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**ARKANSAS PUBLIC SERVICE COMMISSION**  
**HAS INITIATED THREE DOCKETS TO MODERNIZE THE COMMISSION'S**  
**RULES OF PRACTICE AND PROCEDURE AND TO STUDY ELECTRIC**  
**TRANSMISSION AND REGULATORY CHALLENGES IN ARKANSAS.**

(Little Rock) – The Arkansas Public Service Commission has initiated three new dockets designed to modernize its *Rules of Practice and Procedure*, to study both electric transmission challenges in Arkansas and to explore innovative regulatory methods to address future challenges facing Arkansas utilities and ratepayers.

**COMMISSION'S RULES OF PRACTICE AND PROCEDURE DOCKET**

The first docket is a rulemaking docket, No. 08-135-R, which the Commission has established to complete a comprehensive review and propose amendments to the *Commission's Rules of Practice and Procedure*. The last comprehensive overhaul of these rules was in 1985. In the Commission's order, the Commission noted that "since 1985 the emphasis on paper documents has all but been overtaken by the digital age. The Commission notes that since 1985 courts and regulatory bodies throughout the United States have been shifting to increased usage of digital or electronic filings as opposed to paper filings."

The Commission also noted recent enactments of the Arkansas legislature authorizing and encouraging the use of electronic transactions as well as the June 2008 *State of Arkansas Policy Statement on the Use of Electronic Signatures by State Agencies*. The Commission anticipates that the new rules will include modernizations to allow parties to more fully utilize digital technology and to make filings online.

The *Commission's Rules of Practice and Procedure* regulate the manner in which matters are litigated before the Commission.

### **ELECTRIC TRANSMISSION DOCKET**

The second docket is Docket No. 08-136-U, which the Commission has established to study transmission challenges facing the electric industry in Arkansas. In its order, the Commission stated that it “is interested in efforts underway within the [Southwest Power Pool-Regional Transmission Organization] region and the Entergy multi-state system to meet this demand [for electric energy] both through the construction of new transmission resources as well as efforts to more effectively manage existing transmission resources.”

The Commission added that “[t]his docket will provide an opportunity for participants and the public to gain a better understanding of new and advanced technologies that can lead to greater optimization of the electric transmission grid.” The technologies the docket will explore include “the adoption of ‘Smart Grid’ technologies that hold promise of increased efficiency in electric end uses by consumers.”

### **INNOVATIVE REGULATORY APPROACHES DOCKET**

In the third docket, Docket No. 08-137-U, the Commission will consider “innovative approaches to utility regulation in Arkansas to address the many challenges facing the electric and natural gas public utility industries. Within this proceeding the Commission will consider innovative approaches to traditional rate base rate of return regulation including, but not limited to, annual earnings reviews, formula rates, and methods for the recovery of extraordinary storm damage restoration expenses as well as costs associated with the acquisition or construction of new facilities.”

In establishing this docket, the Commission stated its “obligation to ratepayers to monitor the earnings of public utilities to ensure that ratepayers are not paying too much for utility services.” The Order continued by pointing out that “[o]ver the past ten

years the Commission, after conducting comprehensive earnings reviews, has determined that the rates being charged by three investor owned public utilities were excessive and directed that rates be reduced.” The Commission cited its September 23, 1999 Order directing a reduction in Southwestern Electric Power Company’s rates, its September 19, 2005 Order directing a reduction in Centerpoint Energy Arkansas rates, and more recently its June 15, 2007 Order directing the reduction of Entergy Arkansas’s rates. The Commission continued by adding that any new and innovative approaches must be “consistent with the Commission’s obligation to ratepayers” and “must take into consideration and properly account for excessive earnings by public utilities.”

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