

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 1227

By: West (Kevin)

4  
5  
6 AS INTRODUCED

7 An Act relating to utilities; amending 17 O.S. 2021,  
8 Section 158.25, as amended by Section 1, Chapter 95,  
9 O.S.L. 2023 (17 O.S. Supp. 2024, Section 158.25),  
10 which relates to exclusive rights within territory;  
11 requiring certain retail electric suppliers submit  
12 certain annual report; requiring the promulgation of  
13 certain rules; and providing an effective date.

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

15 SECTION 1. AMENDATORY 17 O.S. 2021, Section 158.25, as  
16 amended by Section 1, Chapter 95, O.S.L. 2023 (17 O.S. Supp. 2024,  
17 Section 158.25), is amended to read as follows:

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

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

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

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

21 D. Except as provided in subsection C of this section, no  
22 retail electric supplier shall furnish, make available, render or  
23 extend retail electric service to any electric-consuming facility to  
24 which such service is being lawfully furnished by another retail

1 electric supplier on September 10, 1971, or to which retail electric  
2 service is lawfully commenced thereafter in accordance with this  
3 section by another retail electric supplier.

4 E. The provisions of this act shall not preclude any retail  
5 electric supplier from extending its service after September 10,  
6 1971, (1) to its own property and facilities, in an unincorporated  
7 area, and (2) subject to subsection D of this section, to an  
8 electric-consuming facility requiring electric service, in an  
9 unincorporated area, if the connected load for initial full  
10 operation of such electric-consuming facility is to be 1,000 kw or  
11 larger.

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

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

17 G. Each retail electric service provider extending service to  
18 an electric consuming facility pursuant to subsection F of this  
19 section shall, on or before January 31 each calendar year, submit a  
20 comprehensive report to the Corporation Commission that demonstrates  
21 compliance that the tariffs assessed pursuant to subsection F of  
22 this section are cost-of-service based and are not subsidizing other  
23 rate classes or being subsidized by other rate classes. The

24

1 Commission shall promulgate rules as to what data or information  
2 retail electric providers shall provide in the annual report.

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

4

5 60-1-10560 JBH 01/03/25

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24