

ARKANSAS SENATE
93rd General Assembly - Regular Session, 2021
Amendment Form

Subtitle of Senate Bill No. 489

TO AMEND THE FORMULA RATE REVIEW ACT; AND TO DECLARE AN EMERGENCY.

Amendment No. 2 to Senate Bill 489

Amend Senate Bill No. 489 as engrossed S3/9/21 (version: 03/09/2021 10:48:36 AM):

Page 5, delete line 5, and substitute the following:

"five million megawatt hours (5,000,000 MWh), and if the electric utility has"

AND

Page 6, line 9, delete "§ 23-4-1205(c)(3)" and substitute "§ 23-4-1205(c)"

AND

Page 6, delete line 11, and substitute the following:

"follows:

(c)(1)(A) A An electric or natural gas public utility that has filed a notice of intent or has an application for a general change in rates and charges pending under § 23-4-401 et seq. that contains a notice of election to be regulated under a formula rate review effective March 27, 2015, shall be regulated under this subchapter.

(B)(i) A water or sewer public utility that has filed a notice of intent or has an application for a general change in rates and charges pending under § 23-4-401 et seq. that contains a notice of election to be regulated under a formula rate review effective March 27, 2015, may request that the water or sewer public utility be regulated under this subchapter.

(ii) Upon a public interest determination, the commission may authorize the water or sewer public utility's request under subdivision (c)(1)(B)(i) of this section to be regulated under this subchapter.

(2)(A) A public utility shall not file for an initial formula rate review until at least one hundred eighty (180) days after rates have become effective pursuant to the final order on the application for a general change in rates.



(B) A public utility that has filed a notice of intent or has an application for a general change in rates and charges pending under § 23-4-401 et seq. that contains a notice of election to be regulated under a formula rate review effective March 27, 2015, may file for the initial formula rate review one hundred fifty (150) days after rates have become effective pursuant to the final order in the general rate case."

AND

Page 6, line 21, delete "seven"

AND

Page 6, delete line 22, and substitute the following:
"five million megawatt hours (5,000,000 MWh), the commission shall, and for all other utilities the commission may approve changes"

AND

Page 7, delete line 3, and substitute the following:
"support any portion of the electing public utility's projected data through the"

AND

Page 9, line 20, delete "(g)(2)" and substitute "(g)(4)"

AND

Page 9, line 21, delete "(a)(4)" and substitute "(a)(2)(A)(ii)"

AND

Page 9, delete lines 24 and 25, and substitute the following:
"factors unique to the public utility.

(2) The Arkansas Public Service Commission shall not make any adjustments to the rates that are approved in the application for a general change in rates and charges during the formula rate review term except for those made under § 23-4-1205(c)(3)(B).

(3) If a public utility has designated its formula rate review test period as based on a projected year under § 23-4-1205(a)(2), the public utility shall be allowed to recover its allowance for funds used during construction that is determined according to the uniform system of accounts adopted by the Arkansas Public Service Commission and any applicable accounting guidance issued by the Federal Energy Regulatory Commission and conforms with generally accepted accounting principles, through rates developed using a projected year.

(4) Unless the Arkansas Public Service Commission finds that it is in the public interest and makes specific findings in support, the Arkansas Public Service Commission shall not approve any"

AND

Page 9, delete lines 29 through 36, and substitute the following:
"charges, including a review of all of the components of a public"

AND

Page 10, delete line 1 and 2

AND

Page 10, delete lines 9 through 17, and substitute the following:
"rates or charges, except that an adjustment shall not be approved under this subsection that is inconsistent with other provisions of this chapter."

AND

Page 10, delete lines 31 and 32, and substitute the following:
"usage for the class as a whole in excess of five million megawatt hours (5,000,000 MWh), the commission shall, and for all other utilities the commission may, adjust the cost allocation, with"

AND

Page 11, delete lines 18 and 19, and substitute the following:
"years beyond the initial term.

(ii) Except as provided in subdivision (a)(2)(A)(iii) of this section, as part of granting any extension of the initial term of a formula rate mechanism, the public utility may propose and the commission may make the following adjustments, consistent with this subchapter and other applicable statutory provisions for a public utility or any other party to a proceeding subject to the commission's jurisdiction that may be proposed, and the commission may approve:

(a) Reasonable and necessary revisions to the formula rate plan mechanism proposed by the parties that are necessary to ensure that the mechanism is consistent with the public interest but that do not materially change the provisions of the formula rate plan mechanism; and

(b) An increase or decrease to the utility's authorized return on equity by no more than ten (10) basis points based upon consideration of § 23-4-410(c)-(e), including making any required findings.

(iii) For an electric utility if the electric"

AND

Page 11, delete line 23, and substitute the following:
"the class as a whole in excess of five million megawatt hours (5,000,000"

AND

Page 12, delete line 1, and substitute the following:

"in excess of five million megawatt hours (5,000,000 MWh), the commission"

AND

Page 12, delete line 15, and substitute the following:

"the class as a whole in excess of five million megawatt hours (5,000,000"

AND

Page 12, delete line 29, and substitute the following:

"excess of five million megawatt hours (5,000,000 MWh):"

AND

Page 14, delete line 21, and substitute the following:

"five million megawatt hours (5,000,000 MWh):"

AND

Page 14, delete lines 32 through 34, and substitute the following:

"(C) The target return rate in effect during the five-year term of the formula rate review mechanism shall be set equal to an amount that is ten (10) basis points lower than the target return rate in effect during the initial five-year term of the formula rate review mechanism;"

AND

Page 15, delete line 18, and substitute the following:

"five million megawatt hours (5,000,000 MWh), to the extent practicable, the"

AND

Page 17, delete line 24, and substitute the following:

"(B) If the public utility, during the five-year term of an extension, for an electric public utility with a formula rate review mechanism that uses a test period based on a projected year with an initial five-year term that was approved and in effect by the commission before March 15, 2021, for an electric utility whose largest class of customers with the highest level of consumption per customer that has rates that include a demand component, and any successors to such a class, as they existed on January 1, 2021, has an annual usage for the class as a whole in excess of five million megawatt hours (5,000,000 MWh), does not file an application for"

AND

Page 17, line 27, delete "the public utility" and substitute "the electric utility"

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator B. Davis

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Secretary