

Doyle Webb
Chairman
(501) 682-5806

Justin Tate
Commissioner
(501) 682-5806

Katie Anderson
Commissioner
(501) 682-5806



Karen Shook
Secretary of The
Commission
(501) 682-5782

October 15, 2024

Sen. Terry Rice
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 September 30, 2024

Dear Ms. Garrity:

Enclosed please find the quarterly rate case report of the Arkansas Public Service Commission for the period ending September 30, 2024.

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

Sincerely,

/s/ Karen Shook

Secretary of the Commission

Enclosure

CC: amoss@blr.arkansas.gov

ARKANSAS PUBLIC SERVICE COMMISSION
QUARTERLY REPORT ON STATUS OF UTILITY RATE APPLICATIONS
PURSUANT TO ARK. CODE ANN. § 23-4-420
FOR THE QUARTER ENDED
SEPTEMBER 30, 2024

GENERAL RATE CASE FILINGS PURSUANT TO ARK. CODE ANN. § 23-4-401

DOCKET:	23-074-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 4, 2023
APPLICATION SUMMARY:	<p>BHEA's current authorized retail revenue requirement is \$137,725,321. The Company's requested retail revenue requirement is \$183,877,502. The estimated monthly impact on the average residential customer is \$15.31 or 21%. The proposed percentage increase by rate class is as follows:</p> <p>Residential – 34.78% Small Business – 33.83% Medium Business – 8.84% Large Business – 19.34% Gas Lights – 3.77%</p> <p>According to BHEA, the requested \$44.1 million increase in revenues is based on an increase in capital investments, increased operating expenses, and increased cost of capital since rates were last approved in Docket No. 21-097-U.</p>
STATUS:	<p>On July 19, 2024, APSC General Staff (Staff) and the Attorney General's Office (AG) filed Surrebuttal Testimony and Exhibits.</p> <p>On July 29, 2024, BHEA filed Sur-Surrebuttal Testimony and Exhibits.</p> <p>On August 12, 2024, the parties filed a Joint Motion to Approve Settlement and Waive Hearing along with Supporting Testimonies.</p>

	<p>Order No. 4, issued August 16, 2024, canceled the evidentiary hearing so the Commission could consider the Joint Settlement Agreement filed by the parties.</p> <p>Order No. 6, issued October 1, 2024, approved the Joint Settlement Agreement, which resulted in a revenue requirement of \$167,448,138. The estimated monthly impact on the average residential customer is \$10.07 or an increase of 13%. The approved revenue increase by rate class is as follows:</p> <p>Residential – 25.81% Small Business – 13.54% Medium Business – 0.00% Large Business – 24.50% Gas Lights – 5.73%</p> <p>Additionally, BHEA’s approved return on equity is 9.85%, and the overall rate of return is 6.10%, which is based on an imputed capital structure of 54% debt to 46% equity.</p>
REMAINING PROCEDURAL SCHEDULE:	None
STATUTORY FINAL ORDER DEADLINE:	October 3, 2024
GENERAL STAFF CONTACT:	Michael Marchand, Executive Director Michael.Marchand@arkansas.gov

