

State Corporation Commission 2010 Fiscal Impact Statement

1. Bill Number: SB112

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Petersen

3. Committee: Passed Both Houses

4. Title: **Natural gas utilities; cost recovery for certain infrastructure improvement costs.**

5. Summary: Natural gas utilities; cost recovery for certain infrastructure improvement costs. Authorizes investor-owned natural gas utilities to petition the State Corporation Commission to implement a separate rider that will allow for recovery of certain costs associated with eligible infrastructure replacement projects. Eligible infrastructure replacement projects are projects that: (i) enhance safety or reliability by reducing system integrity risks associated with customer outages, corrosion, equipment failures, material failures, natural forces or other outside force damage; (ii) do not increase revenues by directly connecting the infrastructure replacement to new customers; (iii) reduce or have the potential to reduce greenhouse gas emissions; (iv) are commenced on or after January 1, 2010; and (v) are not included in the natural gas utility's rate base in its most recent rate case. The costs recoverable from an eligible infrastructure replacement project include a return on the investment, depreciation, property taxes, and carrying costs on the over- or under- recovery of the eligible infrastructure replacement costs. A SAVE plan shall be allocated and charged so as to avoid undue cross-subsidization between rate classes.

6. Fiscal Impact Estimates: Final and not available. See Item # 8.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The fiscal impact may vary, depending on the magnitude of the SAVE Rider and gas usage. There could be a possible rate impact on state agencies that take service under regulated natural gas utilities' retail rates that may include a SAVE Rider.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission.

10. Technical Amendment Necessary: No.

11. Other Comments: Senate Bill 112 appears to be identical to House Bill 533.