

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1102 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By deleting the content of the entire measure, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Tom Gann

Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 PROPOSED POLICY
4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1102

By: Gann

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8 PROPOSED POLICY COMMITTEE SUBSTITUTE

9 An Act relating to state government; amending 74 O.S.
10 2021, Section 9073, which relates to certain extreme
11 purchasing transactions; modifying provisions related
12 to audit requirements; and providing an effective
13 date.

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

15 SECTION 1. AMENDATORY 74 O.S. 2021, Section 9073, is
16 amended to read as follows:

17 Section 9073. A. The Oklahoma Corporation Commission may
18 determine upon receiving an application or in any proceeding where
19 the issue is properly brought before it that extreme purchase costs,
20 extraordinary costs or both, requested for recovery by a regulated
21 utility are subject to this act and may be mitigated through
22 securitization in order to reduce the utility bill impact on
23 customers. For the purposes set forth in this section, the utility
24 shall:

1 1. Provide the known extreme purchase and extraordinary costs,
2 and estimates of any extreme purchase or extraordinary costs not yet
3 finalized that are being requested for recovery through
4 securitization;

5 2. Demonstrate the utility bill impacts of securitization and
6 the degree of savings customers would experience related to issuing
7 ratepayer-backed bonds in comparison with traditional utility
8 financing; and

9 3. Facilitate a timely audit of all costs requested for
10 recovery prior to the utility being authorized to recover costs
11 through the issuance of a financing order. The audit shall be
12 conducted in compliance with the provisions of Section 15.1a of
13 Title 59 of the Oklahoma Statutes and shall be required to adhere to
14 the definition of "audit" pursuant to paragraph 6 of Section 15.1a
15 of Title 59 of the Oklahoma Statutes and to adhere to the
16 requirements of attestation as described in paragraph 5 of Section
17 15.1a of Title 59 of the Oklahoma Statutes.

18 B. The Commission may develop forms and procedures to receive
19 and review applications for the establishment of qualified costs;
20 provided, the application shall require but not be limited to the
21 amount of extreme purchase costs and extraordinary costs requested
22 for recovery and any other information or documentation required by
23 the Commission to effectuate this act.

1 C. The Commission shall consider the following factors when
2 determining whether extreme purchase costs or extraordinary costs
3 should be mitigated by the issuance of ratepayer-backed bonds:

4 1. Substantial revenue requirement savings that may be incurred
5 to the benefit of customers by relying on lower carrying charges
6 related to ratepayer-backed bonds rather than by conventional
7 financing obtained by the regulated utility;

8 2. Customer utility bill impact that may be mitigated by
9 mandating a longer amortization period for recovery than would
10 otherwise be practicable or feasible for the regulated utility; and

11 3. The issuance of ratepayer-backed bonds that may be completed
12 at a sufficiently low cost such that customer savings are not
13 exhausted or offset.

14 D. 1. The Commission may engage financial advisors or other
15 consultants as may be necessary to assist in the evaluation required
16 pursuant to subsection C of this section. Expenses incurred for
17 those purposes shall be recoverable as administrative expenses of
18 the Oklahoma Development Finance Authority through the issuance of
19 ratepayer-backed bonds pursuant to Section 8 of this act.

20 2. The provisions of the Oklahoma Central Purchasing Act,
21 Section 85.1 et seq. of ~~Title 74 of the Oklahoma Statutes~~ this
22 title, shall not be applicable to the engagement authorized by
23 paragraph 1 of this subsection but shall be subject to review by the
24 Deputy Treasurer for Policy and Debt Management.

1 E. In determining the amount of extreme purchase costs and
2 extraordinary costs to be mitigated through securitization, the
3 Commission shall determine that the amounts incurred would otherwise
4 be recoverable from customers as fair, just and reasonable expenses
5 and prudently incurred.

6 F. Extreme purchase costs and extraordinary costs determined by
7 the Commission to be subject to this act and to be mitigated by
8 issuing ratepayer-backed bonds shall include carrying costs at an
9 appropriate rate determined by the Commission as set forth in a
10 financing order. The carrying costs shall begin accruing at a time
11 determined by the Commission in the financing order and continue
12 until the date that ratepayer-backed bonds are issued, or the costs
13 are otherwise recovered.

14 G. To the extent the regulated utility receives insurance
15 proceeds, governmental grants or any other source of funding that
16 compensates it for extreme purchase costs or extraordinary costs
17 subject to securitization, or if actual amounts are determined to be
18 lower than estimated amounts, those amounts shall be used to reduce
19 the extreme purchase costs or extraordinary costs of the utility
20 recoverable from customers. The Commission shall direct whether the
21 funds shall be provided directly to the Authority to offset amounts
22 securitized or whether they shall be held as a separate regulatory
23 liability offsetting rate base or returned to customers through some
24 other appropriate regulatory mechanism. The amounts so received

1 shall accrue carrying charges at a rate equivalent to the rate
2 determined pursuant to subsection F of this section if they are
3 received before ratepayer-backed bonds are issued. If received
4 after the issuance of ratepayer-backed bonds, the amounts shall
5 accrue carrying charges at a rate determined by the Commission.

6 SECTION 2. This act shall become effective November 1, 2025.

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