

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER U-36647

LOUISIANA PUBLIC SERVICE COMMISSION, EX PARTE.

Docket No. U-36647, In re: Audit of Purchased Gas Adjustment filings for CenterPoint Arkla for the period of January 2021 through December 2022.

(Decided at the June 18, 2025 Business and Executive Session.)

ORDER

Overview

The Louisiana Public Service Commission (“Commission”), having reviewed and considered the *Joint Report and Draft Order* (“Joint Report”) and the *Report of the Commission Staff* (“Staff Audit Report”) submitted by Commission Staff and CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkla (“Arkla” or “Company”),¹ finds said Joint Report and Staff Audit Report to be acceptable and in accordance with the provisions of Commission General Order No. U-22407, dated March 24, 1999 (the “PGA General Order”).

The Staff Audit Report was filed into the record on March 13, 2025. The Joint Report was filed into the record on May 21, 2025, and a copy of the Joint Report was attached thereto as Attachment A.

The Joint Report indicates, as determined by the Staff Audit Report, that the costs incurred and recovered by Arkla through the purchased gas adjustment (“PGA”) mechanism during the audit period were reasonable, prudent, and necessary for the provision of natural gas service to its customers. The Staff Audit Report further found that Arkla’s PGA filings for 2021 and 2022 complied with the PGA General Order and followed the methodology outlined in Appendix B of the Order. Staff did not identify any ineligible costs that were passed through the PGA mechanism for recovery by Arkla. As a test of reasonableness, Staff found that the commodity prices for purchased gas paid by the Company closely tracked market prices at Henry Hub. Overall, Arkla ratepayers paid \$0.267/MMBTU less than Henry Hub prices, a 5.2% savings. Staff concluded that the Company’s purchased gas supply during the audit period was reasonable and competitively priced.

¹ Pursuant to Commission Order No. S-37187, dated December 17, 2024, the transaction whereby the natural gas systems formerly owned by CenterPoint Energy Resources Corp. in Louisiana were acquired by Delta North Louisiana Gas Company, LLC and Delta South Louisiana Gas Company, LLC closed at midnight on March 31, 2025.

Based upon its examination of the documentation provided in support of the Company's monthly PGA filings and after conducting extensive analyses, Staff requested the following information and clarifications with future PGA filings:

Few invoices lack exact reference to the recovered amounts listed in Schedule B3. For example, reviewing invoices for the operations month of November 2022 and the operations month of April 2022, the recovered amounts are apparently combinations of multiple entries or split allocations, particularly for supplies with multi-page invoices. While the sum of these entries is materially close to the amount in Tab B3, they are not always exact. Thus, for cost entries without a single specific invoice reference, the Company should in the future provide a calculation page which sums each individual entry to the total amount included in Tab B3.

The Joint Report and Staff Audit Report include certain findings, which led to Staff's recommendation that the Commission should find that the costs incurred and included for recovery through Arkla's monthly PGA filings were reasonable, and that the Company's filings submitted under the requirements of the PGA General Order should be approved.

Commission Jurisdiction and Authority

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

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.

Pursuant to its constitutional authority, the Commission issued the PGA General Order to develop standards governing the ratemaking treatment of purchased gas costs incurred by gas utilities subject to the jurisdiction of the Commission. Pursuant to the PGA General Order, Arkla was a Group I Company and was required to file PGA schedules on a monthly basis as soon as practically possible after the first of each month, with supporting documentation for all data inputs, which were then used for the applicable billing month.

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Commission Consideration

On motion of Commissioner Vice Chairman Skrmetta, seconded by Commissioner Coussan, and unanimously adopted, the Commission voted to accept the Joint Report and issue the Draft Order filed into the record on May 21, 2025.

THEREFORE, IT IS ORDERED:

That the Joint Report submitted by Staff and Arkla is accepted, adopting and approving the findings and recommendations contained therein and in the Staff Audit Report, and that:

1. The costs incurred and recovered by Arkla through the PGA mechanism during the audit period of January 2021 through December 2022 were reasonable, prudent, and necessary for the provision of natural gas service to customers.
2. Arkla's PGA filings for 2021 and 2022 complied with the PGA General Order and followed the methodology outlined in Appendix B of the Order.
3. No ineligible costs were passed through the PGA mechanism for recovery by Arkla during the audit period of January 2021 through December 2022.
4. Arkla's purchased gas supply during the audit period of January 2021 through December 2022 was reasonable and competitively priced.
5. Arkla's PGA filings submitted under the requirements of the PGA General Order are approved.
6. In future PGA filings, for invoices lacking exact reference to the recovered amounts listed in Schedule B3, a calculation page which sums each individual entry to the total amount included in Tab B3 should be provided by the utility.

This Order is effective immediately.

**BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
July 16, 2025**



**BRANDON M. FREY
SECRETARY**

/S/ MIKE FRANCIS

DISTRICT IV

CHAIRMAN MIKE FRANCIS

/S/ ERIC F. SKRMETTA

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VICE CHAIRMAN ERIC F. SKRMETTA

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DISTRICT V

COMMISSIONER FOSTER L. CAMPBELL

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