

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

As Engrossed: S4/3/23

# A Bill

SENATE BILL 454

5 By: Senators *M. McKee, Gilmore, Stone*  
6 By: Representative Beaty Jr.  
7

## For An Act To Be Entitled

9 AN ACT CONCERNING PUBLIC UTILITY CONTRACTS FOR  
10 INTERRUPTIBLE SERVICE; AND FOR OTHER PURPOSES.  
11

### Subtitle

14 CONCERNING PUBLIC UTILITY CONTRACTS FOR  
15 INTERRUPTIBLE SERVICE.  
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
19

20 SECTION 1. Arkansas Code § 23-3-117 is amended to read as follows:

21 23-3-117. Contracts for interruptible service ~~with industrial users.~~

22 ~~(a)(1) Public utilities are authorized to~~ A public utility may  
23 contract for the sale, on an interruptible basis, of utility services at  
24 agreed prices for a definite term not to exceed twenty-five (25) years with  
25 customers whose use of the service is for manufacturing, generation,  
26 processing, preparation of products, or industrial purposes.

27 ~~(2) However, the contracts~~ A contract under subdivision (a)(1)  
28 of this section:

29 (A) Before becoming effective, shall:

30 (i) be subject ~~Be subject~~ to approval by the  
31 Arkansas Public Service Commission ~~before becoming effective; and~~

32 (ii) Demonstrate that the contract is in the public  
33 interest;

34 (B) These contracts, after ~~After~~ approval by the  
35 ~~commission~~ Arkansas Public Service Commission, shall continue in full force  
36 and effect for the term ~~thereof~~ of the contract; and



1 (C)(i) Specify the amount of interruptible load to be  
2 achieved by the customer.

3 (ii) The amount under subdivision (a)(2)(C)(i) of  
4 this section shall be permitted to be altered only one (1) time per year.

5 (b)(1) An electric utility shall have a schedule that offers  
6 interruptible service when the electric utility's class of customers with the  
7 highest level of consumption per customer that has rates that include a  
8 demand component, and any successors to such a class, as the class existed on  
9 January 1, 2023, has an annual usage for the class as a whole in excess of  
10 five million megawatt hours (5,000,000 MWh).

11 (2) The rate schedule shall be consistent with and permitted by  
12 applicable regional transmission organization tariffs and any applicable  
13 order, rule, or regulation issued by the Federal Energy Regulatory Commission  
14 and the Arkansas Public Service Commission, in order to the greatest extent  
15 possible to qualify as a resource in the regional transmission organization's  
16 wholesale market.

17 (3) If permitted by the applicable regional transmission  
18 organization tariffs, the Federal Energy Regulatory Commission, and the  
19 Arkansas Public Service Commission, then the rate schedule's pricing shall  
20 be:

21 (A) Based on the embedded costs of the electric utility;  
22 and

23 (B) Consistent with the cost-of-service study and  
24 underlying allocation methods used to set the other rates of the electric  
25 utility.

26 (4) The rate schedule shall include the demand rate discount  
27 developed consistent with the method used in Order No. 35 issued by the  
28 Arkansas Public Service Commission in Docket No. 96-360-U, on October 16,  
29 1998.

30 (c)(1) Except as otherwise provided or required by the applicable  
31 regional transmission organization or an applicable Federal Energy Regulatory  
32 Commission order, rule, or regulation, an electric utility shall not prohibit  
33 a customer from taking interruptible service based solely upon a fuel source  
34 the customer uses to meet the customer's contracted interruptible  
35 requirements.

36 (2) An electric utility customer's accounts that are taking

1 interruptible service under an electric utility's rate schedule for  
2 interruptible service shall not be eligible for net-metering or be allowed to  
3 participate in net-metering under the Arkansas Cost-Shifting Prevention Act  
4 of 2023, § 23-18-601 et seq., unless the Arkansas Public Service Commission  
5 has:

6 (A) On or before December 31, 2022, issued an order  
7 addressing an individual net-metering customer's application for approval of  
8 a net-metering facility with a name plate generating capacity in excess of  
9 ten thousand kilowatts (10,000 kW) if an individual net-metering customer  
10 takes service under an electric utility's rate schedule for interruptible  
11 service; and

12 (B) Determined that it is in the public interest for that  
13 individual interruptible customer to be a net-metering customer.

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15 */s/Gilmore*  
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18 **APPROVED: 4/11/23**  
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