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State seeks to cut electric bills

2 utilities ordered to equalize rates

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The Louisiana Public Service Commission voted Wednesday to work toward lowering electric bills from Entergy Louisiana and Entergy Gulf States as soon as January.

In a unanimous move, the commission voted to gather information about rate discrepancies and put what's called rate equalization in place in January. Entergy says it needs until the middle of next year to put the adjustments in place.

"All we are concerned about is getting the money that we won in 2005. We are going to ask for all of our money in 2007," said Commissioner Jay Blossman of Mandeville.

Last year, the Federal Energy Regulatory Commission ruled that the companies within Entergy's four-state operating agreement, which covers its subsidiaries in Louisiana, Arkansas, Mississippi and Texas, should have rates that are within 11 percent of one another. It told Entergy to equalize those rates in 2007.

Entergy Arkansas rates are much lower than those of Entergy Louisiana in the eastern half of the state and Entergy Gulf States in the western half of Louisiana.

Entergy has estimated that under the federal commission's ruling, Arkansas customers' bills would rise a total of about \$328 million, while Louisiana customers would pay about \$307 million less. That number would fluctuate depending on the price of natural gas.

Entergy has asked the Federal Energy Regulatory Commission that the company be allowed to implement those rate adjustments beginning in June.

"It will take several months into '07 to get the data," said Michael Twomey, Entergy's vice president in charge of regulatory affairs in Louisiana.

But under the plan approved by the commission Wednesday, the commission would use estimates rather than complete 2006 rate data to make the adjustments. The estimates would allow the changes to be put in place sooner, said Michael Fonham, a New Orleans attorney who is representing the PSC on the equalization issue.

"It's the first time I've seen the whole commission tell them to get in step," said Commissioner Foster Campbell of Bossier City, a critic of Entergy who has been pushing for equalization to get lower electric rates in north Louisiana to attract and retain industry.

Fonham will take the issue to the Federal Energy Regulatory Commission. If the agency doesn't do anything with the request or rules in the PSC's favor, Fonham said, the PSC can move forward with its plan.

Twomey, though, was skeptical, saying the Federal Energy Regulatory Commission requires hard data, not estimates.

"FERC is the only place where this issue can be decided," he said. "If any state issues an order that says we do something different, it's for FERC to decide."

In other action, the PSC approved the merger of BellSouth and AT&T. Louisiana became the 45th state to approve the merger, which ultimately must be approved by the Federal Communications Commission.

But the approval was not without some caveats, mainly that the PSC will be monitoring the company's rates, service and storm recovery in the state.

That wasn't enough for Campbell, who wanted the merged company to put in writing that the two companies would not reduce their work force in the state.

"It scares me," he said. "I think it's anti-consumer."

Campbell was the only commissioner who voted against the merger, in part because of letters of opposition he received from mayors throughout the state and from the state's Southern Baptist Convention.

The commission also voted Wednesday to extend Cleco Power's rate plan, approved by the commission to go into effect Oct. 1, until the company's Rodemacher power station in Boyce is operating. That means the current rate plan will continue until 2009.

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