# ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 54.1 Schedule Sheet 1 of 7

**Including Attachments** 

Replacing: Sheet No.

Entergy Arkansas, LLC

Name of Company

Kind of Service: Electric Class of Service: All Docket No.: 18-073-TF

Order No.: 2 Effective: 2/1/19

Part III. Rate Schedule No. 54

PSC File Mark Only

Title: MISO Rider

#### 54.0 MISO RIDER

#### 54.1 REGULATORY AUTHORITY

The Arkansas Legislature has delegated authority to the Arkansas Public Service Commission ("APSC" or the "Commission") to regulate public utilities in the State of Arkansas, including Entergy Arkansas, LLC ("EAL" or the "Company"). The APSC's regulatory authority over the provision of electric service applies not only in the Distribution Service area allocated to EAL by the APSC but also extends to service to customers who have been released to EAL by other electric distribution utilities, when such release for service has been approved by the Commission pursuant to Rule 6.07(b) or (c) of the Commission's Rules of Practice and Procedure. Similarly, the Tennessee Regulatory Authority exercises such authority delegated to it by the Tennessee Legislature in areas of the State of Tennessee served by EAL.

#### 54.2 PURPOSE

The purpose of this MISO Rider is to define the procedure by which EAL shall implement and adjust rates contained in the rate classes designated in Attachment A to this MISO Rider for recovery of the costs designated in § 54.3 below, including but not limited to costs charged to EAL pursuant to the Midcontinent Independent System Operator, Inc. ("MISO") Federal Energy Regulatory Commission ("FERC")-approved Open Access Transmission Energy and Operating Markets Tariffs that are not recovered via the Energy Cost Recovery Rider as ordered by the APSC in Docket No. 13-028-U, Order No. 21. The MISO Rider shall apply in accordance with the provisions of § 54.3 below to all electric service billed under the rate schedules, whether metered or unmetered, and subject to the jurisdiction of the Commission.

#### 54.3 MISO RIDER RATES

The rates associated with the MISO Rider ("MISO Rider Rates") as set forth on Attachment A shall be derived by the formula set out in Attachment B to this MISO Rider ("MISO Rider Rate Formula"). The MISO Rider Rates shall be added to the rates set out in the Net Monthly Bill section in the Company's rate schedules. The MISO Rider Rates shall be determined in accordance with the provisions of this MISO Rider.

The initial MISO Rider Rates shall be based on the estimated Net MISO Charges/(Credits) as reflected on Attachment B that the Company expects to incur on an Arkansas Retail basis for the twelve (12) months ended December 31, 2014, and that are not recovered via the Energy Cost Recovery Rider in Docket No. 13-028-U, Order No. 21.

# ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 54.2 Schedule Sheet 2 of 7
Including Attachments

Replacing: Sheet No.

Entergy Arkansas, LLC

Name of Company

Kind of Service: Electric Class of Service: All Docket No.: 18-073-TF

Order No.: 2 Effective: 2/1/19

Part III. Rate Schedule No. 54

PSC File Mark Only

Title: MISO Rider

## 54.4 MISO IMPLEMENTATION DEFERRAL

Pursuant to Order No. 76 in Docket No. 10-011-U, the Company deferred certain costs related to the pursuit of MISO membership ("MISO Implementation Deferral"). The Company shall be allowed to recover through this MISO Rider a return of the MISO Implementation Deferral. The MISO Implementation Deferral shall be amortized over sixty (60) months beginning January 1, 2014.

#### 54.5 ANNUAL DETERMINATION

On or about October 1, beginning in 2014, the Company shall file a redetermination of the MISO Rider Rates by filing updated versions of Attachments A and B with supporting workpapers and documentation. This redetermination shall include the reporting requirements as ordered in Commission Order No. 21, Docket No. 13-028-U.

Beginning with the annual redetermination in 2015, an exact recovery true-up of the actual net retail MISO Rider revenue requirement to the actual net retail MISO Rider revenues for the twelve (12) months ended June 30 of the filing year shall be reflected in MISO Rider revenue requirement.

The MISO Rider Rates so determined shall be effective for bills rendered on and after the first (1st) billing cycle of January of the calendar year immediately following the filing year and shall remain in effect until superseded.

# ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 54.3 Schedule Sheet 3 of 7

**Including Attachments** 

Replacing: Sheet No.

Entergy Arkansas, LLC

Name of Company

Kind of Service: Electric Class of Service: All Docket No.: 18-073-TF

Order No.: 2 Effective: 2/1/19

Part III. Rate Schedule No. 54

PSC File Mark Only

Title: MISO Rider

#### 54.6 STAFF AND COMMISSION REVIEW

Staff shall review the filed MISO Rider Rates to verify that the formula in Attachment B has been correctly applied and shall notify the Company of any necessary corrections. After the Staff completes its review of the rate calculation, the Company shall make appropriate changes to correct undisputed errors identified by the Staff in its review. Any disputed issues arising out of the Staff review are to be resolved by the Commission after notice and hearing. The MISO Rider Rates shall go into effect, upon Commission approval, with the first billing cycle of January 1, 2014.

#### 54.7 INTERIM ADJUSTMENT

If the cumulative true-up of Net Retail MISO Rider Revenue Requirement exceeds 10 percent of the annual Net MISO Rider Revenue Requirement included in the most recently filed MISO Rider, then either the APSC General Staff or the Company may propose an interim adjustment of the MISO Rider Rates.

#### 54.8 TERM

The MISO Rider shall remain in effect until otherwise terminated by Commission order, subject to three (3) months advance notice of termination by the Commission following reasonable notice and opportunity for hearing. If the MISO Rider is terminated by mutual agreement of the Commission and the Company, or if this MISO Rider is terminated by a future order of the Commission, the then-existing MISO Rider Rates shall continue to be in effect until new base rates reflecting the then-existing MISO Rider Rates are duly approved and implemented. Nothing contained in this MISO Rider shall limit the right of any party to file an appeal as provided by law.

#### 54.9 CARRYING CHARGES

Pursuant to Order No. 6 in Docket No. 18-006-U, the 2019 rate redetermination formula will include the effect of carrying charges related to the Tax Cuts & Jobs Act Credit using the Company's most recently approved rate of return on rate base. Such charges will be included in Line No. 1 of Attachment B, page 6 of this tariff.

Attachment A to Rate Schedule No. 54 Attachment Page 1 of 1 Schedule Sheet 4 of 7 Including Attachments

# **MISO Rider Rates**

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

Rate Class	ate Class Rate Schedules	
Residential	RS, RT, REMT	\$-0.00539 per kWh
Small General Service	SGS, GFS, TSS, MP, AP, CGS, CTV, SMWHR	\$-0.00427 per kWh
Large General Service	LGS, LPS, GST, PST, SSR, LPHLDS	\$-0.99784 per kW
Lighting	L1, L1SH, L4, L1BNR	\$-0.00126 per kWh

Attachment B to Rate Schedule No. 54 Attachment Page 1 of 3 Schedule Sheet 5 of 7 Including Attachments

# Entergy Arkansas, LLC MISO Rider Rate Formula

Class Allocation & Rate Development						
Line No.	Rate Class	Class Allocator (%) (1)	Net Retail MISO Rider Revenue Requirement (\$) (2)	Projected Billing Units (3)	Rate Adjustment (4)	
	EAL Retail					
1	Residential	45.6283%	(\$40,779,813)	7,570,113,645 kWh	\$-0.00539 per kWh	
2	Small General Service	23.1051%	(\$20,649,951)	4,839,529,633 kWh	\$-0.00427 per kWh	
3	Large General Service	30.8892%	(\$27,606,871)	27,666,714 kW	\$-0.99784 per kW	
4	Lighting	0.3775%	(\$337,365)	267,574,525 kWh	\$-0.00126 per kWh	
5	Total EAL Retail	100.0000%	(\$89,374,000)			

### Notes:

- (1) The Rate Class Allocator shall be made consistent with the Retail Transmission High Demand Allocation Factor approved in the most recent retail rate case.
- (2) Attachment B, Page 2, Line 9 \* Class Allocator
- (3) Projected Billing Units by Rate Class WP 1.1.
- (4) Net Retail Class MISO Rider Revenue Requirement / Projected Billing Units

