

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER U-36318

LOUISIANA WATER COMPANY,
EX PARTE

Docket No. U-36318, In re: Application for an Increase in Rates, Including Interim Rates, Approval of Formula Rate Plan, Request for Establishment of Regulatory Asset, and Request for Establishment of an Emergency Reserve Fund.

(Decided at the April 27, 2022 Business and Executive Session.)

ORDER

Overview

On March 29, 2022, Louisiana Water Company, Inc. (“LAWCO” or the “Company”) filed an application for an increase in rates, including interim rates, approval of formula rate plan, request for establishment of a regulatory asset and request for establishment of an emergency reserve fund (“Application”). In its Application, LAWCO indicated that the Company experienced a 29% increase in power costs during 2021, and that without the requested interim rate relief, the Company’s financial metrics would continue to be adversely affected. Notice of LAWCO’s request was published in the Commission’s Official Bulletin # 1268, dated April 1, 2022. No interventions were filed. LAWCO also published timely notice of its request in the state journal and the official journal of each parish within the geographical area in which the rates would become applicable.

Jurisdiction and Applicable Law

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

L.a. Const. Art. IV, Sec. 21 provides in pertinent part:

(B.) 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.

Commission Consideration

On motion of Commissioner Greene, seconded by Vice Chairman Francis, with Chairman Boissiere and Commissioner Campbell concurring, and Commissioner Skrmetta absent, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.

Vice Chairman Francis made the following motion: I move that the Commission approve Louisiana Water Company, Inc.'s request for interim rates, allowing a 4.31% increase in the Company's retail rates, effective May 1, 2022. This interim rate will increase the average monthly customer's bill by \$1.26 and will remain in effect until the Commission's full decision on the merits of LAWCO's rate application. The approval of the increase is subject to LAWCO's posting with the LPSC Secretary, and filing into the record of Docket U-36318, a letter of credit in the amount of \$627,917.00, based on the 4.31% increase, to ensure refund if necessary.

On motion of Vice Chairman Francis, seconded by Commissioner Campbell, with Chairman Boissiere and Commissioner Greene concurring, and Commissioner Skrmetta absent, the Commission voted to approve the request for interim rate relief, subject to bonding requirements, as read into the record.

IT IS THEREFORE ORDERED THAT:

1. LAWCO is allowed to charge a 4.31% interim rate increase, subject to refund and the applicable bonding requirements, until a final Order is issued in this docket regarding the Company's request for permanent rate relief;
2. LAWCO is required to file proof of the applicable bond requirements with the Commission;
3. LAWCO is required to file an updated tariff indicating the interim emergency rate, and its terms, with the Utilities Division within 30 days of this order;
4. LAWCO cannot begin charging the interim rate until (2) and (3) are complete and approved by Staff; and,
5. This Order is effective immediately.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
May 10, 2022



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

BRANDON M. FREY
SECRETARY

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

/S/ MIKE FRANCIS
DISTRICT IV
VICE CHAIRMAN MIKE FRANCIS

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

ABSENT
DISTRICT I
COMMISSIONER ERIC F. SKRMETTA

/S/ CRAIG GREENE
DISTRICT II
COMMISSIONER CRAIG GREENE