

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER U-37392

DIXIE ELECTRIC MEMBERSHIP CORPORATION, EX PARTE.

Docket No. U-37392, In re: Application for an increase in rates, approval of Formula Rate Plan, modifications to terms and conditions, and for interim rate relief.

(Decided at the September 17, 2025 Business and Executive Session.)

ORDER

I. BACKGROUND

On September 24, 2024, Dixie Electric Membership Corporation, (“DEMCO” or “Cooperative”) filed an Application for an increase in rates, approval of Formula Rate Plan, modifications to terms and conditions, and for interim rate relief (“Application”). DEMCO’s Application was published in the Commission’s Official Bulletin No. 1333 dated September 27, 2024, with a fifteen-day (15) intervention period. The intervention period elapsed with no interventions or protests.

Staff had reviewed DEMCO’s Application and accompanying testimony and exhibits. In addition, Staff reviewed responses to data requests that were submitted to the Cooperative seeking further information on its operation and financial results. On February 14, 2025, Staff filed Direct Testimony and Staff Report of Karl J. Nalepa (“Direct Testimony”).

On May 1, 2025 DEMCO filed an Unopposed Motion to Upset the Procedural Schedule and Continue Hearing Without Date. At this point, DEMCO and Staff entered into settlement negotiations.

On August 4, 2025, DEMCO and Staff subsequently entered into an Uncontested Stipulated Settlement (“Settlement”). This executed Settlement was filed into the record, as part of the *Joint Motion for the Scheduling of Hearing on Uncontested Stipulated Settlement* (“Joint Motion”). A hearing on the Settlement was held on August 26, 2025.

II. COMMISSION AUTHORITY

The Commission exercises jurisdiction in this proceeding pursuant to Article IV, Sec. 21 of the Louisiana Commission.

La. Const. Art. IV. Sec. 21 provides in pertinent part:

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.

III. STIPULATED SETTLEMENT

On August 4, 2025, DEMCO and Commission Staff, filed the Joint Motion, including Uncontested Stipulated Settlement Term Sheet, Settlement Testimony from Karl Nalepa for Staff, and Settlement Testimony from Craig Brown and Randall C. Pierce on behalf of DEMCO. The Settlement resolved all issues in this proceeding. Terms of the Stipulated Settlement are:

1. DEMCO is authorized to reestablish a formula rate plan (“FRP”), as fully described in DEMCO’s FRP Rider. This FRP shall be for a three-year term, with FRP annual report filings in 2026, 2027, and 2028 for calendar test years 2025, 2026, and 2027.
 - a. Under its FRP, DEMCO shall file its annual reports on or before March 1 following each calendar test year, with rates to be effective on July 1 of the year of filing, and if a Commission order is not issued in time for July 1 implementation, DEMCO may implement rates effective July 1 subject to refund, as applicable, following a Commission’s order (and as more fully described below).
 - i. Staff and Intervenor testimony shall be filed into the record by June 1.
 - ii. DEMCO shall file a response into the record by June 11.
 - iii. The Parties will endeavor to place any agreement on the first practicable Business and Executive Session for Commission approval.
 - iv. If the Parties agree to or settle on an amount less than the filed request, or if the Commission orders an amount less than the filed request, DEMCO shall refund the difference to its members. The refund shall be applied as a per-kWh credit on member bills and will be designed to be completed within 6 months of a Commission Order, subject to variation based on actual member usage. The refund shall continue until the full amount has been returned.
 - v. If the Parties agree to or settle on an amount greater than the filed request, or if the Commission orders an amount greater than the filed

request, DEMCO may apply a per-kWh surcharge to member bills to be collected over such amount of time as agreed to by DEMCO and the Commission.

- b. DEMCO’s FRP provides that the company shall seek to earn a Calculated Times Interest Earned Ratio (“CTIER”) of 1.50, with a bandwidth set to 1.40-1.60. Should DEMCO’s CTIER fall either above 1.60 or below 1.40, rates shall be adjusted to meet a midpoint of 1.50. If the CTIER falls within 1.40-1.60, there will be no change in rates, subject to the additional revenue checks.
- c. DEMCO’s revenue requirement shall have two additional revenue checks:
 - i. a Modified Debt Service Coverage (“MDSC”) Ratio of 1.70, and
 - ii. an Equity to Total Assets Ratio of 15.00%.
 - 1. Should DEMCO’s Equity to Total Assets ratio fall below 15.00%, all funds collected through this secondary revenue check shall be assigned to return DEMCO to an Equity to Total Assets Ratio in excess of 15.00%
 - 2. The Commission shall allow DEMCO to implement their new base rates as early as the month following an September 2025 Commission vote.
 - 3. DEMCO’s FRP adjustment shall be \$0.0000 per kilowatt hour (kWh) until July 1, 2026.
 - 4. Any change in DEMCO’s revenue requirement as determined in an FRP filing shall be charged on a per-kWh basis.
 - 5. DEMCO’s Grid Access Charges shall be increased as detailed in the table immediately below:

