

ARKANSAS PUBLIC SERVICE COMMISSION DOCKET NO. 25-003-U

SOUTHWESTERN ELECTRIC POWER COMPANY, INC.

LEGAL NOTICE

Notice is hereby given that Southwestern Electric Power Company, Inc. (“SWEPCO”) filed with the Arkansas Public Service Commission (“APSC” or “Commission”), on March 28, 2025, an Application for a general change or modification in the rates, charges and tariffs of the Company for its Arkansas customers. The rate increase is necessary for the Company to maintain its current quality of service and to remain financially sound and viable, both in terms of its present fiscal integrity and in terms of investors’ willingness to maintain their current investment and commit funds for the Company’s growth and investment in plant.

The total amount of the requested rate increase is \$113.6 million, currently expected to become effective in January, 2026. The amount and effective date of the requested rate increase may also be affected by the final order of the Commission. The amounts of the proposed dollar increase (decrease) and percentage increase (decrease) for each customer class are as follows:

The present monthly customer charges and unit prices for each class of customer for each major rate classification are as follows:

Rate Class	Total Proposed Revenue Increase	Total Proposed Percent Increase	Proposed SIP Increase	With SIP Proposed Percent Increase
Residential	\$30,265,087	20.2%	\$10,647,551	27.3%
Commercial / Industrial Secondary	\$21,328,237	14.6%	\$8,079,947	20.1%
Commercial / Industrial Primary	\$4,598,114	7.8%	\$2,501,614	12.1%
Large Industrial	\$102,250	0.6%	\$0	0.6%
Municipal	\$293,995	17.3%	\$58,569	20.8%
Lighting	\$1,771,042	32.4%	\$249,989	36.9%
Total	\$58,358,725	15.4%	\$21,537,670	21.0%

Residential Service	Present	Proposed	Unit
Customer Charge	\$11.97	\$19.78	per Customer
May-September 0-1500 kWh	\$0.074940	\$0.123840	per kWh
May-September over 1500 kWh	\$0.089304	\$0.147781	per kWh
October-April All kWh	\$0.060095	\$0.099295	per kWh
Formula Rate Review	12.4870%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.032560	\$0.021074	per kWh
Energy Efficiency Cost Rate	\$0.006340	\$0.006340	per kWh
Transmission Cost Recovery	\$0.001312	\$0.001312	per kWh
System Improvement Plan	\$0.000000	\$0.009271	per kWh

Residential Electric Appliance Service	Present	Proposed	Unit
Customer Charge	\$11.97	\$19.78	per Customer
May-September 0-1500 kWh	\$0.074940	\$0.09470	per kWh
May-September over 1500 kWh	\$0.089304	\$0.11370	per kWh
October-April 0-500 kWh	\$0.060095	\$0.07580	per kWh
October-April over 500 kWh	\$0.03782	\$0.05707	per kWh
Formula Rate Review	12.4870%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.032560	\$0.021074	per kWh
Energy Efficiency Cost Rate	\$0.006340	\$0.006340	per kWh
Transmission Cost Recovery	\$0.001312	\$0.001312	per kWh
System Improvement Plan	\$0.000000	\$0.009271	per kWh

General Service	Present	Proposed	Unit
Customer Charge	\$14.28	\$23.74	per Customer

Demand Charge over 6 kWh	\$6.90	\$11.47	per kW
May-September kWh	0.051528	0.085675	per kWh
October-April kWh	0.042007	0.069807	per kWh
Formula Rate Review	13.3330%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.032560	\$0.021074	per kWh
Energy Efficiency Cost Rate	\$0.004690	\$0.004690	per kWh
Transmission Cost Recovery	\$0.001140	\$0.001140	per kWh
System Improvement Plan	\$0.000000	\$0.005958	per kWh

Lighting & Power Secondary	Present	Proposed	Unit
May-September			
All kWh	\$0.030973	\$0.051474	per kWh 50 kW
Demand Charge 0-50 kW (minimum)	\$727.00	\$1,208.50	minimum
Demand Charge over 50 kW	\$14.54	\$24.17	per kW
October-April			
All kWh	\$0.009093	\$0.015121	per kWh 50 kW
Demand Charge 0-50 kW (minimum)	\$589.50	\$980.00	minimum
Demand Charge over 50 kW	\$11.79	\$24.17	per kW
Formula Rate Review	14.9789%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.032560	\$0.021074	per kWh
Energy Efficiency Cost Rate	\$0.004690	\$0.004690	per kWh
Transmission Cost Recovery	\$0.000949	\$0.000949	per kWh
System Improvement Plan	\$0.000000	\$0.005958	per kWh

