

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 26.1 Schedule Sheet 1 of 4

Replacing: Sheet No.

Entergy Arkansas, LLC
Name of Company

Kind of Service: Electric Class of Service: Commercial/Industrial

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

Part III. Rate Schedule No. 26

Title: Additional Facilities Charge Rider (AFCR)

PSC File Mark Only

26.0. ADDITIONAL FACILITIES CHARGE RIDER

26.1. AVAILABILITY

Available to all customers whose service is metered at primary voltage or greater and who execute a contract as provided herein. Contracts under previously approved editions of this schedule for service metered at less than primary voltage will continue until terminated but cannot be revised to incorporate new Additional Facilities.

26.2. APPLICATION AND CONDITIONS

Where, because of the character of the customer's demand, customer's need for duplicate facilities, legal or engineering requirements with which the customer must comply, customer requests Entergy Arkansas, LLC ("EAL" or the "Company") to install facilities in addition to those which Company would normally install for the customer's demand and service requirements, Company will install and maintain such additional facilities ("Additional Facilities") subject to the following conditions:

1. The location and design of the Additional Facilities must meet Company's engineering and operating standards and practices. The Company will not install Additional Facilities on the customer's side of the point of delivery which cross public streets, roads, or alleys, unless approved by Commission waiver of APSC GSR 5.20, or inside customer's building.
2. If additional facilities are installed on the customer's side of the primary metering point which operate at primary voltage or greater, then the primary service credit under Rate Schedule No. 18, Voltage Adjustment Rider, if applicable, shall be limited to 1%.
3. In cases where Company would normally provide secondary metering and the customer requests primary metering, the difference in the installed cost of the primary and secondary metering will be considered as Additional Facilities.
4. Title to all facilities installed by Company shall be vested in and will be maintained by Company, and customer will provide all easements and rights-of-way satisfactory to Company at no cost to Company.
5. This Schedule is not available to applications involving mixed ownership of facilities on the customer's side of the meter except where the customer installs customer-owned primary capacitors on the customer's side of the primary meter in accordance with Company's Installation Standards.

The customer will enter into a Facilities Agreement with the Company and pay to the Company a net monthly charge based on the investment by Company in such facilities and the monthly percentages from either Option A or Option B below, as appropriate. At the execution of each Facilities Agreement, the customer will have a one-time election to select either Option A or Option B for the definition of the monthly rate associated with Company's investment in the Additional Facilities. Any subsequent capital additions, replacements, or modifications of facilities will be treated as described in Option A and Option B below.

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Original Sheet No. 26.2 Schedule Sheet 2 of 4

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26.3. OPTION A

Customers that select Option A for Additional Facilities must pay a net monthly facilities charge of 0.875 percent (0.875%) per month of the installed cost of all facilities included in the Facilities Agreement. Subsequent capital modifications or additions to such facilities will be subject to the above rate as applied to the cost of the additions or modifications. Subsequent replacement of an Additional Facilities component will be subject to the above rate, as applied to the excess of the cost of replacement over the original installed cost of the replaced facilities.

26.4. OPTION B

Customers that select Option B for Additional Facilities must define in the Facilities Agreement the number of years (the "Recovery Term") that will define the appropriate monthly rates to be applied to the Company's investment. The Recovery Term cannot be longer than 10 years. The following table specifies the monthly percentages for application during the selected Recovery Term and any years following the Recovery Term. These percentages will apply monthly to the installed cost of all facilities included in the required Facilities Agreement. Prepayment of any charges associated with an Option B Facilities Agreement prior to expiration of the selected Recovery Term is not allowed.

<u>Selected Recovery Term (Years)</u>	<u>Monthly % During Recovery Term</u>	<u>Monthly % Post-Recovery Term</u>
1	8.939%	0.290%
2	4.764%	0.290%
3	3.374%	0.290%
4	2.681%	0.290%
5	2.266%	0.290%
6	1.991%	0.290%
7	1.795%	0.290%
8	1.649%	0.290%
9	1.537%	0.290%
10	1.447%	0.290%

Subsequent modifications and additions to Additional Facilities covered by a Facilities Agreement shall be subject to a new Option B Facilities Agreement covering the installed cost of such facilities, wherein customer must select a Recovery Term that will define the appropriate monthly rate for such cost.

