

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER U-37209-A

SOUTH COAST GAS COMPANY, INC., EX PARTE.

Docket No. U-37209, In re: Request for an interim Operating Revenue Rider.

(Decided at the March 26, 2025 Business and Executive Session.)

ORDER

I. BACKGROUND

On May 14, 2024, South Coast Gas Company, Inc., (“South Coast” or “Company”) filed a Request for interim Operating Revenue Rider (“Request”). Notice of the Request was published in the Louisiana Public Service Commission (“LPSC” or “Commission”) Official Bulletin No. 1324, dated May 24, 2024, with a 25-day intervention period. No interventions were received. SCG filed its Proof of Publication on June 11, 2024. On February 20, 2025 South Coast filed *Motion for Amendment of Interim Cost Recovery Rider for South Coast Gas Company, Inc.* (“Motion”). South Coast’s Motion sought to amend the Interim Cost Recovery Rider approved by the Commission in Order No. U-37209. The Motion was published in the Commission’s Official Bulletin No. 1344 dated February 28, 2025, with a 15-day intervention period. No new interventions were received. The Motion was considered at the Commission’s March 26, 2025 Business and Executive Session.

II. COMMISSION AUTHORITY

The Commission exercises jurisdiction over public utilities in Louisiana pursuant to Article IV, Section 21(B) of the Louisiana Constitution.

LA. Const. Art. IV, Sec. 21(B) provides in pertinent part:

The commission shall regulate all common carries 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.

III. MOTION FOR AMENDMENT OF INTERIM COST RECOVERY RIDER

On February 20, 2025, South Coast filed its Motion for Amendment of the Interim Cost Recovery Rider issued in LPSC Order No. U-37209. The motion resolves all issues in this proceeding. Since the issuance of Order No. U-37209, South Coast's lender, Capital One Bank ("Capital One"), has demanded that South Coast liquidate its short-term debt in full on or before November 15, 2025, and make principal payments in the amount of \$42,624.21 per month, as set forth in a Modification of Loan Agreement between South Coast and Capital One. South Coast has been unable to secure alternative financing arrangements and continues to experience overall cash flow challenges. To avoid default, South Coast has sought an additional \$952,673 through the Rider authorized by the Commission in Order No. U-37209. The calculation of the \$952,673.59 is derived based on the principal balance of \$1,336,291.48 reflected in the Capital One Modification of Loan Agreement, less \$383,617.89 representing principal payments of \$42,614.21 per month recovered from ratepayers under the existing Interim Operating Revenue Rider through October 2025. Currently, South Coast ratepayers are being charged a rider of \$2.55 per month, between the months of December 2024 to November 2025. However, this Motion will add an additional \$8.57 per month for the months of April 2025 to September 2025, for a total of \$11.12 per month under the Rider.

IV. COMMISSION CONSIDERATION

On motion of Chairman Francis, seconded by Commissioner Lewis, with Commissioner Campbell and Commissioner Coussan concurring, and Vice Chairman Skrmetta temporarily absent, the Commission voted to accept the Motion to Amend Order U-37209 and South Coast's Request for Interim Operating Revenue Rider filed into the record on February 20, 2025.

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IT IS THEREFORE ORDERED THAT:

1. The Motion to Amend Order U-37209 and South Coast's Request for Interim Operating Revenue Rider filed into the record on February 20, 2025 is accepted; and
2. This order is effective immediately.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
April 25, 2025



A handwritten signature in blue ink, appearing to read "Brandon M. Frey".

BRANDON M. FREY
SECRETARY

/S/ MIKE FRANCIS
DISTRICT IV
CHAIRMAN MIKE FRANCIS

ABSENT
DISTRICT I
VICE CHAIRMAN ERIC F. SKRMETTA

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

/S/ DAVANTE LEWIS
DISTRICT III
COMMISSIONER DAVANTE LEWIS

/S/ JEAN-PAUL P. COUSSAN
DISTRICT II
COMMISSIONER JEAN-PAUL P. COUSSAN