DOCKET:	23-079-U								
COMPANY:	Summit Utilities Arkansas, Inc. (SUA)								
CASE STYLE:	In the Matter of the Application of Summit Utilities Arkansas, Inc. for a General Change or Modification in its Rates, Charges and Tariffs								
CASE FILED:	January 25, 2024								
APPLICATION SUMMARY:	<p>SUA’s currently authorized retail requirement is \$169,474,093. The Company’s requested retail revenue requirement is \$279,949,398. The estimated monthly impact on the average residential customer is \$18.48 or 29.4%. The proposed percentage increase by rate class is as follows:</p> <p>Residential – 29.3% SCS-1 – 14.6% SCS-2 – 0% SCS-3 – 0% LCS-1 – 61.1%</p> <p>According to SUA, the requested increase in revenues is driven by (1) level of capital investment in the system and the resulting increase in depreciation expense, (2) “interim rates” that understated SUA’s revenue requirement at the time they were put into effect, (3) weighted average cost of capital and its proposed capital structure, (4) and income taxes.</p>								
STATUS:	<p>On July 10, 2024, Staff and Intervenors filed Direct Testimony and Exhibits.</p> <p>On August 7, 2024, SUA filed Rebuttal Testimony and Exhibits.</p> <p>On September 9, 2024, Staff and Intervenors filed Surrebuttal Testimony and Exhibits.</p> <p>On September 20, 2024, SUA filed Sur-Surrebuttal Testimony and Exhibits.</p>								
REMAINING PROCEDURAL SCHEDULE:	<p>Per Order No. 4, issued March 11, 2024:</p> <table border="0"> <tr> <td>Settlement Agreement or Issues List</td> <td>October 4, 2024</td> </tr> <tr> <td>Testimony in Support/Opposition of Settlement</td> <td>October 9, 2024</td> </tr> <tr> <td>Evidentiary Hearing</td> <td>October 15, 2024</td> </tr> <tr> <td>Public Comment Hearing</td> <td>October 22, 2024 at 6:00 p.m. Holiday Inn Texarkana, Ballroom C</td> </tr> </table>	Settlement Agreement or Issues List	October 4, 2024	Testimony in Support/Opposition of Settlement	October 9, 2024	Evidentiary Hearing	October 15, 2024	Public Comment Hearing	October 22, 2024 at 6:00 p.m. Holiday Inn Texarkana, Ballroom C
Settlement Agreement or Issues List	October 4, 2024								
Testimony in Support/Opposition of Settlement	October 9, 2024								
Evidentiary Hearing	October 15, 2024								
Public Comment Hearing	October 22, 2024 at 6:00 p.m. Holiday Inn Texarkana, Ballroom C								

	<p style="text-align: right;">5200 Convention Plaza Drive Texarkana, AR 71854</p> <p>Public Comment Hearing October 24, 2024 at 6:00 p.m. Hilton Garden Inn Jonesboro, Ozark Room 2840 South Caraway Road Jonesboro, AR 72401</p>
STATUTORY FINAL ORDER DEADLINE:	November 22, 2024
GENERAL STAFF CONTACT:	Michael Marchand, Executive Director Michael.Marchand@arkansas.gov

DOCKET:	23-067-U
COMPANY:	Liberty Utilities (Arkansas Water) Corp. (LUAW)
CASE STYLE:	In the Matter of the Application of Liberty Utilities (Arkansas Water) Corp. for Approval of a General Change or Modification in Rates, Charges and Tariffs
CASE FILED:	March 14, 2024
APPLICATION SUMMARY:	<p>LUAW’s current retail revenue is \$2,315,900 (White Hall Sewer: \$1,121,322, White Hall Water: \$1,031,170, Woodson-Hensley Water: \$163,408). The Company’s requested retail revenue requirement is \$4,565,548 (White Hall Sewer: \$2,159,714, White Hall Water: \$1,906,384, Woodson-Hensley Water: \$499,450). The estimated monthly impact on the average residential customer using 6 ccfs per month for White Hall Sewer is \$43.98 or 118%, White Hall Water is \$32.74 or 89%, Woodson-Hensley Water is \$47.96 or 188%. The proposed percentage increase by rate class is as follows:</p> <p>White Hall Sewer Residential – 94.4%</p> <p>White Hall Water Residential – 82.6% Commercial – 107.1%</p> <p>Woodson-Hensley Water Residential – 185.4% Commercial – 319.7%</p> <p>According to LUAW, the main drivers in any increase in revenue requirement are plant investment, increases in operating costs, and establishing authorized return on equity. This is the Company’s first general rate case in Arkansas.</p>
STATUS:	<p>On August 27, 2024, Staff and the AG filed Direct Testimony and Exhibits.</p> <p>On September 24, 2024, LUAW filed Rebuttal Testimony and Exhibits.</p>
REMAINING PROCEDURAL SCHEDULE:	<p>Per Order No. 4, issued May 22, 2024:</p> <p>Staff/Intervenors Surrebuttal Testimony October 22, 2024</p>

	Company Sur-Surrebuttal Testimony	October 29, 2024
	Settlement Agreement or Issues List	November 8, 2024
	Testimony in Support/Opposition of Settlement	November 13, 2024
	Evidentiary Hearing	November 21, 2024
	Public Comment Hearing	December 5, 2024 Time and Location TBD
STATUTORY FINAL ORDER DEADLINE:	January 13, 2025	
GENERAL STAFF CONTACT:	Michael Marchand, Executive Director Michael.Marchand@arkansas.gov	

