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Note to File: River Bend Anitrust OL Review

Subject: Telephone Conversation With Mayor Larry Campisi of the City of Abbeville, Louisiana (phone (318) 893-8550) on August 2, 1984

I telephoned Mr. Larry Campisi, Mayor of the City of Abbeville, La., on August 1, 1984. He returned my call on the afternoon of August 2, 1984. I called Mr. Campisi to inquire of the status of the discussions/negotiations between the City of Abbeville (City) and Gulf States Utilities (GSU) pursuant to to a possible transmission agreement between the two power systems. Staff has received statements from counsel for the City of Lafayette, La. indicating that the City was unable to successfully negotiate a power transfer from Lafayette to the City over GSU transmission lines.

Mayor Campisi gave me a brief history of the on-going negotiations with GSU, indicating that GSU has originally agreed to provide the City with wheeling, but later reneged on the agreement, saying that GSU did not wheel for non-generating power systems. Campisi indicated that the City signed a wholesale for resale contract with GSU out of desperation because at present, the City is electrically isolated with the exception of the GSU delivery point. Campisi indicated that the City was attempting to pursue all avenues and search out alternative sources of power supply--other than GSU--because of recent and anticipated drastic rate increases for GSU wholesale customers. (A recent example of shopping for power suppliers given by Campisi involved a power purchase by 3 LEPA member cities from an Arkansas coal fired plant. Mr. Campisi couldn't remember the name of the seller, but indicated that LEPA was pursuing this type of purchase and will continue to do so.) Campisi stated that GSU would be willing to wheel--under its LEPA interconnection agreement--for the City if the City had the necessary substation facilities to receive power at transmission voltages. Consequently, the City has issued bonds totaling \$1.6 million to finance construction of a new 138kv substation. Campisi stated that construction of the substation was underway and is scheduled for completion in January of 1985.

The Mayor indicated that the municipalities in Louisiana were waging a fierce political battle against GSU in their efforts to draft legislation and maintain legislation already on the books that would enable the cities to more effectively shop for least cost power supplies and provide more competition in the bulk power market throughout Louisiana and neighboring states.

[Mayor Campisi was unaware of the GSU Power Delivery Agreement (PDA) that has been developed by GSU to provide wheeling services to non-generating entities on the GSU system. GSU has agreed to wheel for the City once the transmission substation has been completed. Perhaps the parties did not use the terminology "Power Delivery Agreement" in their negotiations as this draft agreement is relatively recent-dated 6/16/84. It appears that the transmission provisions provided for in the PDA have been made available to various non-generating cities.]

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