

Louisiana Customer Bills FAQs

We understand there are many concerns regarding the rising cost of electricity bills across our region.

Below, we've answered some frequently asked questions to help explain the factors that are impacting your electric bill. ***As a reminder, bills are calculated differently in each state, as our base rates, fuel and other charges are reviewed and approved by each state's public service commission.***

Why was my bill higher in summer 2022 versus summer 2021?

One of the two factors that can impact your bill is the amount of energy used – measured in kilowatt-hours (kWh). **The hotter it got, the more energy you likely used.** The 2022 summer set record temperatures in many parts of Arkansas. During periods of extreme heat, your air conditioning system may run longer, work harder, and use more energy to keep your home comfortable. You can compare your current kWh usage to the same month a year ago with information displayed on your bill or by logging into your SWEPCO account online.

Why is my fuel charge so high?

Natural gas prices have risen significantly versus 2021. SWEPCO has a diverse energy mix with wind, natural gas and coal to generate electricity for our customers. The cost of natural gas, which fuels 39% of our generation mix, has been two to three times higher than what it was in 2021. The cost to purchase fuel (such as natural gas) to generate electricity is passed directly through to our customers, meaning ***SWEPCO does not profit from the cost to purchase fuel to generate electricity for customers.***

As natural gas prices remain high, we expect that to drive increases in customers' bills based on normal usage patterns. The diversity in SWEPCO's generation resources helps hold fuel prices down in times of high natural gas demand and corresponding price fluctuations.

However, during the hot days of summer and cold days of winter, we may have to rely on our natural gas fired generation more often to meet demand, which could increase customers' bills.

Current fuel costs reflect impact of February 2021 winter storm. Current SWEPCO customer bills in Louisiana also reflect the extraordinary costs of fuel during the February 2021 winter storm. SWEPCO began recovering that fuel cost in May 2021, which is being spread over five years to lessen the impact to customers. This fuel cost is also a direct pass-through to Louisiana customers.

SWEPCO bills do not currently include storm restoration costs resulting from the hurricanes in 2020 and the winter storm in 2021 that impacted our region.

What is the Wind Facility Asset Rider?

In spring 2022, you may have noticed an increase on the Wind Facility Asset Rider line item on your bill. This Rider began in May 2021 to help recover Louisiana's share of the construction of the North Central Energy Facilities, which provide 809 MW (megawatts) of wind energy. The most recent increase is due to the completion of the final and largest wind facility which began operating in March 2022. While this is a base rate increase, the fuel savings and tax credits we gain with the addition of renewable energy help to offset the cost of these facilities, which results in continued long-term savings to customers.

Our long-term strategy calls for more than one-third of our energy generation mix to consist of wind and solar resources. The addition of wind and solar generation is an important factor to help reduce the reliance of natural gas to generate energy, which as we have seen, can be volatile with exponential increases in price in a short period of time. As we increase renewable energy as part of our generation mix, we can help offset the cost to purchase fuel and ultimately provide further savings to our customers.

SWEPCO's commitment to provide clean, low-cost energy continues. In May, we announced plans to add 999 MW of renewable energy by 2025 with additional wind and solar projects. We also have a purchase power agreement to add 72.5 MW of solar energy with the proposed Rocking R Solar project in Northwest Louisiana. In September, we issued two Request for Proposals (RFPs) of up to 2,400 MW of additional wind and solar energy through purchase-power agreements. All projects are subject to regulatory approvals.

What are my options to help pay my electric bill?

SWEPCO announced additional flexible options to help residential customers facing high bills due to increased demand and rising fuel costs. Through October 31, 2022, all SWEPCO residential customers can have late fees, and in some cases, deposits waived. They can also take advantage of an extended payment plan that gives them up to 12 months to pay their bill in full. Customers must call 1-888-216-3523 to speak with a SWEPCO representative regarding these flexible options, including requesting late fee and deposit waivers.

Learn about other payment assistant options, including enrolling in the Average Monthly Payment plan, by visiting [SWEPCO.com/Assist](https://www.swepc.com/Assist).