

## State Corporation Commission 2006 Fiscal Impact Statement

**1. Bill Number** SB380

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

**2. Patron**        McDougale

**3. Committee**    Passed both Houses

**4. Title**            Gas utilities; performance-based regulation.

**5. Summary/Purpose:**

Gas utilities; performance-based regulation. Provides that performance-based ratemaking of a gas utility may include fixed or capped rates and reduction or elimination of regulatory requirements, in addition to existing elements. A performance-based ratemaking methodology for a gas utility means a method of establishing rates and charges that are in the public interest and that departs from cost-of-service ratemaking methodology. In deciding whether to approve a request for such methodology, the State Corporation Commission shall include, but not be limited to, in its consideration measures that are reasonably estimated to preserve or improve system reliability, safety, supply diversity, and transportation options, and other customer benefits that are reasonably estimated to accrue from the proposal. The measure does not apply to plans for performance-based regulation pending on January 1, 2006.

**6.** No Fiscal Impact on state agencies.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** None on state agencies.

**9. Specific agency or political subdivisions affected:** State Corporation Commission

**10. Technical amendment necessary:**

**11. Other comments:** No.

**Date:** 03/20/06 /    cdw

cc: Secretary of Commerce and Trade