

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB1050</b>
<b>Version:</b>	<b>Engrossed</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Wallace, Hilbert</b>
<b>Date:</b>	<b>4/20/2021</b>
<b>Impact:</b>	<b>Please see previous summary of this measure</b>

**Research Analysis**

Engrossed SB1050 creates the February 2021 Regulated Utility Consumer Protection Act. The measure authorizes the Oklahoma Corporation Commission to determine, upon application or proceeding where the issue is brought before the Commission, that extreme purchase costs or extraordinary costs related to the February 2021 extreme weather event may be mitigated through securitization in order to reduce the impact on customers' utility bills. The measure includes factors for consideration by the Commission in making this determination.

Upon determining that a regulated utility has extreme or extraordinary costs subject to this act which may be mitigated by issuance of ratepayer-backed bonds, the Commission would make necessary findings and conclusions to result in a financing order. The order would include:

- The quantified amount of extreme or extraordinary costs to be recovered;
- The maturity or range of maturities of bonds authorized to be issued;
- Creation of an irrevocable and nonbypassable mechanism under which the utility will recover from customers an amount necessary to service, repay and administer the ratepayer-backed bonds;
- The frequency of true-up and reconciliation of customer repayment revenues collected through this mechanism;
- The method by which customer repayment charges would be allocated among the various customer classes; and
- The requirement that all funds received under this mechanism be provided immediately to the holder of the securitization, for the purpose of repaying, servicing and administering the bonds authorized by the financing order.

A regulated utility that receives insurance proceeds, governmental grants or any other funding as compensation for extreme purchase costs or extraordinary costs, or if actual amounts are determined to be lower than estimated amounts, those amounts would be used to reduce the costs recoverable from customers. A regulated utility would be prohibited from recovering these extreme purchase costs and extraordinary costs identified in the financing order except through the transfer of securitization property.

The measure authorizes the Oklahoma Development Finance Authority to issue the ratepayer-backed bonds, and requires notice to the Governor, President Pro Tempore of the Senate and the Speaker of the House upon issuance of a ratepayer-backed bond.

The Corporation Commission is further authorized to require an audit of all amounts received from customers under the irrevocable and nonbypassable mechanism and paid to the regulated

utility, as well as the amounts paid by the utility to the Authority or other holder of the securitization property.

Prepared By: Sean Webster

**Fiscal Analysis**

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

**Other Considerations**

None.