

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 40.1 Schedule Sheet 1 of 7
Including Attachments

Replacing: Sheet No.

Entergy Arkansas, LLC
Name of Company

Kind of Service: Electric Class of Service: All

Part III. Rate Schedule No.: 40

Docket No.: 18-073-TF
Order No.: 2
Effective: 2/1/19

Title: Energy Efficiency Cost Rate Rider (EECR)

PSC File Mark Only

40.0 ENERGY EFFICIENCY COST RATE RIDER

40.1. PURPOSE

The purpose of the Energy Efficiency Cost Rate Rider ("Rider EECR") Tariff is to establish the EECR Rate(s) by which Entergy Arkansas, LLC (the "Company") will recover its energy efficiency program costs approved by the Commission in Docket No. 07-085-TF; including, but not limited to: (1) incremental energy efficiency program costs ("Incremental Program Costs"); (2) lost contributions to fixed costs ("LCFC") as described and approved by the Commission in Order No. 14 issued in Docket No. 08-137-U; (3) utility incentive as described and approved by the Commission in Order No. 15 issued in Docket No. 08-137-U; and (4) a "true-up" adjustment (collectively, the "Recoverable Costs"). Recovery of Incremental Program Costs is limited to the incremental costs which represent the direct program costs that are not already included in the then current rates of the Company. The Rider EECR Rate(s) will be calculated to recover the Company's Recoverable Costs over the period in which the Rider EECR Rate(s) will be in effect.

40.2. ANNUAL REDETERMINATION

On or before May 1 of each year, re-determined Rider EECR Rate(s) shall be filed by the Company with the Commission in accordance with the provisions of Section 7 of the Commission's *Rules for Conservation and Energy Efficiency Programs*. The re-determined Rider EECR Rate(s) shall be determined by application of the EECR Rate Formula set out in Attachment A, B, and C to this Rider EECR Tariff. Each such revised Rider EECR Rate shall be filed in Docket No. 07-085-TF and shall be accompanied by supporting testimony and a set of work papers sufficient to fully document the calculations of the revised Rider EECR Rate(s).

The re-determined Rider EECR Rate(s) shall reflect projected Recoverable Cost for the next calendar year (the "Recoverable Year"); including, but not limited to: (1) the approved Incremental Program Costs for the Recoverable Year; (2) the projected LCFC for the Recoverable Year, which shall be inclusive of LCFC for prior reporting years that are not already included within the Company's most recently established base rates; (3) the incentive earned in the prior calendar year (the "Reporting Year"), if any; and (4) a true-up adjustment reflecting the over-recovery or under-recovery of the EECR Recoverable Costs for the Reporting Year. The true-up adjustment will be calculated to include the effect of carrying costs using the Company's most recently approved rate of return on rate base. The Rider EECR Rate(s) so re-determined shall be effective on and after the first billing cycle of January of the Recoverable Year and shall then remain in effect for twelve (12) months ("EECR Cycle"), except as otherwise provided for below.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 40.2 Schedule Sheet 2 of 7
Including Attachments

Replacing: Sheet No.

Entergy Arkansas, LLC
Name of Company

Kind of Service: Electric Class of Service: All

Part III. Rate Schedule No.: 40

Title: Energy Efficiency Cost Recovery Rider (EECR)

Docket No.: 18-073-TF
Order No.: 2
Effective: 2/1/19

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40.3. INTERIM ADJUSTMENT

Should a cumulative over-recovery or under-recovery balance arise during any EECR Cycle which exceeds ten (10) percent of the EECR Recoverable Costs determined for the EECR Cycle included in the most recently filed rate re-determination under this EECR Tariff, then either the Commission General Staff or the Company may propose an interim revision to the then currently effective Rider EECR Rate(s).

40.4 TRACKING AND MONITORING PROGRAM COSTS AND BENEFITS

The Company shall develop and implement appropriate accounting procedures, subject to the review of the Commission General Staff, which provide for separate tracking, accounting, and reporting of all program costs incurred by the Company. The procedures shall enable energy efficiency program costs to be readily identified and clearly separated from all other costs. The Company shall secure and retain all documents necessary to verify the validity of the program costs for which it is seeking recovery. Such documents shall include, but shall not be limited to, vouchers, journal entries, and the date the participant's project was completed.

The Company shall develop and implement appropriate accounting procedures, subject to the review of the Commission General Staff, which provide for separate tracking, accounting, and reporting of revenues collected through the Rider EECR Tariff. The procedures shall enable the Rider EECR revenues to be readily identified and clearly separated from all other revenues. The Company shall secure and retain all documents necessary to verify the accuracy of the Rider EECR revenues. Such documents shall include, but not be limited to, billing determinants, journal entries, and summary revenue reports.

For the purpose of assessing the benefits and effectiveness of the programs, the Company shall develop and implement appropriate procedures, subject to the review of the Commission General Staff, which provide for separate tracking of the benefits and the effectiveness of the programs. The data that shall be tracked shall include, but shall not be limited to, information that will enable the Commission to assess the effectiveness of the programs. The Company shall secure and retain all documents necessary to verify its assessments.

40.5. TRACKING AND MONITORING LCFC AND INCENTIVE

The Company shall track and monitor LCFC and Incentive in accordance with Order Nos. 14 and 15, respectively, issued in Docket No. 08-137-U and in future Orders addressing LCFC and Incentive.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. 40.3

Schedule Sheet 3 of 7
Including Attachments

Replacing: 1st Revised

Sheet No. 40.3

Entergy Arkansas, LLC

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 07-085-TF

Order No.: 114

Effective: 12/31/15

Part III. Rate Schedule No.: 40

Title: Energy Efficiency Cost Rate Rider (EECR)

PSC File Mark Only

40.6. TERM

This Rider EECR Tariff shall remain in effect until modified or terminated in accordance with the provisions of the Rider EECR Tariff or applicable regulations or laws.

