

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	SB694
Version:	FA1
Request Number:	8333
Author:	Mr. Speaker
Date:	4/27/2023
Impact:	Please see previous summary of this measure

Research Analysis

The floor substitute for SB 694 creates the Rate Stabilization Act of 2023. The measure allows a utility that is applying for a new general rate change to also apply to be regulated under a performance-based rate plan. The Corporation Commission is required to grant the utility's first request for a performance-based rate plan, but may only approve any subsequent requests if the Commission deems them to be in the public interest.

In a performance-based rate application, rates shall be adjusted based on a comparison of the earned return on equity to the target return on equity. When adjusting rates, a dead-band of earned returns shall be established around the target return on equity.

The measure establishes conditions under which rates can be adjusted, and also establishes conditions under which a utility would be required to issue refunds to customers. A utility may withdraw from having its rates regulated through a performance-based rate plan prior to the expiration of its term.

All investor-owned electric utilities subject to retail rate regulation are required to offer customers rate options that protect them from price volatility. Such utilities must also administer a customer utility bill relief program.

Lastly, any investor-owned electric utility that uses natural gas and has more than 10 percent of its customers located in Oklahoma must maintain the greater of:

- 2 billion cubic feet of natural gas supply from actual physical storage, or
- A supply of natural gas sufficient enough to operate its natural gas electric generation facilities at 80 percent for a period of at least 14 days during the winter months.

Prepared By: Emily Byrne

Fiscal Analysis

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

Prepared By: House Fiscal Staff

Other Considerations

None.

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