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PROJECT NO. 50664

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ISSUES RELATED TO THE STATE OF §
DISASTER FOR THE CORONAVIRUS §
DISEASE 2019 §

PUBLIC UTILITY COMMISSION
OF TEXAS
FILED CLERK

**ORDER
RELATED TO ACCRUAL OF REGULATORY ASSETS**

On March 13, 2020, in response to the growing threat of the coronavirus disease (COVID-19), Governor Greg Abbott issued a Declaration of State of Disaster for all counties in Texas. This Commission Order addresses the effects of COVID-19 for services provided by electric utilities and water and sewer utilities in the state of Texas.

Through this Order, the Commission takes steps to provide regulated utility companies 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 expenses resulting from the effects of COVID-19.

The Commission issues this accounting order under its statutory authority to preserve on utilities' books the effects of unpaid customer accounts until the Commission approves rate changes that adjust charges to Texas customers.¹ The Commission authorizes each electric, water, and sewer utility to record as a regulatory asset expenses resulting from the effects of COVID-19, including but not limited to non-payment of qualified customer bills as specified by separate order issued on this same date. 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 the future proceeding other issues, such as the appropriate period of recovery for the approved amount of regulatory assets, any amount of carrying costs thereon, and other related matters.

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. § 14.151 (West 2016 & Supp. 2017); Tex. Water Code Ann. § 13.131(a) (West 2008 & Supp. 2017).

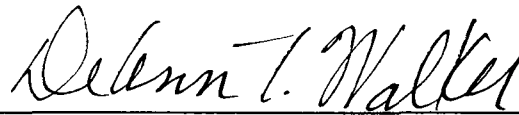
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Consistent with the above discussion, the Commission orders the following:

1. Each electric utility and water and sewer utility in the state of Texas shall record as a regulatory asset expenses resulting from the effects of COVID-19.
2. In future proceedings, the Commission will consider, on a case-by-case basis, the appropriate adjustment to a utility's rates to reflect the recovery of the approved amount of regulatory assets recorded in accordance with this Order.

Signed at Austin, Texas the 26th day of March 2020.

PUBLIC UTILITY COMMISSION OF TEXAS



DEANN T. WALKER, CHAIRMAN



ARTHUR C. D'ANDREA, COMMISSIONER



SHELLY BOTKIN, COMMISSIONER