If this Rider EECR Tariff is terminated by a future order of the Commission, the Rider EECR Rate(s) then in effect shall continue to be applied until the Commission approves an alternative mechanism by which the Company can recover its energy efficiency costs inclusive of approved program-related capital costs and the return of and on the investment. At that time, any cumulative over-recovery or under-recovery resulting from application of the just terminated Rider EECR Rate(s) shall be applied to customer billings over the twelve (12) month billing period beginning on the first billing cycle of the second month following the termination of the Rider EECR Tariff in a manner prescribed by the Commission.

40.7 APPLICABLE RATE SCHEDULES

Residential:

RS, RT, REMT

Small General Service:

SGS, GFS, TSS, MP, AP, CGS, CTV, SMWHR

Large General Service:

LGS, LPS, GST, PST, SSR

Lighting:

L1, L1SH, L4

ATTACHMENT A

ENERGY EFFICIENCY COST RECOVERY TARIFF (RIDER EECR)

| <u>Line</u> | <u>Recoverable Costs</u> |
|--|--------------------------|
| Program Costs | Set forth in workpapers |
| 1. Projected Energy Efficiency Program Costs (PEEC) | \$70,505,650 |
| 2. Projected Lost Contribution to Fixed Costs (LCFC) | \$- |
| 3. EE Program Incentives (EEPI) | \$5,548,361 |
| 4. Prior Period Over/Under Amount (TUA)* | (\$6,936,655) |
| 5. Recoverable Costs (PCRC)** (1+2 + 3 + 4) | \$69,117,357 |
| 6. Billing Units (PES)*** | See Attachment C |
| 7. Rider EECR Rate (5/6) | See Attachment C |

* The prior period true-up adjustment (TUA) includes carrying costs as approved by the Commission.

** Projected Costs by Rate Class or "PCRC" includes the total of (1) the projected EECR Incremental Program Costs for the Recoverable Year (PEEC); (2) the projected LCFC for the Recoverable Year (LCFC); (3) the incentive earned during the Reporting Year (EEPI) ; and (4) the prior period true-up adjustment (TUA). This total is allocated to the rate classes using PDAF (see Note 4 on Page 2 of Attachment A).

*** Projected Energy Sales by kWh or "PES" includes the projected sales by rate class (see Note 6 below).

ENERGY EFFICIENCY COST RECOVERY TARIFF (CONT'D)

NOTES:

- 1) The Company's work papers shall provide the rationale for the particular billing units selected and for the assignment of the Recoverable Costs to the rate classes.
- 2) The Projected Energy Efficiency Cost Period is the twelve-month period commencing on January 1 of the Recoverable Year.
- 3) The Energy Efficiency Cost Period is the calendar year immediately preceding the Recoverable Year.
- 4) The Production Demand Allocation Factor ("PDAF") represents each rate class allocation relative to the retail jurisdiction total and shall be the most recently approved for EAL by the Commission in a non-appealable final order, adjusted to remove the customer accounts that are exempt from the Rider EECR charge for the Recoverable Year based on Certificates of Exemption currently approved by the Commission pursuant to the Self-Direct Option.
- 5) The Carrying Charge Rate shall be the authorized rate of return on rate base most recently approved for EAL by the Commission in a non-appealable final order.
- 6) The Projected Energy Sales by kWh billed for each rate class (PES_i) for the Projected Energy Efficiency Cost Period, adjusted to remove the customer accounts that are exempt from the Rider EECR charge for the Recoverable Year based on the Certificates of Exemption currently approved by the Commission pursuant to the Self-Direct Option.

Docket No.: 07-085-TF

Order No.: 177

Effective: 1/2/24

Attachment B to

Rate Schedule No. 40

Page 1 of 1: Schedule Sheet 6 of 7

ATTACHMENT B

RIDER EECR RATES

The Net Monthly Rates set forth in EAL's schedules identified below will be adjusted by the following Rate Adjustment amounts:

| <u>Rate Class</u> | <u>Rate Schedules</u> | <u>Rate Adjustment</u> |
|-----------------------|---------------------------------------|------------------------|
| Residential | RS, RT, REMT | \$0.00404 per kWh |
| Small General Service | SGS, GFS, TSS, MP, AP, CGS CTV, SMWHR | \$0.00498 per kWh |
| Large General Service | LGS, LPS, GST PST, LPHLDS, SSR | \$0.00505 per kWh |
| Lighting | L1, L1SH, L4, L1BNR | \$0.00266 per kWh |

ATTACHMENT C

Rider EECR Rate Calculation

| Rate Class | PCRC _i ¹ | PES _i ² | Rate Adjustments ³ |
|-----------------------|--------------------------------|-------------------------------|-------------------------------|
| Residential | \$31,313,618 | 7,751,407,626 | \$0.00404 per kWh |
| Small General Service | \$18,665,142 | 3,749,310,303 | \$0.00498 per kWh |
| Large General Service | \$18,498,569 | 3,660,747,831 | \$0.00505 per kWh |
| Lighting | \$640,027 | 240,837,866 | \$0.00266 per kWh |
| Total | \$69,117,357 | 15,402,303,626 | |

Notes:

(1) Projected Energy Efficiency Cost by Rate Class (PCRC_i).

(2) Projected Energy Sales by kWh billed for each rate class (PES_i) for the Projected Energy Efficiency Cost Period, adjusted to remove the customer accounts that are exempt from the Rider EECR charge for the Recoverable Year based on the Certificates of Exemption currently approved by the Commission pursuant to the Self-Direct Option.

(3) The Rider EECR Rate is PCRC_i / PES_i.