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PUBLIC SERVICE COMMISSION
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Mary Loos
Secretary of
The Commission
(501) 682-5782

May 10, 2019

Sen. Cecile Bledsoe
Rep. Jeff Wardlaw
c/o Marty Garrity
Bureau of Legislative Research
State Capitol, Rm 315
Little Rock, Arkansas 72201

RE: PSC Quarterly Reports a/o December 31, 2018

Dear Ms. Garrity:

Enclosed please find the quarterly rate case report of the Arkansas Public Service Commission for the period ending December 31, 2018.

This report is also available on our website at www.arkansas.gov/psc.

Sincerely,

A handwritten signature in blue ink that reads "Mary Loos".

Mary Loos
Secretary of the Commission

Enclosure

**ARKANSAS PUBLIC SERVICE COMMISSION
QUARTERLY RATE CASE REPORT
PURSUANT TO ARK. CODE ANN. § 23-4-420
FOR THE QUARTER ENDED December 31, 2018**

DOCKET: 18-027-U

COMPANY: Liberty Utilities (Pine Bluff Water) Inc.

CASE STYLE: IN THE MATTER OF THE APPLICATION OF LIBERTY UTILITIES (PINE BLUFF WATER) INC. FOR APPROVAL OF A GENERAL CHANGE OR MODIFICATION IN RATES, CHARGES, AND TARIFFS

CASE FILED: May 1, 2018

CASE SUMMARY: Prior Application requested a retail revenue requirement of \$11,787,866 and a requested return on equity and overall rate of return of 10.0% and 5.63%%, respectively. Commission directed filing of a new Application by October 17, 2018.

***COMPANY TESTIMONY
FILING DATES:***

N/A

***STAFF & INTERVENOR
TESTIMONY FILING
DATES:***

N/A

***PUBLIC COMMENT
HEARING & LOCATION:***

N/A

***EVIDENTIARY HEARING &
LOCATION:***

N/A

***STATUTORY FINAL
ORDER
DEADLINE:***

N/A

STAFF CONTACT:

Diana Brenske

STATUS:

On April 24, 2018, Liberty Utilities established this docket by filing a Motion for Interim Protective Order of Non-Disclosure indicating its intent to file a general rate change application indicating that the application and accompanying testimony would have confidential information. However, prior to the entry of the protective order, Liberty Utilities filed its redacted Application along with redacted Minimum Filing Requirements (MFRs) pursuant to the Commission's Rules of Practice and Procedure (RPP). In its order issued May 2, 2018, the Commission noted, among other things, that Liberty Utilities failed to comply with filing deadlines and that the Application was incomplete because Liberty Utilities had not filed the confidential versions of its application and testimonies. The Commission found that the time period for Staff to review the MFRs would not start until the completed MFRs were filed. However, Liberty Utilities did not file the confidential versions timely or completely. When it did finally file its MFRs, Staff found significant deficiencies. The Attorney General supported Staff's filing and noted additional deficiencies. Liberty Utilities did not respond timely to Staff's Notice of Deficiencies. As part of its filing Liberty Utilities filed a second set of MFRs rather than eliminating or reducing areas of non-compliance found in the 1st MFRs thus compounding the inconsistencies and errors. As part of its general rate case Liberty Utilities sought approval for a consolidation with Woodson-Hensley Water Corp. Consolidations and acquisitions are not governed by the provisions governing rate cases which more than doubled the complexity of the docket. Staff determined that Liberty Utilities did provide sufficient evidence to support its acquisition request. Liberty Utilities never sought Staff's guidance from Staff in preparing its case as it is entitled to do under the RPPs. Staff filed a Motion for Order to Show Cause alleging that Liberty Utilities repeated failure to comply with the RPPs materially impaired and delayed the proper, considered, and orderly review of the Application by Staff. Staff requested that the Commission dismiss the Application without prejudice. On June 29, 2018, Liberty Utilities submitted a Motion to Withdraw Its Pending Application. However, included within the Motion to Withdraw was a Motion for a Waiver of the 60-day statutory notice requirement for refiling of an application. Staff filed a response indicating that it would only agree to a waiver conditionally. Liberty Utilities responded agreeing with some but not all of Staff's conditions. On July 19, 2018, the Commission granted Liberty Utilities' Motion to withdraw its Application and granted a waiver of the requirement of Ark. Code Ann. § 23-4-401 requiring 60 days' notice contingent on certain enumerated conditions.