Lighting & Power Primary	Present	Proposed	Unit
May-September			
All kWh	\$0.029996	\$0.049894	per kWh 50 kW
Demand Charge 0-50 kW (minimum)	\$657.00	\$1,092.00	minimum
Demand Charge over 50 kW	\$13.14	\$21.84	per kW
October-April			
All kWh	\$0.008556	\$0.014256	per kWh 50 kW
Demand Charge 0-50 kW (minimum)	\$520.50	\$865.00	minimum
Demand Charge over 50 kW	\$10.41	\$17.30	per kW
Formula Rate Review	14.9789%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.031513	\$0.020396	per kWh
Energy Efficiency Cost Rate	\$0.004690	\$0.004690	per kWh
Transmission Cost Recovery	\$0.000949	\$0.000949	per kWh
System Improvement Plan	\$0.000000	\$0.003578	per kWh

Large Lighting & Power Transmission	Present	Proposed	Unit
May-September			
All kWh	\$0.023475	\$0.034775	per kWh per kW
Demand Charge 10,000 kW minimum	\$97,500	\$206,100	minimum
All kW over 10,000	\$9.75	\$20.61	per kW
October-April			
All kWh	\$0.006539	\$0.008873	per kWh per kW
Demand Charge 10,000 kW minimum	\$73,700	\$155,800	minimum
All kW over 10,000	\$7.37	\$15.58	per kW
Formula Rate Review	19.0499%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.031201	\$0.020195	per kWh
Energy Efficiency Cost Rate	\$0.004690	\$0.004690	per kWh
Transmission Cost Recovery	\$0.000803	\$0.000803	per kWh
System Improvement Plan	\$0.000000	\$0.000000	per kWh

Pulp & Paper Mill	Present	Proposed	Unit
All kWh	\$0.0091	\$0.0145	per kWh per kW
Demand Charge 200,000 kW minimum	\$136,000	\$217,400	minimum
All kW over 20,000	\$6.82	\$10.87	per kW
Formula Rate Review	19.0499%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.031201	\$0.020195	per kWh

Energy Efficiency Cost Rate	\$0.004690	\$0.004690	per kWh
Transmission Cost Recovery	\$0.000803	\$0.000803	per kWh
System Improvement Plan	\$0.000000	\$0.000000	per kWh

LP TOU Secondary	Present	Proposed	Unit
On Peak 1-7pm July, August, September			
All kWh	\$0.104241	\$0.174351	per kWh
Demand Charge 0-50 kW	\$1,087.00	\$1,823.50	per kW minimum
Demand Charge over 50 kW	\$21.74	\$36.47	per kW
Off Peak - All Hours Other Than On Peak			
All kWh	\$0.016737	\$0.027637	per kWh
Demand Charge 0-50 kW	\$302.50	\$512.50	per kW minimum
Demand Charge over 50 kW	\$6.05	\$10.25	per kW
Formula Rate Review	14.9789%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.032560	\$0.021074	per kWh
Energy Efficiency Cost Rate	\$0.004690	\$0.004690	per kWh
Transmission Cost Recovery	\$0.000949	\$0.000949	per kWh
System Improvement Plan	\$0.000000	\$0.005958	per kWh

LP TOU Primary	Present	Proposed	Unit
On Peak 1-7pm July, August, September			
All kWh	\$0.103978	\$0.172178	per kWh
Demand Charge 0-50 kW	\$1,067.50	\$1,799.00	per kW minimum
Demand Charge over 50 kW	\$21.35	\$35.98	per kW
Off Peak - All Hours Other Than On Peak			
All kWh	\$0.016605	\$0.027995	per kWh
Demand Charge 0-50 kW	\$301.00	\$507.00	per kW minimum
Demand Charge over 50 kW	\$6.02	\$10.14	per kW
Formula Rate Review	14.9789%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.031513	\$0.020396	per kWh
Energy Efficiency Cost Rate	\$0.004690	\$0.004690	per kWh
Transmission Cost Recovery	\$0.000949	\$0.000949	per kWh
System Improvement Plan	\$0.000000	\$0.003578	per kWh

