

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: HB2519

House of Origin	<u>X</u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Phillips

3. Committee: Commerce and Labor

4. Title: Electric utilities; over-recovery of fuel costs.

5. Summary: Electric utilities; over-recovery of fuel costs. Requires the State Corporation Commission (SCC) to establish procedures regarding refunds by electric utilities of moneys collected from fuel cost tariffs in excess of actual fuel costs. The measure directs the SCC to continuously review fuel costs of all electric utilities and, if the SCC finds that a utility is in an over-recovery position, or likely to be so, to reduce the fuel cost tariffs to correct the over-recovery or require the utility to refund over-recoveries to customers. Currently, the SCC is authorized to review the fuel costs only of those utilities not bound by a rate case settlement that extended in its application beyond January 1, 2002, and if it finds that such a utility is in an over-recovery position, or likely to be so, the SCC is authorized to reduce its fuel cost tariffs to correct the over-recovery.

6. Fiscal Impact Estimates: Minimal impact on the State Corporation Commission. See Item 8.

7. Budget Amendment Necessary: No

8. Fiscal Implications: Requires the State Corporation Commission to establish and administer procedures regarding refunds by electric utilities of moneys collected from fuel cost tariffs in excess of actual fuel cost.

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

10. Technical Amendment Necessary: None

11. Other Comments: House Bill 2519 could result in increased fuel rate volatility for retail consumers of investor-owned electric utilities.

This bill is in the Energy Subcommittee.