On August 24, 2018, Liberty Utilities filed its 2nd Application. On September 5, 2018, the General Staff filed a Motion for a Commission Finding that Liberty Utilities Application did not comply with the requirements of its Order granting withdrawal of the 1st Application. On September 21, 2018, the Commission issued its order finding that the 2nd Application did not comply with the terms of is

<p>Order. The Commission directed Liberty Utilities to file a fully compliant Application by October 17, 2018. On October 22, 2018, General Staff submitted its Verification of Compliance after which the Commission suspended Liberty's rates. On December 13, 2018, Liberty filed a Motion to Withdraw Application and Closed Docket. General Staff and the Attorney General filed no-objection documents. A closure order is still pending with the Commission.</p>

DOCKET: 18-022-U

COMPANY: ASHLEY CHICOT-ELECTRIC COOPERATIVE, INC.

CASE STYLE: IN THE MATTER OF THE APPLICATION OF ASHLEY-CHICOT ELECTRIC COOPERATIVE, INC. FOR APPROVAL OF A GENERAL CHANGE IN RATES, CHARGES, AND TARIFFS

CASE FILED: July 16, 2018

CASE SUMMARY: Ashley-Chicot filed for an Interim Protective Order on July 16, 2018. On September 12, 2018, Ashley-Chicot submitted a new notice of intent to continue the current rate case. On December 11, 2018, Ashley-Chicot filed a Motion for Waiver and Extension which was denied on December 13, 2018. No further substantive action has been taken in the docket.

**COMPANY TESTIMONY
FILING DATES:** N/A

**STAFF & INTERVENOR
TESTIMONY FILING DATES:** N/A

**PUBLIC COMMENT HEARING &
LOCATION:** N/A

**EVIDENTIARY HEARING &
LOCATION:** N/A

**STATUTORY FINAL ORDER
DEADLINE:** N/A

STAFF CONTACT: Regina Butler

Ashley-Chicot is an Electric Cooperative. In 2018, it attempted to raise rates and their members signed a petition, electing to be regulated by the PSC pursuant to 23-4-902(3). This triggered a rate case filing.

ACEC has not filed a rate case in recent memory. The last time it filed anything similar to a rate case, was Docket 99-252-U as part of the unbundling efforts in Arkansas. However, ACEC is unfamiliar with the process as a whole. Staff has been working with them to get their MFR's in order.

ACEC originally filed their notice but missed the deadline to file their application (the MFR's were not correct). It has withdrawn its notice, filed a new notice and was expected to file by Dec. 12 (the 90 day filing deadline).

It was decided to have them withdraw the notice and file a new notice, but to leave the 18-022-U docket open since it already has an IPO and no other action has been taken.

STATUS:

DOCKET: 17-071-U

COMPANY: Black Hills Energy Arkansas, Inc. (BHEA)

CASE STYLE: IN THE MATTER OF THE APPLICATION OF BLACK HILLS ENERGY ARKANSAS, INC. FOR APPROVAL OF A GENERAL CHANGE IN RATES AND TARIFFS

CASE FILED: December 15, 2017

CASE SUMMARY: Application filed on December 15, 2017, requests a retail revenue requirement of \$121,041,436 and a requested return on equity and overall rate of return of 10.2% and 6.1756%, respectively.

COMPANY TESTIMONY

FILING DATES: June 26, 2018 – Rebuttal; August 1, 2018 – Sur-Surrebuttal

STAFF & INTERVENOR

TESTIMONY FILING DATES: May 29, 2018 – Direct; July 24, 2018 - Surrebuttal

PUBLIC COMMENT HEARING & LOCATION:

September 4, 2018 – Blytheville;
September 6, 2018 - Fayetteville

EVIDENTIARY HEARING & LOCATION:

August 28, 2018
Arkansas Public Service Commission Hearing Room

STATUTORY FINAL ORDER DEADLINE:

October 15, 2018

STAFF CONTACT: Diana Brenske

STATUS:

On October 5, 2018, after a hearing, the Commission approved the *Stipulation and Settlement Agreement* submitted by General Staff, Black Hills Energy Arkansas, Inc. and the Attorney General's Office which provided a total rate scheduled revenue requirement of \$105,286,730 and a return on equity and rate of return of 9.61% and 5.6153%, respectively. On October 15, 2017, the Commission approved the Compliance Tariffs filed by BHEA on October 10, 2018. The docket remains open for future tariff filings.