

Arkansas Electric Rate Update Request



- Over 5,700 electric customers served
- Last rate update was effective in March 2023
- \$48 million invested since 2023 to support improved reliability, growth, and consumer-focused technology
- Request to phase new rates in over two years to help keep energy affordable and ease the impact
- If approved by regulators, the average residential Arkansas electric customer, using approximately 1,000 kWh of electricity per month, would see a \$34.13 bill increase in year one and a \$34.11 bill increase in year two.
- If approved by regulators, new rates would take effect in spring 2027.

Updated rates would recover costs for infrastructure and investments over the last three years to support reliability and improve service, lower generation fuel costs, and meet growing energy demand for this thriving service area.

Since March 2023, Liberty has invested approximately \$48 million to strengthen the electric system and energy grid serving Arkansas homes and businesses. This amount reflects only the Arkansas portion of an overall investment in Liberty's system, which also serves Kansas, Missouri, and Oklahoma. With this investment, we upgraded aging infrastructure and modernized technology to support reliability, minimize outages and the number of customers impacted by them, and speed up outage restoration. We increased capacity to strengthen grid resilience during extreme weather and to better meet the energy needs of our growing Northwest Arkansas communities. We also made energy generation more cost-effective during periods of high demand, such as winter storms.

To seek cost recovery for this investment, on May 15, 2026, The Empire District Electric Company (doing business as Liberty) filed a request with the Arkansas Public Service Commission (APSC) to adjust electric base rates. If approved by the APSC, new rates would take effect in spring 2027.

What this means for Arkansas customers

Liberty recognizes the impact of rising energy bills on customers. To help address this, Liberty proposes to phase in new rates over two years as part of this rate adjustment request.

If the APSC approves the proposed rates, the average residential electric customer using about 1,000 kilowatt hours per month would see a total monthly bill increase of about:

- \$34.13 in year one (an approximately 20.7% increase over current rates), and
- \$34.11 in year two (an approximately 17.2% increase over year one).

The current total monthly bill, including riders, for Arkansas residential customers using 1,000 kilowatt-hours of energy is approximately \$164.52. The proposed total monthly bill after two years would increase to approximately \$232.76. This represents an approximate 41.5% increase in the total customer bill, including base rates, fuel costs (listed as Energy Cost Recovery "ECR" on the bill), and other applicable charges.

Here's what we worked on for Arkansas customers that is included in this rate update request:

- **Support for reliability** with the addition of new and upgraded substations, including a new substation in Gentry added to meet growth in the region
- **Increased capacity** to meet rising energy demand through improvements to our generation plants intended to make them more efficient
- **Hardening our system in Arkansas against extreme weather** through the reinforcement or replacement of approximately 181 poles and upgraded transmission and distribution lines
- **Reducing the number of customers impacted** by outages and speeding up outage restoration with protective devices that sectionalize existing circuits to isolate damage
- Protecting our infrastructure and the grid by **installing physical security and cybersecurity technology at substations**, including the substations in Gentry and Decatur – these measures enhance customer reliability, personnel and substation security, and operational efficiency.
- Transitioning to new information systems that allow for **advances in customer service and utility planning and analysis** to support operational efficiency.

What is a rate update request (rate case)?

A rate update request is a public regulatory review process in which a utility must demonstrate to its state public service commission why a proposed change in rates is needed. This independent public process helps ensure transparency and fair rates based on the costs to serve customers.

Who sets the rates customers pay for Liberty's electricity?

Liberty is required to provide its customers with safe and reliable service at rates approved by the public service commission of each state it serves. In exchange, the utility is allowed the opportunity (not a guarantee) to earn a fair return for investors. Arkansas customer rates are set by the Arkansas Public Service Commission (APSC).

What is the process? Will customers have a chance to share input?

First, Liberty must demonstrate to state utility regulators why a rate change is needed. The APSC and other interested stakeholders review our filings and vet the company's request. The APSC then thoroughly reviews our request and holds a public hearing to allow customers to comment. This process could take approximately one year.

What is Liberty doing to help customers through this rate update request?

Liberty recognizes the impact of rising energy bills on customers. To help address this, Liberty proposes to phase in rates over two years as part of this rate update request.

Liberty provides flexible payment options to help customers who may be experiencing financial hardship and can connect customers with local agencies that provide utility bill assistance.

What can I do if I struggle to pay my utility bill?

Liberty offers flexible payment options for residential and business customers to allow for additional time to spread out past-due balances and make payments more manageable. Customers can learn more about our assistance options on our website or by calling our Customer Care team at 1-800-206-2300.

Liberty has a list of various agencies that may be able to provide financial assistance for some portion of the utility bill. This list is available on our website or customers can call our Customer Care team at 1-800-206-2300 from 7 a.m. to 7 p.m. Monday – Friday.

Liberty offers several assistance programs that customers may qualify for depending on income and account standing. Contact our Customer Care team to discuss the payment assistance options that may work best for you.

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