

Arkansas Electric Rate Update Request



- Over 5,274 electric customers served
- Joint Stipulation Agreement filed September 29, 2023
- Pending approval by the APSC, a Liberty residential electric customer using approximately 1,000 kWh per month will see an approximate bill decrease of \$9.08 in year one, a \$19.39 increase in year two, and a \$19.39 increase in year three.
- Pending final APSC approval, new rates will take effect late 2023/early 2024.
- To help keep energy affordable and ease the impact of the rate update, new rates will be phased in over a three-year period.
- The last rate update for Arkansas customers was effective in September 2014.

On Friday, September 29, 2023, Liberty filed a Joint Stipulation Agreement with the Arkansas Public Service Commission (APSC) in its rate update request for electric customers. Pending final approval from the APSC, new rates will take effect in late 2023/early 2024. The new rates reflect the Company's efforts to better serve customers through the transition to clean, less expensive renewable energy, investments to strengthen and modernize infrastructure and systems for improved reliability and customer service, and to support growth in the communities served.

Liberty's last rate update for Arkansas customers was effective in September 2014. Since that rate update, Liberty has invested approximately \$62 million in Arkansas to support initiatives to benefit its customers.

Customers will see a base rate increase on their bill but will also see the elimination of several riders including the Riverton Rider, Alternative Generation Environmental Recover Rider (GER), and the Tax Adjustment Rider, which helps minimize the impact of the base rate increase. Under the Agreement, a Liberty residential electric customer using approximately 1,000 kWh of usage per month will see an approximate bill decrease of \$9.08 in year one, a \$19.39 increase in year two, and a \$19.39 increase in year three.

Liberty's investments in critical infrastructure, cost-saving and consumer-focused technology, and clean energy generation since 2014 include:

Providing customers safe, reliable energy through Liberty's infrastructure upgrades

These investments improve reliability and strengthen Liberty's system and the grid against the impacts of extreme weather events and security threats. In every year but one between 2014 and 2021, Liberty has placed in the [top 25%](#) of electric providers in Arkansas for service reliability. Examples of infrastructure investments to keep service safe and reliable in Arkansas include:

- Minimizing the impact of outages for customers by expanding substations and improving security technology at our substations
- Speeding power restoration by adding automated switching; this also helps to limit the number of impacted customers when an outage occurs
- Hardening the system to make it more resilient in extreme weather by replacing deteriorating poles, updating aged equipment and lines, and managing vegetation
- Supporting growth and economic development in our Northwest Arkansas service area with the proposed construction of a new substation in Gentry; this project, expected to be completed in 2024, will help to provide needed capacity to better serve homes and business and allow for continued community growth

Transitioning to clean, renewable energy that saves customers money over the long term compared to other energy generation

This includes Liberty's 600-megawatt wind energy farms: North Fork Ridge and Kings Point in Southwest Missouri, and Neosho Ridge in Southeast Kansas. The rate request includes an estimate of millions of dollars in fuel cost savings for Arkansas customers due to the addition of wind energy generation, which requires no costly fuel to operate.

Options for customers to manage and lower their monthly bill through smart meters and improved technology

The automated meter technology helps lower operational costs and supports a convenient customer service platform that gives customers more information about their energy use helping them to better control their energy costs. Through this new account platform, which includes a mobile app, customers can choose to receive text and email notifications for billing and outages and view their energy usage in near real-time.



What is a rate request?

A rate 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 every customer in our service area with safe and reliable electricity at rates approved by the public service commission of each state. In exchange, the utility is allowed the opportunity (not a guarantee) to earn a fair return for investors. Even though our regulators will ultimately determine any changes to customer rates, we pledge to do our part to keep rates as reasonable as possible.

Where can customers find additional information about this rate request and the investments Liberty has made to improve reliability and service?

Customers can find additional information on our website at www.libertyenergyandwater.com.

What can customers do if they are struggling to pay a bill?

Liberty offers assistance programs and flexible payment options, including a payment arrangement program 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 at www.libertyenergyandwater.com.

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.



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