

LEGAL NOTICE

Pursuant to the Rules of the Arkansas Public Service Commission (Commission), Southwestern Electric Power Company (SWEPCO) hereby gives notice that on February 28, 2019, SWEPCO filed with the Commission, in Docket No. 19-008-U, an Application for approval of a general change in rates. SWEPCO's last increase in base rates was in 2009, and since that time the company has made significant investment in its generation, transmission, distribution and customer service facilities, and has experienced substantial increases in operations and maintenance costs. SWEPCO needs increased revenue through revised rates in order to recover prudently incurred costs and to have a fair opportunity to earn a reasonable return on investment. SWEPCO is requesting a \$74.5 million increase in its Arkansas non-fuel rates. This amount includes additional capital investments and increased O&M expenses since the 2009 rate case, as well as SWEPCO's request for rate base treatment of the costs associated with the Alternative Generation Recovery Rider and the Environmental Compliance Surcharge Rider. Eliminating those existing riders results in a net annual increase of \$57.6 million representing a \$45.6 million increase in the Company's non-fuel base rates, plus \$12 million for increased vegetation management. The Commission has the right to suspend the effective date of proposed rates for up to ten months from the date an application is filed. The amount and effective date of the requested increase, as well as the rates and services of the various customer classes, may be affected by the final order of the Commission. The amounts of the dollar increase and the percentage change for each customer class under test year conditions are as follows:

Rate Class	Total Proposed Revenue Increase	Total Proposed Percent Increase
Residential	\$25,682,232	23.7%
Commercial / Industrial Secondary	\$22,206,288	19.9%
Commercial / Industrial Primary	\$7,923,427	16.9%
Large Industrial	\$2,757,744	14.0%
Municipal	\$160,622	9.3%
Lighting	-\$1,134,128	-18.5%
Total	\$57,596,186	19.6%

Residential Service	Present	Proposed	Unit
Customer Charge	\$7.75	\$10.00	per Customer
May-September 0-1500 kWh	\$0.0442	\$0.0702	per kWh
May-September over 1500 kWh	\$0.0534	\$0.0919	per kWh
October-April All kWh	\$0.0358	\$0.0610	per kWh
Energy Cost Recovery	\$0.032419	\$0.032419	per kWh
Energy Efficiency Cost Rate*	\$0.007620	\$0.004930	per kWh
Alternate Generation Recovery	\$0.002710	\$0.000000	per kWh
Environmental Compliance Surcharge	\$0.004490	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.004713	per kWh

Residential Electric Appliance Service	Present	Proposed	Unit
Customer Charge	\$7.75	\$10.00	per Customer
May-September 0-1500 kWh	\$0.0442	\$0.0702	per kWh
May-September over 1500 kWh	\$0.0534	\$0.0919	per kWh
October-April 0-500 kWh	\$0.0358	\$0.0610	per kWh
October-April over 500 kWh	\$0.0230	\$0.0380	per kWh
Energy Cost Recovery	\$0.032419	\$0.032419	per kWh
Energy Efficiency Cost Rate*	\$0.007620	\$0.004930	per kWh
Alternate Generation Recovery	\$0.002710	\$0.000000	per kWh
Environmental Compliance Surcharge	\$0.004490	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.004713	per kWh

General Service	Present	Proposed	Unit
Customer Charge	\$8.60	\$10.60	per Customer
Demand Charge over 6 kW	\$4.20	\$6.51	per kW
May-September kWh	0.0307	0.0456	per kWh
October-April kWh	0.0252	0.0373	per kWh
Energy Cost Recovery	\$0.032419	\$0.032419	per kWh
Energy Efficiency Cost Rate*	\$0.006610	\$0.004280	per kWh
Alternate Generation Recovery	7.79%	0.00%	% Base Revenue
Environmental Compliance Surcharge	\$0.003420	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.003375	per kWh

