

## **New SWEPCO Texas Rates**

The Public Utility Commission of Texas (PUCT) has granted an increase in rates allowing SWEPCO to recover investments in:

- Additional environmental controls at four major power plants to comply with U.S. EPA regulations
- The power grid and facilities along with ongoing operating costs to continue delivering energy safely and reliably to homes and businesses.

### **What was the Commission's decision?**

On Jan. 11, 2018, the PUCT adopted a final order that grants SWEPCO an annual base rate increase of \$50 million. SWEPCO's original request was for an increase of \$69 million annually.

SWEPCO filed its request in December 2016.

By Texas law, new rates are retroactive to May 20, 2017.

### **When will the increase start and how much will it be?**

Customers will see the change in their bills beginning Feb. 5, 2018.

- Under the new rates, the bill for a Texas residential customer using 1,000 kilowatt-hours (kWh) will increase approximately \$8.59 per month, or 8.9 percent.
- A surcharge to collect the retroactive amounts will begin at a date to be determined by the PUCT. For residential customers, the surcharge is expected to be approximately \$7.70 per month, or 7.9 percent, for an estimated 10 months.
- Increases for individual customers will depend upon rate class and electricity usage.

### **Why were the power plant investments made?**

The new environmental were necessary for four major power plants to meet stringent new EPA regulations and for SWEPCO to continue providing reliable 24/7 power to customers from a diverse energy resource mix.

SWEPCO completed construction of major environmental retrofit projects in 2015-2016 at Welsh Power Plant Units 1 and 3 in Pittsburg, Texas; Pirkey Power Plant in Hallsville, Texas; Dolet Hills Power Plant in Mansfield, La.; and Flint Creek Power Plant in Gentry, Ark. The Texas plants serve Louisiana and Arkansas customers, just as Arkansas and Louisiana plants serve Texas customers. All four plants are already included in Texas base rates.

### **What are base rates?**

Base rates refer to the costs of building, maintaining and operating SWEPCO's electric system. Our system includes power plants, transmission and distribution lines, and facilities to serve customers. SWEPCO passes costs to customers for fuel and purchased power with no profit to the company. Fuel costs are not in base rates.