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Subsequent replacement of an Additional Facilities component shall be subject to a new Facilities Agreement covering the installed cost of such item and the customer may select either Option A or Option B for such item. If the Facilities Agreement covering the replaced item remains in effect because there was not a total replacement of the Additional Facilities covered by the Facilities Agreement, the costs covered by such agreement shall be reduced by the original cost of the replaced facility. If the replacement occurs prior to the end of the Recovery Term for the replaced facility, the replacement installed cost shall be reduced by the salvage value of the replaced facility, if any.

26.5. OPERATION AND MAINTENANCE OF CUSTOMER-OWNED FACILITIES

Customers that own distribution substations and/or other distribution facilities may enter into an agreement with the Company for the ongoing operation and maintenance of such facilities ("O&M Service"), subject to Company inspection of subject facilities and approval of the agreement. The cost of such facilities will be defined in the agreement as the current estimated cost of replacement facilities. The net monthly charge for all facilities included in the agreement will be 0.199% per month of such defined cost of such facilities. Alternatively, the Company and such customers may enter into an arrangement wherein the customer is assessed a charge to reimburse the Company on a task or activity basis.

26.6. CONTRACT TERM

The initial term of any contract for Additional Facilities (Facilities Agreement) provided hereunder shall be for not less than ten years and shall be automatically extended for successive periods of one year each until terminated by written notice given by one party to the other not more than six months nor less than three months prior to the expiration date of the original term or any anniversary thereof. If customer ceases to take electric service from Company, Company may remove said Additional Facilities and customer shall pay Company the termination charges set forth below. In the event the customer does not require the Additional Facilities for the full term of the contract and wishes to cancel the contract prior to the expiration date, Company reserves the right to remove such Additional Facilities and will consent to the cancellation of the contract provided customer pays to Company the lesser of the following:

1. The applicable monthly charge for the remaining months of the contract.
2. The amount computed under the following formula; provided, however, such amount shall never be less than zero:

$$[A + B - C] \times D$$

Where:

A = Original installed cost of the facilities

B = Cost of removing facilities

C = Salvage value to Company of equipment and material removed

D = 1.12 less .001 times the number of months which have expired in the initial term of the contract.

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Original Sheet No. 26.4 Schedule Sheet 4 of 4

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26.7. OTHER PROVISIONS

26.7.1. Termination of Facilities Agreement

The Facilities Agreement provided herein will not be suspended and may not be terminated except upon payment of the charges set forth herein.

26.7.2. Load Changes

Customer will give the Company reasonable written notice prior to increasing load, shifting load, or rearranging customer-owned facilities which may overload or damage Company-owned facilities.

26.7.3. Cost of Additional Facilities

All additional facilities included in a Facilities Agreement will be included at new or replacement cost at the time of inclusion.

26.7.4. Facilities not Includable

The following facilities may not be included in a Facilities Agreement:

1. Facilities on the customer's side of the point of delivery crossing public streets, roads or alleys.
2. Facilities inside the customer's building, except that additional facilities may terminate in the customer's switchgear located a short distance inside the customer's building.
3. Capacitors.
4. Non-standard facilities not utilized in the Company's normal operations.
5. Overhead/underground construction differential costs.
6. Non-salvageable underground facilities installed or provided by the Company.
7. Any item Company deems inadvisable from an economic or good engineering practices perspective.

The final judgment regarding the inclusion of an item rests solely with the Company.

26.8. PAYMENT

The Net Monthly Bill shall be computed in accordance with § 26.3, 26.4 or 26.5 and other applicable provisions of this schedule. Payment shall be made in accordance with Rate Schedule No. 29, Charges Related to Customer Activity (CAC), § 29.19.1.