FORMULA RATE REVIEW ACT FILINGS PURSUANT TO ARK. CODE ANN. § 23-4-1201

DOCKET:	23-012-FR
COMPANY:	Southwestern Electric Power Company (SWEPCO)
CASE STYLE:	In the Matter of the Formula Rate Review Filings of Southwestern Electric Power Company Pursuant to APSC Docket No. 21-070-U
CASE FILED:	April 15, 2024
APPLICATION SUMMARY:	<p>SWEPCO’s Earned Rate of Return on Common Equity (ERR) reflected in the 2024 Evaluation Report is 6.72%. The Company’s Target Rate of Return (TRR) is 9.5%. The ERR falls outside the 50-basis point bandwidth, thus requiring a Revenue Adjustment to bring the ERR to the TRR in accordance with Rider FRR in the amount of approximately \$20.5 million. The FRR constrains the total amount of the revenue increase or decrease to 4.0% of the revenue for any rate class for the Prior Year. Applying the 4.0% constraint calculation results in an incremental total Revenue Adjustment of approximately \$15.2 million.</p> <p>The estimated monthly impact of SWEPCO’s request is \$4.49 per month or an increase of 3.62% for the average residential customer.</p>
STATUS:	<p>On July 17, 2024, the Office of the Arkansas Attorney General (AG) and Arkansas Advanced Energy Association (AAEA) each submitted a No Errors and Objections (E&O) Letter. On that same day, the National Audubon Society and Sierra Club submitted a joint E&O filing without supporting testimony, and the APSC General Staff (Staff) filed its E&O with supporting testimonies.</p> <p>On August 1, 2024, SWEPCO filed Rebuttal Testimony.</p> <p>On August 13, 2024, SWEPCO, Staff, the National Audubon Society, and Sierra Club filed a Joint Motion to Approve Settlement Agreement along with supporting testimonies.</p> <p>On August 16, 2024, the AG submitted a letter stating it does not oppose the Joint Motion to Approve Settlement or the moving parties’ request to waive the evidentiary hearing that was scheduled for August 20, 2024.</p> <p>Order No. 10, also issued on August 16, 2024, canceled the evidentiary hearing so the Commission could consider the Joint Settlement Agreement filed by the moving parties.</p>

	Order No. 11, issued September 25, 2024, approved the settlement agreement which resulted in an increase of \$15,052,034. The estimated bill impact to the average residential customer is \$4.49 per month or an increase of 3.61%.
REMAINING PROCEDURAL SCHEDULE:	None
STATUTORY FINAL ORDER DEADLINE:	September 25, 2024
GENERAL STAFF CONTACT:	Michael Marchand, Executive Director Michael.Marchand@arkansas.gov

DOCKET:	16-036-FR
COMPANY:	Entergy Arkansas, LLC (EAL)
CASE STYLE:	In the Matter of Formula Rate Plan Filings of Entergy Arkansas, LLC, Pursuant to APSC Docket No. 15-015-U
CASE FILED:	July 5, 2024
APPLICATION SUMMARY:	<p>EAL’s Earned Rate of Return on Common Equity in the 2024 Evaluation Report is 8.43% for the Projected Year and 7.48% for the Historical Year. As a result, the total projected revenue change necessary to achieve EAL’s Targeted Rate of Return of 9.65% for the Projected Year and for the Historical Year is \$102.6 million. The total revenue change is based upon a Projected Year deficiency of approximately \$69.5 million for 2025 and a deficiency of approximately \$33.1 million in the Historical Year Netting Adjustment for 2023.</p> <p>The estimated monthly impact of EAL’s request is \$5.25 per month or an increase of 4.18% for the average residential customer.</p>
STATUS:	Staff and Intervenors are currently evaluating EAL’s request and preparing to file their respective positions.
REMAINING PROCEDURAL SCHEDULE:	To be determined by future Commission Order.
STATUTORY FINAL ORDER DEADLINE:	December 13, 2024
GENERAL STAFF CONTACT:	Michael Marchand, Executive Director Michael.Marchand@arkansas.gov