% increase from (\$2,359,529) to \$2,708,427 in 2014 and 2015, respectively.

The drivers in the increase from 2015 compared to 2014 are primarily due to the absence of favorable settlements with taxing authorities in 2015.

**CLECO POWER LLC**  
**2016 ATTACHMENT O ANNUAL UPDATE**

**CITY OF ALEXANDRIA, LOUISIANA**  
**DATA/INFORMATION REQUEST NO. 1**

**(Page 6 of 6)**

October 13, 2016

COA 1-23. In reference to the tab entitled “Advertising Exp. P.3,” Row 11 – Safety, please verify that there were no safety related advertising costs in 2015 and provide an explanation as to why the majority of advertising costs were safety related last year and there were none this year.

[Safety Costs for 2015 were booked to account 909 and not to account 930.1 Safety Costs of \\$ 23,707 for 2015 should have been included in the formula](#)

COA 1-24. In reference to the tab entitled “Advertising Exp. P.3,” Rows 12 and 14, Community and Image, please provide the derivation for the amounts shown that are stated to be in Company Records, \$26,975 and \$34,090, respectively.

[Please see the response to COA 1-23.](#)

COA 1-25. In reference to the tab entitled “Excluded Assets P. 4,” Rows 10 – Less: Distribution Assets, please provide a detailed explanation for the significant decrease in Distribution Assets from \$102,501,097 to \$85,955,505 from 2014 to 2015, respectively.

[There were numerous assets reclassified, abandoned, and added to the file due to work at Layfield. The major driver for the decrease in 2015 is the Messick Assets were removed, since the substation was abandoned and replaced by Layfield. The Line from Messick to Western Craft was removed. A looped circuit which applies for wholesale transmission recovery was added to Western Craft. Currently the circuit is Layfield to Western Kraft and Western Kraft to Clarence, which are reclassified as transmission assets.](#)

COA 1-26. In reference to the tab entitled “Excluded Assets P. 4,” Rows 13 and 14, Less: Radial Lines, please provided a detailed listing (i.e. name of the facility and the investment in that facility) of all radial lines and their corresponding amounts that total \$24,737,322. In addition, please explain why the amount did not change from the 2014 amount.

[See file COA 1-26.xlsx](#)