

State Corporation Commission 2010 Fiscal Impact Statement

1. Bill Number: HB1358

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: Keam

3. Committee: Commerce and Labor

4. Title: Electric utility rate structures; advancing conservation and efficiency.

5. Summary: Electric utility rate structures; advancing conservation and efficiency. Directs the State Corporation Commission to encourage investor-owned electric utilities to file tariffs with rate structures that reflect time of day and seasonal cost differentials. In proceedings that involve a new or amended retail rate structure, the Commission is directed to consider several factors, including the extent to which the rates are designed to align with the utility's marginal cost of providing service at different times of the day. In such rate structure proceedings, electric utilities may seek, and the Commission may approve, financial incentives for the implementation of creative rate options that would allow the utility and its customers to share the economic benefits of rate structures that lower the utility's fuel costs. The measure also directs the Commission to give the highest level of priority in its development of the electric energy consumer education program to efforts to increase consumer awareness and knowledge of electricity rate structures and the overall cost of electricity.

6. Fiscal Impact Estimates: None 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: No

11. Other Comments: House Bill 1358 is a "Section 1" bill. This bill has been assigned to subcommittee #3 – the Special Subcommittee on Energy.

Date: 1/29/2010 CDW