Lighting & Power Secondary	Present	Proposed	Unit
May-September			
All kWh	\$0.0160	\$0.0270	per kWh
Demand Charge 0-50 kW (minimum)	\$377.50	\$636.50	50 kW minimum
Demand Charge over 50 kW	\$7.55	\$12.73	per kW
October-April			
All kWh	\$0.0047	\$0.0079	per kWh
Demand Charge 0-50 kW (minimum)	\$305.00	\$511.00	50 kW minimum
Demand Charge over 50 kW	\$6.10	\$10.22	per kW
Energy Cost Recovery	\$0.032419	\$0.032419	per kWh
Energy Efficiency Cost Rate*	\$0.006610	\$0.004280	per kWh
Alternate Generation Recovery	7.79%	0.00%	% Base Revenue
Environmental Compliance Surcharge	\$0.003420	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.003375	per kWh

Lighting & Power Primary	Present	Proposed	Unit
May-September			
All kWh	\$0.01565	\$0.02573	per kWh
Demand Charge 0-50 kW (minimum)	\$340.00	\$558.00	50 kW minimum
Demand Charge over 50 kW	\$6.80	\$11.16	per kW
October-April			
All kWh	\$0.0045	\$0.0074	per kWh
Demand Charge 0-50 kW (minimum)	\$267.5000	\$440.0000	50 kW minimum
Demand Charge over 50 kW	\$5.35	\$8.80	per kW
Energy Cost Recovery	\$0.031397	\$0.031397	per kWh
Energy Efficiency Cost Rate*	\$0.006610	\$0.004280	per kWh
Alternate Generation Recovery	7.79%	0.00%	% Base Revenue
Environmental Compliance Surcharge	\$0.003420	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.001682	per kWh

Large Lighting & Power Transmission	Present	Proposed	Unit
May-September			
All kWh	\$0.0133	\$0.0223	per kWh
Demand Charge 10,000 kW minimum	\$52,600	\$88,100	per kW minimum
All kW over 10,000	\$5.26	\$8.81	per kW
October-April			
All kWh	\$0.0036	\$0.0060	per kWh
Demand Charge 10,000 kW minimum	\$39,700.00	\$66,500.00	per kW minimum
All kW over 10,000	\$3.97	\$6.65	per kW
Energy Cost Recovery	\$0.031138	\$0.031397	per kWh
Energy Efficiency Cost Rate*	\$0.000000	\$0.000000	per kWh
Alternate Generation Recovery	11.35%	0.00%	% Base Revenue
Environmental Compliance Surcharge	\$0.000314	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.001682	per kWh

Pulp & Paper Mill	Present	Proposed	Unit
All kWh	\$0.0070	\$0.0103	per kWh
Demand Charge 200,000 kW minimum	\$105,000	\$154,200	per kW minimum
All kW over 20,000	\$5.25	\$7.71	per kW
Energy Cost Recovery	\$0.031138	\$0.031138	per kWh
Energy Efficiency Cost Rate*	\$0.000000	\$0.000000	per kWh
Alternate Generation Recovery	11.35%	0.00%	% Base Revenue
Environmental Compliance Surcharge	\$0.000314	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.000000	per kWh

LP TOU Secondary	Present	Proposed	Unit
On Peak 1-7pm July, August, September			
All kWh	\$0.0556	\$0.1039	per kWh
Demand Charge 0-50 kW	\$582.50	\$1,066.50	per kW minimum
Demand Charge over 50 kW	\$11.65	\$21.33	per kW
Off Peak - All Hours Other Than On Peak			
All kWh	\$0.0070	\$0.0161	per kWh
Demand Charge 0-50 k	\$162.50	\$441.00	per kW minimum
Demand Charge over 50 kW	\$3.25	\$8.82	per kW
Energy Cost Recovery	\$0.032419	\$0.032419	per kWh
Energy Efficiency Cost Rate*	\$0.006610	\$0.004280	per kWh
Alternate Generation Recovery	7.79%	0.00%	% Base Revenue
Environmental Compliance Surcharge	\$0.003420	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.003375	per kWh

