

**ARKANSAS PUBLIC SERVICE COMMISSION**

IN THE MATTER OF ADMINISTRATIVE	)	DOCKET NO. 20-012-A
ORDERS RELATING TO THE COVID-19	)	ORDER NO. 1
STATE OF EMERGENCY	)	

**ORDER**

On March 11, 2020, the Governor of the State of Arkansas declared a state of emergency in an effort to stem the transmission of the novel coronavirus that causes COVID-19.<sup>1</sup> In a subsequent Executive Order, the Governor ordered “all state agencies to identify provisions of any regulatory statute, agency order or rule that in any way prevents, hinders, or delays the agency’s ability to render maximum assistance to the citizens of this state” while they are dealing with the COVID-19 public health emergency.<sup>2</sup>

The Arkansas Public Service Commission (Commission) is charged with the duty of ensuring that public utilities provide safe, adequate, and reliable utility service at just and reasonable rates. By law, such rates must allow public utilities the opportunity to recover the prudently incurred cost of providing such service and a fair rate of return on capital invested by the utilities for the purpose of providing such service. The Commission is also charged with the duty of ensuring that customers are not charged excessive rates for such service. The Commission is “vested with the power and jurisdiction, and it is made its duty, to supervise and regulate every public utility defined in § 23-1-101 and to do all things, whether specifically designated in this act, that may be

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<sup>1</sup> EO 20-03.  
<sup>2</sup> EO 20-06.



necessary or expedient in the exercise of such power and jurisdiction, or in the discharge of its duty.”<sup>3</sup>

Based on reports to the Commission and public announcements, the Commission recognizes that most jurisdictional electric, gas, and water public utilities have already resolved to suspend all disconnections for non-payment during this time, and the Commission commends them for these actions. Given the severity of COVID-19, and the uncertain impact it may have on Commission-jurisdictional ratepayers, the Commission recognizes that further action is required to ensure that both jurisdictional utilities and their customers are protected. To further address these issues and to assure safe, adequate and reliable utility service at just and reasonable rates, the Commission finds, orders, and directs as follows:

1. The availability of water, gas, and electricity services is vital in order to help prevent transmission of the novel coronavirus that causes COVID-19 by ensuring that the citizens of the State of Arkansas have access to the utility services required to implement the recommended preventative actions of myriad public health agencies.

2. If they have not done so already, all Commission-jurisdictional electric<sup>4</sup>, gas<sup>5</sup>, and water<sup>6</sup> public utilities (Utilities) in the State of Arkansas shall suspend

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<sup>3</sup> Ark. Code Ann. § 23-2-301.

<sup>4</sup> Arkansas Electric Cooperative Corporation, Arkansas Valley Electric Cooperative Corporation, Ashley-Chicot Electric Cooperative, Inc., C & L Electric Cooperative Corporation, Carroll Electric Cooperative Corporation, Clay County Electric Cooperative Corporation, Craighead Electric Cooperative Corporation, Entergy Arkansas, LLC, Farmers Electric Cooperative Corporation, First Electric Cooperative Corporation, Mississippi County Electric Cooperative, Inc., North Arkansas Electric Cooperative, Inc., Oklahoma Gas and Electric Company, Ouachita Electric Cooperative Corporation, Ozarks Electric Cooperative Corporation, Petit Jean Electric Cooperative Corporation, Rich Mountain Electric Cooperative, Inc., South Central Arkansas Electric Cooperative, Inc., Southwest Arkansas Electric Cooperative Corporation, Southwestern Electric Power Company, The Empire District Electric Company, Woodruff Electric Cooperative Corporation.

<sup>5</sup> Arkansas Oklahoma Gas Corporation, Black Hills Energy Arkansas, Inc., CenterPoint Energy Resources Corp., Logan Township Gas Users Association.

<sup>6</sup> Liberty Utilities (Pine Bluff Water) Inc.

disconnections of water, gas, and electricity services during the pendency of the Governor's emergency declaration, or until this directive is rescinded by the Commission. The Commission also suspends, pending further orders, any and all rules and provisions of individual Utility tariffs on file that prevent or condition re-connection of disconnected customers.

3. These Utilities should be provided some regulatory certainty by authorizing the use of an accounting mechanism and a subsequent process through which regulated Utility companies may seek future recovery of costs resulting from the suspension of disconnections. The Commission authorizes each of these Utilities to establish regulatory assets to record costs resulting from the suspension of disconnections. In future proceedings, the Commission will consider whether each Utility's request for recovery of these regulatory assets is reasonable and necessary. The Commission will also consider in a future proceeding other issues, such as the appropriate period of recovery for the approved amount of regulatory assets, any amount of carrying costs thereon, any savings directly attributable to suspension of disconnects, and other related matters.

4. The Commission encourages Utilities to offer reasonable payment arrangements once the prohibition on disconnections is lifted.

5. Utilities shall be required to offset costs by any cost savings directly attributable to the suspension of disconnections or other activities during the emergency declaration. Utilities should track all costs related to the implementation of these emergency measures.

6. All Utilities shall file a quarterly report on the amounts of the costs incurred and saved which have been booked to the regulatory assets beginning on July 1, 2020, and every three months thereafter.

7. After consultation with the Utilities, the General Staff of the Commission is directed to create a quarterly report form for use by those Utilities and file it in this Docket no later than June 1, 2020. The form should identify the categories and amounts of the costs incurred and the savings realized.

8. This Order shall not affect a Utility's ability to disconnect a customer's service for public safety concerns unrelated to non-payment of services.

9. This Order does not eliminate the requirement that Utility customers continue to pay Utility bills during this temporary suspension. Customers should continue paying their bills and understand that they will ultimately be responsible for Utility services accrued during this suspension.

10. If a Utility subject to this Order maintains a website, such Utility shall provide notice of this Order's content on such website. Further, each Utility subject to this Order shall provide notice of this Order's content by posting physically where the Utility does business with its customers.

11. If, due to the current state of emergency, a Utility finds it necessary to further deviate from its tariff or Commission rules, the Utility should file its request to deviate from its tariff or Commission rules in this Docket.

12. Requests for additional actions by the Commission related to the state of emergency shall be filed in this Docket. Such actions may include orders regarding: reconnecting recently disconnected customers at no charge; suspending or waiving late



fees; waiving of transaction fees associated with the payment of Utility bills by credit card or debit card; offering financial assistance and levelized or budget billing programs; working with affected utility customers to establish payment arrangements; and improving access to energy assistance for affected customers.

13. All jurisdictional electric, gas, and water public utilities and the Arkansas Attorney General are made parties to this Docket.

14. The Secretary of the Commission is directed to serve this Order on all jurisdictional electric, gas, and water public utilities and the Arkansas Attorney General.

BY ORDER OF THE COMMISSION.

This 10<sup>th</sup> day of April, 2020.



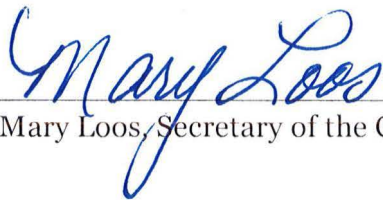
Ted J. Thomas, Chairman



Kimberly A. O'Guinn, Commissioner



Justin Tate, Commissioner



Mary Loos, Secretary of the Commission

I hereby certify that this order, issued by the Arkansas Public Service Commission, has been served on all parties of record on this date by the following method:

U.S. mail with postage prepaid using the mailing address of each party as indicated in the official docket file, or  
 Electronic mail using the email address of each party as indicated in the official docket file.