Municipal Service	Present	Proposed	Unit
Customer Charge	\$9.30	\$15.46	per Customer
May-September All kWh	\$0.067635	\$0.112425	per kWh
October-April All kWh	\$0.058585	\$0.097385	per kWh
Minimum Charge per kW	\$2.23	\$3.71	per minimum kW
But not less than	\$7.60	\$11.15	minimum
Formula Rate Review	12.5384%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.032560	\$0.021074	per kWh
Energy Efficiency Cost Rate	\$0.003960	\$0.003960	per kWh
Transmission Cost Recovery	\$0.001096	\$0.001096	per kWh
System Improvement Plan	\$0.000000	\$0.003860	per kWh

Municipal Pumping	Present	Proposed	Unit
Customer Charge	\$9.30	\$15.46	per Customer
May-September All kWh	\$0.064700	\$0.108400	per kWh
October-April All kWh	\$0.053815	\$0.089605	per kWh
Minimum Charge per kW	\$2.23	\$3.71	per minimum kW
But not less than	\$9.30	\$15.46	minimum
Formula Rate Review	12.5384%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.032560	\$0.021074	per kWh
Energy Efficiency Cost Rate	\$0.003960	\$0.003960	per kWh
Transmission Cost Recovery	\$0.001096	\$0.001096	per kWh
System Improvement Plan	\$0.000000	\$0.003860	per kWh

Recreational Lighting	Present	Proposed	Unit
Customer Charge	\$14.28	\$23.74	per Customer
May-September All kWh	0.042361	0.070461	per kWh
October-April All kWh	0.042361	0.070461	per kWh

Formula Rate Review	12.1899%	0.0000%	% Base Bill
Energy Cost Recovery	\$0.032560	\$0.021074	per kWh
Energy Efficiency Cost Rate	\$0.004690	\$0.004690	per kWh
Transmission Cost Recovery	\$0.001140	\$0.001140	per kWh
System Improvement Plan	\$0.000000	\$0.005958	per kWh

Private, Outdoor, & Area Lighting will experience an average overall increase of 29.8%.

Municipal Street & Parkway Lighting will experience an average overall increase of 36.3%.

Public Street & Highway Lighting will experience an average overall increase of 32.1%.

Rates of other rate schedules or services may be affected by the final Commission order.

The Company has proposed changes to other rates, schedules, fees and charges as well. The rates of these and other customer classes or services may be affected by the final order of the Commission.

Upon written request, SWEPCO will provide to any customer an estimated calculated average monthly dollar amount by which the proposed rates will change the customer's utility bill. The estimate will be based on the customer's average consumption level unless such consumption data is not reasonably ascertainable by SWEPCO. The calculated average dollar amount will be provided to the customer subject to the following qualifications:

- (a) The calculated average is an estimate which may change depending upon the rates the Commission approves and the customer's actual usage; and
- (b) The calculated average will be provided in only those cases where a customer's proposed rate schedule is the same rate schedule under which the customer presently takes service.

The Commission's Rules of Practice and Procedure provide procedures for interested persons to intervene as a party, make limited appearances, or submit public comments in writing or orally at the hearing. The Commission has not yet established a procedural schedule or hearing dates for this matter. Further information may be obtained by contacting the Secretary of the Commission, Karen Shook, 1000 Center Street, Little Rock, Arkansas 72201, who can be reached at Karen.Shook@psc.state.ar.us or (501) 682-5782. A copy of the Application, Schedules and related filing documents is available on the APSC website, https://apps.apsc.arkansas.gov/olsv2/docket_search.asp. This information may be obtained by selecting "Online Services," "Docket Search," and inserting the docket number, 25-003-U. The information is also available at <http://www.SWEPCO.com/fr2024>.

The APSC will conduct a public hearing where it will accept oral public comments, on or before November 18, 2025, unless waived by SWEPCO and the other Parties (subject to APSC approval). Following the hearing, the SWEPCO anticipates that the Commission will issue a final order in which it resolves any issues in dispute and approves the proposed Base Rate along with any revisions ordered by the APSC. If a final order is not issued by January 28, 2026, the proposed Base Rate shall become effective on bills calculated on and after January 28, 2026, subject to refund.