LP TOU Primary	Present	Proposed	Unit
On Peak 1-7pm July, August, September			
All kWh	\$0.0554	\$0.1005	per kWh
Demand Charge 0-50 kW	\$550.00	\$826.00	per kW minimum
Demand Charge over 50 kW	\$11.00	\$16.52	per kW
Off Peak - All Hours Other Than On Peak			
All kWh	\$0.0068	\$0.0142	per kWh
Demand Charge 0-50 kW	\$132.50	\$321.50	per kW minimum
Demand Charge over 50 kW	\$2.65	\$6.43	per kW
Energy Cost Recovery	\$0.031397	\$0.031397	per kWh
Energy Efficiency Cost Rate*	\$0.006610	\$0.004280	per kWh
Alternate Generation Recovery	7.79%	0.00%	% Base Revenue
Environmental Compliance Surcharge	\$0.003420	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.001682	per kWh

Municipal Service	Present	Proposed	Unit
Customer Charge	\$5.35	\$7.36	per Customer
May-September All kWh	\$0.0405	\$0.0557	per kWh
October-April All kWh	\$0.0359	\$0.0494	per kWh
Minimum Charge per kW	\$1.28	\$1.76	per minimum kW
But not less than	\$5.35	\$7.36	minimum
Energy Cost Recovery	\$0.032419	\$0.032419	per kWh
Energy Efficiency Cost Rate*	\$0.007620	\$0.004290	per kWh
Alternate Generation Recovery	4.30%	0.00%	% Base Revenue
Environmental Compliance Surcharge	\$0.003540	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.003379	per kWh

Municipal Pumping	Present	Proposed	Unit
Customer Charge	\$5.35	\$7.36	per Customer
May-September All kWh	\$0.0358	\$0.0492	per kWh
October-April All kWh	\$0.0310	\$0.0426	per kWh
Minimum Charge per kW	\$1.28	\$1.76	per minimum kW
But not less than	\$5.35	\$7.36	minimum
Energy Cost Recovery	\$0.032419	\$0.032419	per kWh
Energy Efficiency Cost Rate*	\$0.007620	\$0.004290	per kWh
Alternate Generation Recovery	4.30%	0.00%	% Base Revenue
Environmental Compliance Surcharge	\$0.004490	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.003379	per kWh

Recreational Lighting	Present	Proposed	Unit
Customer Charge	\$8.60	\$10.60	per Customer
May-September All kWh	0.0257	0.0373	per kWh
October-April All kWh	0.0257	0.0373	per kWh
Energy Cost Recovery	\$0.032419	\$0.032419	per kWh
Energy Efficiency Cost Rate*	\$0.006610	\$0.004280	per kWh
Alternate Generation Recovery	7.79%	0.00%	% Base Revenue
Environmental Compliance Surcharge	\$0.003420	\$0.000000	per kWh
Distribution Reliability Request*	\$0.000000	\$0.003375	per kWh

Private, Outdoor, & Area Lighting will experience an average overall decrease of 18.5%.
 Municipal Street & Parkway Lighting will experience an average overall decrease of 18.5%.
 Public Street & Highway Lighting will experience an average overall decrease of 18.5%.

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

Upon written request, SWEPCO will provide to any customer an estimated calculated average monthly dollar amount by which the proposed rates will increase the customer's electric 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 on the rates finally approved by the Commission; and

(b) The calculated average will be provided in only those cases where a customer's proposed rate schedule will not be a different rate schedule than the schedule under which the customer presently takes service.

The Arkansas Public Service Commission (APSC) 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. Further information may be obtained by contacting the Secretary of the Commission: 1-501-682-5782, P.O. Box 400, Little Rock, Arkansas 72203-0400, or viewing the APSC website (<http://www.arkansas.gov/psc/>).