

STATE OF OKLAHOMA

1st Session of the 45th Legislature (1995)

HOUSE BILL NO. 1662

By: Rice

AS INTRODUCED

An Act relating to the Corporation Commission;
defining terms; requiring the Commission to
establish a certain rate tariff for electric power
to marginal petroleum producing property; providing
for certification of certain petroleum producing
property; requiring an electric supplier to
formulate and file a marginal well rate tariff for
approval; requiring the Commission to provide
certain notice to electric suppliers; prohibiting
certain subsidization; providing penalty for
failure to apply rate tariff; providing for
codification; providing an effective date; and
declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 157.1 of Title 17, unless there
is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Commission" means the Corporation Commission;

2. "Electric supplier" means any public or private person,
firm, corporation, or instrumentality which provides electric power

or electric energy to any marginal petroleum producing property in the state, including both those entities which are and are not subject to the ratemaking authority of the Commission;

3. "Marginal petroleum producing property" means any oil well, gas well, combination oil and gas well, or any group of wells which the Commission determines are subject to economic conditions which threaten the ability of the well or wells to produce hydrocarbons in paying quantities; and

4. "Petroleum producing property" means any oil well, gas well, combination oil and gas well, or any group of wells producing oil, gas distillates, or other petroleum products within the state.

B. On or before January 1, 1996, the Commission shall promulgate rules establishing a maximum rate tariff which an electric supplier shall charge for the provision of electric power or electric energy to any marginal petroleum producing property. The Commission shall establish a procedure by which operators of petroleum producing property may seek from the Commission certification that the property is marginal petroleum producing property, and provide for periodic review by the Commission for recertification of the property. Each electric supplier shall formulate and file with the Commission a marginal well rate tariff which shall be reviewed and approved or disapproved by the Commission. After a tariff is approved, the Commission shall provide appropriate notice to the electric supplier of all certified marginal petroleum producing property which is supplied by the electric supplier and the date the marginal well rate tariff will become effective.

C. The Commission shall not allow subsidization to occur except among the users of electricity for the operation of petroleum producing property.

D. Any electric supplier which, after receiving notice of a certified marginal petroleum producing property which it supplies,

fails to apply the marginal well rate tariff for electric service to the property shall be guilty of contempt which shall be punishable by the Commission by a fine not to exceed One Thousand Dollars (\$1,000.00) for each day the supplier fails to apply the tariff rate, and each day shall be deemed and considered a separate offense.

SECTION 2. This act shall become effective July 1, 1995.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

45-1-5349

KB