LOUISIANA PUBLIC SERVICE COMMISSION

SPECIAL ORDER NO. 22-2020

LOUISIANA PUBLIC SERVICE COMMISSION,
EX PARTE

In Re: Discussion and possible vote to ratify Executive Order dated March 13, 2020 and adopt Draft Special Order.

(Decided at the Commission's Business and Executive Session held April 29, 2020)

I. OVERVIEW

The Louisiana Public Service Commission, through the authority designated to the Executive Secretary in General Order dated November 3, 2005 ("11/3/05 G.O."), issued Executive Order dated March 13, 2020 ("3/13/20 E.O.") in response to the COVID-19 pandemic. Specifically, 3/13/20 E.O. prohibits/suspends the disconnection of customers of Commission-jurisdictional public utilities for non-payment of service, with exceptions only when public safety concerns unrelated to non-payment require disconnection.

II. JURISDICTION

The jurisdiction of the Commission is set forth by the Louisiana Constitution, Article IV, Section 21, which provides as follows:

> The Commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations, and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

Consistent with this constitutional grant of rulemaking authority, the Commission adopted the 11/3/05 G.O., which grants the Commission's Executive Secretary authority, in certain emergency situations, to issues executive orders providing exceptions to Commission regulations. Specifically, the General Order provides the Secretary,

> limited authority to make temporary exceptions to Commission rules and/or orders during a state of emergency in Louisiana declared by the Governor of the State of Louisiana and/or President of the United States and after approval of the requested action by the Chairman of the Commission, or Vice Chairman of the Commission if the Chairman is unavailable.

The 11/3/05 G.O. further provides that an executive order issued consistent therewith is to be addressed at the next Commission open session.

On March 11, 2020, Governor John Bel Edwards declared a statewide public health emergency, by issuance of Proclamation 25 JBE 2020. The 3/13/20 E.O. was issued shortly thereafter, and its prohibition against the disconnection of Commission-jurisdictional services remains in place.

III. TERMINATION OF EXECUTIVE ORDER DATED MARCH 13, 2020 AND ADOPTION OF ADDITONAL MEASURES

Louisiana remains under the declaration of a statewide health emergency, and many of the associated restrictions that triggered the 3/13/20 E.O. remain in place. Nonetheless, both the State and Federal government have initiated discussions and protocols that provide a path forward, and outline when certain restrictions currently imposed may be relaxed. Specifically, the "Opening Up America Again" guidelines adopt a three-phased approach to removing the restrictions currently in place.[1] Beginning with "Phase II," many businesses, schools, and other

[1] https://www.whitehouse.gov/openingamerica/ This link provides an overview of the three-phased approach, including the initial gating criteria, as well as the criteria to move to each phase, and what each phase entails.

entities will be able to reopen, and assume practices similar to those before the pandemic. Best practices would dictate that the Commission and its jurisdictional-utilities continue to provide relief and assistance opportunities to ratepayers until "Phase II" is achieved in Louisiana; however, the Commission must also acknowledge that continuing these prohibitions will potentially impose financial impacts on the regulated utilities. Accordingly, the Commission adopts the following protocols.

A. March 13, 2020 Executive Order Termination and Extension of Disconnection Prohibition

While the 3/13/20 E.O. is hereby terminated and superseded by this Special Order, the prohibitions against disconnection/suspension of services for non-payment, except when the public health warrants such disconnection, shall remain in place until the State of Louisiana enters "Phase II" of the Opening Up America Again guidelines, or unless terminated earlier by the Commission. Commencing with the first billing cycle following "Phase II," all Public Utilities subject to the jurisdiction of the Commission may commence disconnection procedures, according to the protocols outlined in Commission General Orders dated February 20, 1973, July 12, 1976, and October 11, 2019, for non-payment of outstanding principal balances on bills rendered after that date.

This Order does not eliminate the requirement that ratepayers continue to pay their utility bills during this suspension. Customers should continue paying their bills if they are able, and should understand they will ultimately be responsible for the charges incurred during this suspension of disconnection period.

B. Applicability of Late Payment fees/charges/penalties

All Public Utilities subject to the jurisdiction of the Commission may commence assessing late payment fees/charges/penalties, according to the protocols outlined in Commission General Order dated July 12, 1976, on outstanding principal balances on services rendered after the Phase II date to customers not timely paying utility bills. Unpaid balances accrued between the 3/13/20 E.O.'s inception and the date "Phase II" is implemented shall not be subject to late fees.

C. Notification to Customers and Time Period for Recovery of Past Due Balances

All public utilities subject to the jurisdiction of the Commission shall notify delinquent customers of the following: 1) the termination of the disconnect prohibition when Phase II protocols are implemented; 2) the delinquent customer's outstanding principal balance and their obligation to pay their outstanding balance; and 3) the existence of a payment plan and other utility-specific options that allow a delinquent customer to pay outstanding principal balances.

D. Payment Plans for Recovery of Past Due Balances

Utilities shall continue to work with and provide payment plan options, levelized billing options, etc. to those customers who have outstanding principal balances on bills rendered prior to Phase II, and those rendered subsequent to Phase II. While no specific timelines for payment plans are established herein, utilities are encouraged to provide reasonable, customer-specific payment arrangements and options.

E. Utility Recovery of Lost Revenue

All Public Utilities subject to the jurisdiction of the Commission are hereby authorized to record, as a regulatory asset, expenses incurred from the suspension of disconnections and collection of late fees imposed by both the 3/13/20 E.O. and this Order. Additionally, all Public Utilities are entitled to formally petition the Commission to recover, at a later date, revenues lost as a result of the effect of the 3/13/20 E.O. and this Order, including administrative costs and expenses associated with the customer notification. Such a request will be subject to Commission review and approval. A Public Utility may determine the method whereby it seeks such recovery (e.g. rate filing, annual review, request for asset) and may request such recovery on a dollar for dollar basis.

IV. COMMISSION CONSIDERATION

Commission Special Order No. 22-2020 was presented for consideration by the Commission at the April 29, 2020 Business and Executive Session, with Staff recommending its adoption. On motion of Commissioner Greene, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to adopt the draft Special Order.

IT IS THEREFORE ORDERED THAT:

1. Louisiana Public Service Commission Executive Order dated March 13, 2020, is hereby terminated as outlined herein.

2. This Special Order No. 22-2020 is hereby adopted by the Commission.

3. This Order shall be effective immediately.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
April 29, 2020

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BATON ROUGE, LOUISIANA

/S/ MIKE FRANCIS
DISTRICT IV
CHAIRMAN MIKE FRANCIS

/S/ CRAIG GREENE
DISTRICT II
VICE CHAIRMAN CRAIG GREENE

/S/ FOSTER L. CAMPBELL
DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL

/S/ LAMBERT C. BOISSIERE, III
DISTRICT III
COMMISSIONER LAMBERT C. BOISSIERE, III

BRANDON M. FREY
SECRETARY

/S/ ERIC F. SKRMETTA
DISTRICT I
COMMISSIONER ERIC F. SKRMETTA