



ATTORNEY GENERAL
LESLIE RUTLEDGE

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February 25, 2021

Hon. Ted Thomas, Chairman
Arkansas Public Service Commission
P.O. Box 400
Little Rock, Arkansas 72201

***Re: Request for Investigation of the Cost of Energy Incurred by
Arkansas Utilities During the Recent Severe Weather Event***

Dear Chairman Thomas:

Recent winter storms exposed great disparities between consumer demand for energy and the ability of Arkansas's utilities to meet that demand in severe weather. Arkansans experienced service outages, and many businesses were forced to close. In the coming weeks, we will know more about the impact of energy shortages on customer bills. We anticipate that customer bills may skyrocket because of the high prices paid by utilities to third parties for energy needs that were either unanticipated or needed to replace resources that failed to materialize. Before these costs appear on customer bills, I respectfully request that the Arkansas Public Service Commission open an investigation of the cost of energy – power and natural gas – incurred by Arkansas's electric and natural gas utilities during the recent severe weather event.

Specifically, the Commission should investigate:

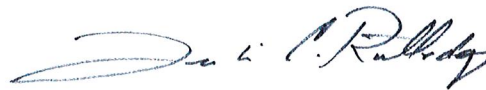
- The impact on rates and whether higher costs should be passed on to ratepayers;
- The cause of outages and significant operational problems experienced by Arkansas public utilities;
- Whether Arkansas public utilities were sufficiently prepared to respond to the severe weather;
- How the actual weather compared to the weather used to model peak day needs;

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- The accuracy of peak day forecasting;
- The actions taken to meet peak day capacity and supply needs;
- What emergency plans were in place to secure natural gas and any other necessary fuel to meet unanticipated needs;
- Performance of suppliers under contract to affected Arkansas public utilities; and
- Actions taken by electric utilities in response to MISO and SPP alerts.

Apart from its proposal that the Commission investigate these matters, the Attorney General has opened an investigation of potential price gouging by parties that are not subject to the Commission's jurisdiction.

Sincerely,



Leslie Rutledge
Arkansas Attorney General