

## State Corporation Commission 2010 Fiscal Impact Statement

**1. Bill Number:** SB112

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:** Petersen

**3. Committee:** Commerce and Labor

**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 greenhouse gas emissions; and (iv) 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.

**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:** No.

**Date:** 1/14/2010 SDL