

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1091

By: Thompson and Hall of the
Senate

6 and

7 Wallace and Martinez of the
8 House

9
10 COMMITTEE SUBSTITUTE

11 An Act relating to municipal utilities; defining
12 terms; creating the February 2021 Winter Storm Grant
13 Revolving Fund; providing for sources of revenue;
14 stating purpose of fund; establishing procedures for
15 expenditures from fund; requiring the Oklahoma
16 Department of Agriculture, Food, and Forestry to
17 create grant program; providing eligibility
18 requirements; requiring promulgation of rules;
19 requiring the Department to provide certain report;
20 providing for codification; and declaring an
21 emergency.

22 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

23 SECTION 1. NEW LAW A new section of law to be codified
24 in the Oklahoma Statutes as Section 11-11 of Title 2, unless there
is created a duplication in numbering, reads as follows:

As used in this act:

1. "Extraordinary costs" means costs incurred by an
incorporated municipality's unregulated utility related to the

1 extreme weather that occurred beginning February 7, 2021, and ending
2 February 21, 2021, including but not limited to fuel-related storage
3 and associated costs, emergency compressed or liquified natural gas
4 supplies, contracts for services providing additional pressurization
5 on lines and transportation pipeline penalties. Extraordinary costs
6 shall not include extreme purchase costs, as defined in this
7 section;

8 2. "Extreme purchase costs" means expenses incurred for the
9 purchase of fuel, purchased power, natural gas commodity, or any
10 combination thereof, whether at spot pricing, index pricing, or
11 otherwise with delivery beginning February 7, 2021, and ending
12 February 21, 2021;

13 3. "Utility" shall mean any person or entity doing business in
14 this state that furnishes natural gas or electric current to its
15 customers located at an address within this state and within the
16 service area of the utility; and

17 4. "Unregulated utility" shall mean any utility, as defined in
18 this section, which is not subject to the regulatory jurisdiction of
19 the Corporation Commission with respect to its rates, charges, and
20 terms and conditions of service.

21 SECTION 2. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 11-12 of Title 2, unless there
23 is created a duplication in numbering, reads as follows:

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1 There is hereby created in the State Treasury a revolving fund
2 for the Oklahoma Department of Agriculture, Food, and Forestry to be
3 designated the "February 2021 Winter Storm Grant Revolving Fund".
4 The fund shall be a continuing fund, not subject to fiscal year
5 limitations, and shall consist of all monies received by the
6 Department in the form of appropriations, donations, or other monies
7 designated for deposit in the fund. All monies accruing to the
8 credit of the fund are hereby appropriated and may be budgeted and
9 expended by the Department for the purpose of providing grants to an
10 incorporated municipality as provided by this act. Expenditures
11 from the fund shall be made upon warrants issued by the State
12 Treasurer against claims filed as prescribed by law with the
13 Director of the Office of Management and Enterprise Services for
14 approval and payment.

15 SECTION 3. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 11-13 of Title 2, unless there
17 is created a duplication in numbering, reads as follows:

18 A. The Oklahoma Department of Agriculture, Food, and Forestry
19 shall develop a grant program for the purpose of providing grants to
20 incorporated municipalities to mitigate extreme purchase costs,
21 extraordinary costs, or both, incurred by the incorporated
22 municipality's owned or controlled unregulated utility affected by
23 the extreme weather event that began February 7, 2021. To qualify
24 for a grant, the following requirements shall be met:

1 1. The incorporated municipality must show proof of extreme
2 purchase costs, extraordinary costs, or both incurred by the
3 incorporated municipality's owned or controlled unregulated utility;

4 2. The population of the incorporated municipality shall be no
5 greater than three thousand five hundred (3,500) persons according
6 to the most recent Federal Decennial Census or most recent annual
7 estimate of the population by the United States Census Bureau; and

8 3. The incorporated municipality's owned or controlled
9 unregulated utility has had no costs mitigated through
10 securitization as provided by Sections 9070 through 9081 of Title 74
11 of the Oklahoma Statutes.

12 B. The Department shall promulgate rules necessary for
13 determining the eligibility and priority of applicants for the
14 grants. In determining the priority of applicants, the Department
15 shall consider the implications of the extraordinary costs and
16 extreme purchase costs regarding the incorporated municipality's
17 solvency and the amount of the incorporated municipality's
18 extraordinary costs and extreme purchase costs on a per capita
19 basis.

20 C. On or before February 1, 2023, the Oklahoma Department of
21 Agriculture, Food, and Forestry shall provide a report to the
22 Governor, President Pro Tempore of the Senate, and the Speaker of
23 the House of Representatives that includes the list of
24 municipalities who applied for the grant, the amount requested by

1 each municipality, municipalities that were awarded grants, the
2 amount of each grant awarded, and any other information the
3 Department determines to be necessary.

4 SECTION 4. It being immediately necessary for the preservation
5 of the public peace, health or safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

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