

State Corporation Commission 2010 Fiscal Impact Statement

1. Bill Number: HB1391

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: Armstrong

3. Committee: Commerce and Labor

4. Title: **Investor-owned electric utilities; establishes process used by SCC in reviews of rates, etc.**

5. Summary: Investor-owned electric utilities; ratemaking. Establishes a process to be used by the State Corporation Commission in conducting biennial reviews of the rates, terms, and conditions of service of investor-owned electric utilities that, as of July 1, 1999, were not bound by a rate case settlement that extended in its application beyond January 1, 2002. These utilities will not be authorized to petition the Commission for approval of rate adjustment clauses to recover certain transmission costs, deferred environmental and reliability costs, costs of peak-shaving and energy efficiency programs, costs of participation in the renewable energy portfolio standard program, costs of environmental compliance projects, and costs of new and expanded generation facilities. This category of electric utility will be able to seek recovery of such costs as part of its biennial rate review. Currently, all investor-owned electric utilities are authorized to recover these costs through rate adjustment clauses on a stand-alone basis, not more frequently than once in a 12-month period, and without regard to other costs, revenues, investments, or earnings of the utility. The existing process will continue to apply to investor-owned electric utilities that, as of July 1, 1999, were bound by a rate case settlement that extended in its application beyond January 1, 2002.

6. Fiscal Impact Estimates: None.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: None.

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

10. Technical Amendment Necessary: It appears technical changes may be necessary.

11. Other Comments: None.

Date: 2/16/2010 SDL