Attachment B to Rate Schedule No. 54 Attachment Page 2 of 3 Schedule Sheet 6 of 7 Including Attachments

# Entergy Arkansas, LLC MISO Rider Rate Formula (1) For the Rate Effective Twelve Months Ended December 31, 2025 (\$000'S Omitted)

	EAL	
Description	Amount	Reference
MICO Didos Chossos//Crodito)	(404 200 )	WP 2.1
wiso Rider Charges/(Credits)	(101,309)	VVP 2.1
Amortization of MISO Implementation Deferral (2)		
Total MISO Rider Costs	(101,309)	L1 + L2
Retail Allocation Factor	99.9989%	WP 3.1
Retail MISO Rider Costs	(101,308)	L3 * L4
Revenue Related Expense Factor (3)	0.998644	WP 4.1
Retail MISO Rider Revenue Requirement	(101,171)	L5 * L6
True-up of Net Retail MISO Rider Revenue Requirement	11,797	Att B Page 3, L8
Net Retail MISO Rider Revenue Requirement	(89,374)	L7 + L8
	MISO Rider Charges/(Credits)  Amortization of MISO Implementation Deferral (2)  Total MISO Rider Costs  Retail Allocation Factor  Retail MISO Rider Costs  Revenue Related Expense Factor (3)  Retail MISO Rider Revenue Requirement  True-up of Net Retail MISO Rider Revenue Requirement	MISO Rider Charges/(Credits)  Amount  MISO Rider Charges/(Credits)  Amortization of MISO Implementation Deferral (2)  Total MISO Rider Costs  (101,309)  Retail Allocation Factor  Retail MISO Rider Costs  (101,308)  Revenue Related Expense Factor (3)  Revenue Related Expense Factor (3)  Retail MISO Rider Revenue Requirement  (101,171)  True-up of Net Retail MISO Rider Revenue Requirement  11,797

## Notes:

- (1) Pursuant to paragraph 54.3 of this MISO Rider.
- (2) MISO Implementation Deferral per paragraph 54.4 of this MISO Rider. Amortization complete as of 12/31/2018.
- (3) Revenue Related Expense Factor = 1 / (1-Arkansas Retail Bad Debt Rate + Forfeited Discount Rate). For subsequent redeterminations, the Arkansas Retail Bad Debt and the Forfeited Discount Rates shall be developed consistent with the methodology utilized for calculating them in the most recent EAL general rate case and shall be the most recently available calendar year data at the time of the filing.

Attachment B to Rate Schedule No. 54 Attachment Page 3 of 3 Schedule Sheet 7 of 7 Including Attachments

# Entergy Arkansas, LLC MISO Rider Rate Formula (1)

# True-up of Net Retail MISO Rider Revenue Requirement (2) For the Rate Effective Twelve Months Ended December 31, 2025 Actual Charges/ Credits for Twelve Months Ended June 30, 2024 (\$000'S Omitted)

	(+		
Ln No.	Description	EAL Amount	Reference
	Actual MISO Charges/(Credits)		
1	MISO Rider Charges/(Credits)	(93,856)	WP 5.1
2	Amortization of MISO Implementation Deferral (3)	0	
3	Total MISO Rider Costs	(93,856)	L1 + L2
4	Retail Allocation Factor	99.9989%	WP 3.1
5	Revenue Related Expense Factor (4)	99.8644%	WP 4.1
6	Actual Net Retail MISO Rider Revenue Requirement	(93,727)	L3 * L4 * L5
7	Actual Net Retail MISO Rider Revenues	(105,524)	WP 7.1
8	True-up of Net Retail MISO Rider Revenue Requirement	11,797	L6 - L7

#### Notes:

- (1) Pursuant to Paragraph 54.3 of this MISO Rider.
- This schedule is not applicable for the Initial Filing. The filing for the 12ME 12/31/16 will include a true-up calculation for the period 12/18/2013 6/30/2015. Each subsequent filing will true-up the MISO Rider costs and revenues for the 12 month period ending June 30 of the filing year.
- (3) Return of MISO Implementation Deferral per Paragraph 54.4 of this MISO Rider. Amortization complete as of 12/31/2018.
- (4) See Attachment B, Page 2 Note (3)