

ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF FORMULA RATE PLAN)
FILINGS OF ENTERGY ARKANSAS, INC.,)
PURSUANT TO APSC DOCKET NO. 15-015-U)

DOCKET NO. 16-036-FR
ORDER NO. 46

ORDER

On April 2, 2021, Entergy Arkansas, LLC (formerly Entergy Arkansas, Inc.) (EAL), Arkansas Electric Energy Consumers, Inc., the Federal Executive Agencies, Walmart Inc., and the General Staff (Staff) of the Arkansas Public Service Commission (Commission) (hereinafter, Joint Parties) filed with the Commission a *Joint Response to Order No. 45* (Joint Response). The Joint Parties note that “Act 404 [of 2021] approved March 22, 2021 is prescriptive as to the netting adjustment ordered by the Commission on December 11, 2020 and EAL’s Petition for Rehearing of Order No. 40 filed December 15, 2020” and that EAL is contemporaneously filing a replacement compliance filing with increased amounts to be billed under its Formula Rate Plan Rider (Rider FRP) from May 2021 to December 2021 to ensure a full year of collection for EAL of the amounts prescribed by Act 404. The Joint Parties support the compliance filing and propose that any other party file “testimony or a statement” regarding that filing by April 7, 2021. Joint Response ¶ 6 (Doc. #722).

EAL also states that it will separately file “in Docket No. 21-043-TF prescriptive revisions to its Rider FRP as a result of Act 404” as well as other clarifying modifications. The Joint Parties propose a schedule in which Staff will file supporting testimony, and other parties may file responsive testimony, within ten days of EAL’s filing. If Staff supports EAL’s filing and other Joint Parties do not oppose it, the Joint Parties “fully expect” EAL to advance and support “similarly prescriptive legislation in

the form of amendments to Senate Bill 489, which include primarily a reduced Return on Equity from 9.75 percent to 9.65 percent to apply throughout the extension term of Rider FRP.” *Id.* ¶ 7.

Also on April 2, 2021, EAL filed a compliance filing to replace the one approved by Order No. 40 on December 11, 2020, along with the Compliance Testimony of Matthew S. Klucher. Mr. Klucher describes the compliance filing which implements EAL’s netting adjustment methodology adopted in Act 404 and testifies that for a residential customer using 1,000 kWh per month, the total bill impact will be an increase of \$3.52 per month, or a change of approximately 3.26 percent. Klucher Compliance at 6-12 (Doc. #723).

On April 7, 2021, the Arkansas Attorney General filed a letter stating she would not be filing testimony. (Doc. #724).

With of the passage of Act 404 of 2019, the General Assembly has reversed the \$67 million netting adjustment made by the Commission in Order No. 40, in addition to authorizing a five-year extension of EAL’s Rider FRP. Because Act 404 requires approval of the rate increase to reverse the \$67 million netting adjustment, the Commission approves EAL’s compliance filing attached as Exhibit MSK-1 filed April 2, 2021, to be effective with the first billing cycle of May 2021.

EAL’s revisions to Rider FRP concerning the extension shall be filed in Docket No. 18-004-TF, which is the docket already established for revisions to EAL’s Rider FRP. The Commission finds good cause and therefore approves the expedited schedule proposed by the Joint Parties for consideration of EAL’s proposal in Docket No. 18-004-TF.

BY ORDER OF THE COMMISSION.

This 8th day of April, 2021.



Ted J. Thomas, Chairman



Kimberly A. O'Guinn, Commissioner



Justin Tate, Commissioner



Mary Loos, Secretary of the Commission

I hereby certify that this order, issued by the Arkansas Public Service Commission, has been served on all parties of record on this date by the following method:

- U.S. mail with postage prepaid using the mailing address of each party as indicated in the official docket file, or
 Electronic mail using the email address of each party as indicated in the official docket file.