

# Hall of the House of Representatives

93rd General Assembly - Regular Session, 2021

Amendment Form

DRAFT

---

Subtitle of House Bill No. 1080

AN ACT FOR THE ARKANSAS PUBLIC SERVICE COMMISSION APPROPRIATION FOR THE 2021-2022  
FISCAL YEAR.

---

Amendment No. \_\_\_ to House Bill No. 1080

Amend House Bill No. 1080 as originally introduced:

Insert a new Section immediately following Section 12 to read as follows:

“

SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. (A) In passing Act 725 during the 2015 Regular Session, the Ninetieth Arkansas General Assembly found and determined that the costs that drive public utility rates are changing; that public utilities need to have procedures that permit their rates to change in response to those changing conditions; that there is a need to address the allocation of costs and design of rates; that there is a need to maintain stable rates and to mitigate the magnitude of future rate changes; and that affordable electricity and natural gas encourage economic activity within the state and benefit the state's industries to increase the number of available jobs and to attract new businesses and industries to the state. The Arkansas General Assembly recognized that this regulatory reform was required to enable electric and natural gas utilities to make the investments necessary to maintain safe and reliable service at reasonable rates. In order to ensure Act 725 of 2015 is implemented in accordance with Legislative intent, the Arkansas General Assembly directs that the Arkansas Public Service Commission implement the Act in accordance with this special language.

(B)(i) When calculating the adjustment to net any differences under §23-4-1206(e)(1) the Arkansas Public Service Commission shall include the actual

historical year change in revenue for the same prior period projected year being netted.

(ii) For the purposes of calculating the adjustment to net any differences under §23-4-1206(e)(1), the Arkansas Public Service Commission shall ensure that the revenue received for the historical year shall be comprised of: (1) prior formula rate review test period changes in revenue, (2) netting revenue from a prior formula rate review test period and (3) prior projected year revenue for the year being netted, in order to isolate the change in revenue for the same prior projected year being netted.

(iii) The Arkansas Public Service Commission shall calculate an adjustment to net any differences under §23-4-1206(e)(1) by calculating the differences between the prior formula rate review test period changes in revenue and the prior projected year revenue for the year being netted.

(C) If the prior formula rate review test period change in revenue being netted was limited by the provisions of §23-4-1207(d)(2), the Arkansas Public Service Commission shall ensure that the revenue recovered shall be either:

(i) applied first to any revenue amounts remaining from the prior approved formula rate review test periods specified in (B)(ii), second to the netting adjustment specified in (B)(ii), and last to the prior projected year revenue for the year being netted specified in (B)(ii); or

(ii) proportioned to (1) the netting adjustment specified in (B)(ii), and (2) the prior projected year revenue for the year being netted based upon the prior formula rate review test period change in revenue being netted under (B) before the provisions of §23-4-1207(d)(2) were applied.

(D)(i) A utility may choose to apply either (C)(i) or (C)(ii) for the term of an approved formula rate review approved under §23-4-1208(a)(1) and the Arkansas Public Service Commission shall authorize the utility to use such chosen methodology. The authorized methodology shall remain in effect for the duration of the approved term under §23-4-1208(a)(1).

(ii) This subsection shall apply to any formula rate review approved and in effect under §23-4-1208(a)(1) since the passage of Act 725 of the 2015 Regular Session on March 27, 2015.

(iii) For any extension of the term of an approved formula rate review requested under §23-4-1208(a)(2), the utility may propose to follow either (C)(i) or (C)(ii). Upon a public interest determination, the Arkansas Public Service Commission shall authorize a utility to follow either (C)(i) or

(C)(ii) for the extension of the term of the formula rate review.”

AND

Appropriately renumber subsequent sections numbers of the bill.

The Amendment was read \_\_\_\_\_  
By: Joint Budget Committee  
By: Senator Rice  
HGK/HGK - 01-29-2021 08:49:41 \_\_\_\_\_  
HGK013 Chief Clerk