Class and Rate Schedule	GAC Amount
Residential	
Schedule A1	\$16.50
Schedule A11	\$24.80
TOU Schedule 16	\$16.50
Seasonal	
Schedule S12	\$17.95
Schedule S13	\$26.25
Farm House	
Schedule FH14	\$17.95
Schedule FH15	\$26.25
Commercial and Small Power	
Schedule B3	\$35.00
Schedule B93	\$43.30
Church	

Schedule C40	\$29.45
Schedule C41	\$37.75
Unmetered	
Schedule UMS32	\$16.50
Schedule UMS35	\$24.80
Large Power	
Medium (< 1,000 kilovolt-amps (kVA))	\$75.00
Large (> 1,000 kVA)	\$95.00
TOU LPTU51	\$75.00
Municipal Pumping	
Schedule MP6	\$33.00
Volunteer Fire Department	
Schedule VFD38	\$33.00
Schedule VFD39	\$41.30
Industrial Service High Load Factor	\$750.00

6. DEMCO shall be authorized to implement the certain requested tariff modifications, as more fully described in DEMCO’s updated tariff, including but not limited to:
- a. The Residential Two-Tier Inclining Block Rate;
 - b. The updated Residential Time-of-Use rate design;
 - c. A division of the Large Power member class into a Medium General Service class and a Large General Service class;
 - d. The updated Commercial Time-of-Use rate design;
 - e. An Industrial Service High Load Factor rate;
 - f. The closure and deletion of obsolete rate schedules, including Residential Schedules 2 and 21, Residential Time-of-Use Schedules 22 and 23, Commercial and Small Power Time-of-Use Schedule 33, Large Power Industrial Time-of-Use, Contracts, Rider JCIC-I – Jobs Creation Incentive Credit Industrial, and Rider SCRR – Storm Cost Recovery Rider;
 - g. Various clerical amendments to improve the clarity of tariff language;
 - h. Revised tariff codes for greater consistency;
 - i. Revised tariff language for consistency, including the following Schedule of Charges and Deposits:

Description	Amount
Charge	
Membership Fee	\$5.00
Connection Fee – Regular Hours	\$70.00
Connection Fee – After Hours	\$100.00
Connection Fee – Security Light	\$200.00
Insufficient Funds (NSF) Check Fee	\$20.00
Collection Fee	\$35.00

Reconnection Fee – Regular Hours	\$70.00
Reconnection Fee – After Hours	\$100.00
Meter Test Fee	\$80.00
Meter Tampering Fee	\$350.00
Damaged/Stolen Meter Fee – Advanced Meter Reading	\$150.00
Damaged/Stolen Meter Fee – Non- Advanced Meter Reading	\$50.00
Late Payment Penalty	5.00%
Net Metering Fee	\$200.00
Deposits	
Interest on Deposits	5%

7. DEMCO shall be required to file into the record of this proceeding, along with a copy to the Commission's Utilities Division, a new or revised tariff reflecting the Commission's action, within thirty (30) days of the issuance of an Order in this proceeding. All tariff filings shall be made in accordance with the Commission's General Order Dated July 1, 2019.
8. Upon satisfaction of the above-described condition(s), and approval of the same by Staff, the approved rates are deemed effective. Any newly approved rates charged to members prior to satisfying the above-stated conditions shall be considered a direct violation of this rate proceeding and subject to refund with interest.
9. This action is taken without prejudice to the authority of the Commission to make investigations and require any reasonably necessary change that the Commission may legally find to be in the public interest.
10. Except as expressly stated herein, this Stipulated Settlement has no precedential effect in any other proceeding and will be without prejudice to the right of any party to take any position in future proceedings. The terms of this Stipulation may not be used either as an admission of any sort or as evidence in any proceeding whatsoever, except to approve or enforce the terms of this Stipulation. All oral or written statements made during the course of settlement negotiations are governed by Louisiana Code of Evidence Article 408.

IV. COMMISSION CONSIDERATION

This matter was considered at the Commission’s September 17, 2025 Business and Executive Session. After discussion, on motion of Vice Chairman Skrmetta, seconded by Chairman Francis, and unanimously adopted, the Commission voted to accept the Uncontested Stipulated Settlement filed into the record on August 4, 2025.

IT IS THEREFORE ORDERED THAT:

- 1) The Uncontested Stipulated Settlement filed into the record on August 4, 2025 is accepted;
and
- 2) This order is effective immediately.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
October 13, 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

/S/ ERIC F. SKRMETTA
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