

1 **SENATE FLOOR VERSION**

2 April 13, 2023

3 ENGROSSED HOUSE  
4 BILL NO. 2845

By: Caldwell (Trey) of the  
House

5 and

6 Green of the Senate

7  
8  
9 An Act relating to the Retail Electric Supplier  
10 Certified Territory Act; amending 17 O.S. 2021,  
11 Section 158.25, which relates to exclusive rights  
12 within territory; providing for certain retail  
13 electric supplier's ability to extend service under  
14 certain circumstances; updating statutory references;  
15 and providing an effective date.

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

17 SECTION 1. AMENDATORY 17 O.S. 2021, Section 158.25, is  
18 amended to read as follows:

19 Section 158.25 A. Except as otherwise provided herein, each  
20 retail electric supplier shall have the exclusive right to furnish  
21 retail electric service to all electric-consuming facilities located  
22 within its certified territory, and shall not furnish, make  
23 available, render or extend its retail electric service to a  
24 consumer for use in electric-consuming facilities located within the  
certified territory of another retail electric supplier; provided

1 that any retail electric supplier may extend its facilities through  
2 the certified territory of another retail electric supplier, if such  
3 extension is necessary for such supplier to connect any of its  
4 facilities or to serve its consumers within its own certified  
5 territory.

6 B. Except as provided in ~~Section 5~~ subsections C and Section 5  
7 E of this section, any new electric-consuming facility located in an  
8 unincorporated area which has not as yet been included in a map  
9 issued by the Commission, pursuant to ~~Section 4C(1)~~ 158.24 of this  
10 title, or certified, pursuant to ~~Section 4-D~~ 158.24 of this title,  
11 shall be furnished retail electric service by the retail electric  
12 supplier which has an existing distribution line in closer proximity  
13 to such electric-consuming facility than is the nearest existing  
14 distribution line of any other retail electric supplier. Any  
15 disputes under this ~~Section 5-B~~ subsection shall be resolved by the  
16 Commission.

17 C. If the Commission, after hearing, shall determine that the  
18 retail electric service being furnished or proposed to be furnished  
19 by a retail electric supplier to an electric-consuming facility is  
20 inadequate and is not likely to be made adequate, the Commission may  
21 authorize another retail electric supplier to furnish retail  
22 electric service to such facility.

23 D. Except as provided in ~~Section 5~~ subsection C of this  
24 section, no retail electric supplier shall furnish, make available,

1 render or extend retail electric service to any electric-consuming  
2 facility to which such service is being lawfully furnished by  
3 another retail electric supplier on ~~the effective date of this act~~  
4 September 10, 1971, or to which retail electric service is lawfully  
5 commenced thereafter in accordance with this section by another  
6 retail electric supplier.

7 E. The provisions of this act shall not preclude any retail  
8 electric supplier from extending its service after ~~the effective~~  
9 ~~date of this act~~ September 10, 1971, (1) to its own property and  
10 facilities, in an unincorporated area, and (2) subject to ~~Section 5~~  
11 subsection D of this section, to an electric-consuming facility  
12 requiring electric service, in an unincorporated area, if the  
13 connected load for initial full operation of such electric-consuming  
14 facility is to be 1,000 kw or larger.

15 F. To achieve the purposes of efficient, cost-effective retail  
16 electric service without duplication of electric facilities and to  
17 avoid unfairly shifting costs to residential consumers, retail  
18 electric service providers are required to establish and utilize  
19 rate tariffs which are specifically applicable to a rate class of  
20 customers composed of electric consuming facilities being served in  
21 accord with the 1,000 kw size exception found in subsection E of  
22 this section and located outside the retail electric service  
23 provider's certified territory. These tariffs may be for a specific  
24 electric consuming facility or for a class of electric consuming

1 facilities taking service under this provision. For retail electric  
2 service providers that are rate-regulated by the Commission, the  
3 rates supporting this rate class shall be determined in the rate-  
4 regulated service provider's most recent rate proceeding. Rates for  
5 this rate class shall be designed to recover (i) the costs of  
6 extending service to the competitive load of electric consuming  
7 facilities of 1,000 kw or larger located outside the retail electric  
8 service provider's certified territory; and (ii) the allocated share  
9 of other costs associated with providing service to the electric  
10 consuming facility. Such tariffs shall be cost-of-service based and  
11 shall not subsidize other rate classes or be subsidized by other  
12 rate classes. Unless costs of extending service to such a new load  
13 are collected from the customer, those costs shall be included in  
14 the cost of service study in the next rate proceeding. If the  
15 electric service provider, in whose certified territory the  
16 competitive load is seeking electric service, chooses in writing not  
17 to compete for said competitive load or does not respond within  
18 thirty (30) days of receiving written notice by the customer, the  
19 terms of this subsection shall not apply.

20 SECTION 2. This act shall become effective November 1, 2023.

21 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND TELECOMMUNICATIONS  
22 April 13, 2023 - DO PASS

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