

Jeff Sadow: Public Service commissioners' decision to look into compensation agreements comes at convenient time

- Jeff Sadow
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If a horse throws you, get back on it. And if you then can ride that horse to take some political scalps, all the better.

Earlier this summer, four members of the Louisiana Public Service Commission — Lambert Bossiere III, Foster Campbell, Mike Francis, and Eric Skrmetta — found themselves ignominiously bucked. They had backed expediting the Windcatcher project, which would have spent billions of ratepayer dollars on transmitting wind energy gathered in Oklahoma to northwest Louisiana, among other places.

They did this despite no demonstrated need for the additional power and calculations showing it wouldn't cost ratepayers more only under highly questionable assumptions. The lone dissenter, Capital-area Commissioner Craig Greene, cited these reasons for his vote against it.

As did the LPSC's Texas counterpart in subsequently denying the request unanimously. Since the consortium making the proposal needed approval from all four impacted states, it then yanked the deal, posing an uncomfortable future campaign issue for that LPSC majority.

So, how do you help voters forget about this fiasco? By finding something to whip up outrage that makes you look good. And commissioners accomplished this by latching onto the issue of overly large compensation paid out by electric cooperatives.

These nonprofit entities owned by their customers provide power to mainly rural areas, sometimes serving only a few thousand accounts. Yet their directors commonly receive tens of thousands of dollars annually for claiming a few hours of work a week, and many earn additional compensation such as health insurance. Moreover, some coop chief executives rake in over \$100,000 a year.

In some instances, these payouts comprise a significant portion of yearly revenues over other expenses. At their last meeting, testimony about this largesse sent commissioners into high dudgeon.

“We get paid for mileage?” mocked Bossiere, a commissioner since 2005. “I have never, ever been paid a penny to be on any nonprofit board,” sniffed Skrmetta, who began his commission tenure in 2009.

Campbell seemed the most animated throughout the interrogation of coop officials. The 16-year commissioner fully vented his spleen by implying that the recipients of this compensation lived high off the hog at the expense of customers. And if he seemed to relish the flogging the most, that's because he could use the issue to deliver a little payback to one coop's management in particular.

Months ago, Claiborne Electric Cooperative, which serves Campbell's district, requested approval to make it financially responsible for a subsidiary providing broadband service. Yet despite the co-op producing a report that reckoned its electricity customers had little chance of paying more as a result, Campbell rallied his colleagues to reject the measure, with the LPSC citing its own internal reporting that contradicted the co-op's conclusion.

This disappointed a number of people who stood to receive the projected service and embittered co-op officials. That combination would bode ill for someone like Campbell seeking reelection in two years.

However, Campbell's public humiliation of coop administrators in general hit his target. At their next meeting, Claiborne Co-op directors sheepishly revoked their health insurance paid for by the organization and likely will remain cowed by Campbell for the foreseeable future.

After their questioning, commissioners vowed to investigate coop compensation arrangements. The LPSC has every reason to review skeptically future rate requests of coops that appear to pay their principals absurdly well.

Still, the timing seems politically convenient. While Francis and Greene came onboard only in the past couple of years, what kept Bossiere, Campbell, and Skrmetta years ago from accessing Internal Revenue Service filings that show inflated remuneration and acting on it?

These veterans deserve praise for finally taking up the issue but approbation for not addressing it sooner.

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