

State Corporation Commission 2013 Fiscal Impact Statement

1. Bill Number: HB1770

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Miller

3. Committee: Passed Both Houses

4. Title: Natural gas utility ratemaking; eligible safety activity costs.

5. Summary: Natural gas utility ratemaking; eligible safety activity costs. Permits natural gas utilities to recover certain safety activity costs incurred on or after January 1, 2013, in future rates by accounting for them as deferred costs. The amount deferred shall not exceed four percent of the natural gas utility's net plant investment that was utilized in establishing or confirming the utility's base rates. The utility shall be deemed to have recovered eligible safety activity costs to the extent that the return on equity earned by the utility in an earnings test filing for a year, after consideration of the treatment of regulatory assets, is in excess of the mid-point of the rate of return on equity range specified or confirmed in the natural gas utility's most recent rate case or performance-based regulation plan. If a utility's base rates include eligible safety activity costs, the utility shall only be permitted to defer the level of eligible safety activity costs that are in excess of the level reflected in base rates.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: None on the State Corporation Commission

8. Fiscal Implications: None on the State Corporation Commission

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

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/20/13 SDL