

ENROLLED SENATE
BILL NO. 464

By: Easley of the Senate

and

Rice and Satterfield of the
House

An Act relating to natural gas and electricity;
amending Section 6 of Enrolled Senate Bill No. 500
of the 1st Session of the 46th Oklahoma
Legislature; modifying certain statutory reference
relating to travel reimbursement; creating the
Natural Gas Policy Commission; providing
termination date; stating purpose; authorizing
Commission to make recommendations; stating
membership; stating terms of members; providing for
chair and vice-chair and meetings; providing for
travel reimbursement; providing for staffing;
requiring chair to record attendance; declaring
certain vacancy; authorizing Commission to make
certain recommendations or reports to Legislature
and Governor; repealing Section 1, Chapter 88,
O.S.L. 1994, as last amended by Section 1, Chapter
102, O.S.L. 1995 (52 O.S. Supp. 1996, Section 261),
which relates to the Commission on Natural Gas
Policy; providing for codification; 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 261.1 of Title 52, unless there
is created a duplication in numbering, reads as follows:

A. There is hereby created the Natural Gas Policy Commission which shall operate as a legislative commission until its termination on December 31, 1999. The Commission is appointed for the purpose of studying the policies, laws, agency rules and economics affecting the natural gas industry. The Commission may make recommendations on any issue which is of significant importance to the natural gas industry within the State of Oklahoma.

B. 1. The Natural Gas Policy Commission shall consist of twenty (20) members as specified by this section.

2. Members of the Commission shall be as follows:

- a. the Governor, or designee,
- b. the Secretary of Energy, or subsequent Cabinet Secretary responsible for the Corporation Commission,
- c. one member of the Corporation Commission, appointed by the Corporation Commissioners,
- d. the Attorney General, or designee,
- e. the Speaker of the House of Representatives shall appoint:

- (1) two members of the Oklahoma House of Representatives, one of whom shall be the chair of the House committee with primary responsibility over natural gas issues, and

- (2) six nonlegislative members as follows:

- (a) one representative of large gas producers,
- (b) one representative of small gas producers,
- (c) one representative of royalty owners,
- (d) one representative of transporters of natural gas,

- (e) one representative of major oil company gas producers, and

- (f) one representative of nonutility purchasers or industrial users of natural gas,

- f. the President Pro Tempore of the Senate shall appoint:

- (1) two members of the Oklahoma State Senate, one of whom shall be the chair of the Senate committee with primary responsibility over natural gas issues, and

- (2) six nonlegislative members as follows:

- (a) one representative of large gas producers,
- (b) one representative of small gas producers,
- (c) one representative of royalty owners,
- (d) one representative of transporters of natural gas,

- (e) one representative of independent gas producers, and

- (f) one representative of nonutility purchasers or industrial users of natural gas.

C. All members serving on the Commission on Natural Gas Policy, created pursuant to Section 261 of Title 52 of the Oklahoma Statutes, as of its termination date of February 15, 1997, shall serve on the Natural Gas Policy Commission created in subsection A of this section. Subsequent appointments to fill vacancies shall be made as provided by subsection B of this section.

D. All members of the Commission shall serve until such time as they resign from the Commission or their position is declared vacant by the chair of the Commission pursuant to the provisions of this act. If any position on the Commission should become vacant prior to the termination of the Commission, such position shall be filled by the original appointing authority who shall appoint a qualified representative of the group the original member was appointed to represent.

E. The chair and vice-chair of the Natural Gas Policy Commission shall alternate between the chair of the House of

Representatives committee with primary responsibility for natural gas issues and the chair of the Senate committee with primary responsibility for natural gas issues annually on July 1. The chair of the Senate committee shall call the first meeting of the Commission by July 1, 1997. Thereafter, meetings shall be at the call of the chair of the Commission.

F. Nonlegislative members shall be reimbursed for all necessary and actual travel expenses by their respective appointing bodies in accordance with the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes. Members of the Legislature serving on the Natural Gas Policy Commission shall be reimbursed pursuant to Section 456 of Title 74 of the Oklahoma Statutes.

G. Staffing for the Commission shall be provided by the Oklahoma State Senate and Oklahoma House of Representatives or by such other persons designated, authorized or retained by the chair of the Commission.

H. The chair shall record the members present at each meeting of the Commission. If any member is absent from two consecutive regular meetings, or if the member is no longer qualified to serve pursuant to this section, the position of such member may be declared vacant by the chair and shall be filled by the original appointing authority.

I. Unless otherwise provided by this section, no member of the Commission may vote by proxy or designate any other person to participate in Commission meetings on his or her behalf.

J. The Natural Gas Policy Commission may at any time it deems necessary and appropriate make any report or recommendations to the Legislature and the Governor.

SECTION 2. AMENDATORY Section 6 of Enrolled Senate Bill No. 500 of the 1st Session of the 46th Oklahoma Legislature, is amended to read as follows:

Section 6. A. There is hereby created a Joint Electric Utility Task Force which shall be composed of fourteen (14) members of the Oklahoma Legislature, seven each to be selected by the President Pro Tempore of the Senate and the Speaker of the House of Representatives. The chair of the task force shall be the chair of the Senate Energy, Environmental Resources and Regulatory Affairs Committee and the vice-chair of the task force shall be the chair of the House Energy, Environment and Natural Resources Committee.

B. The chair or vice-chair shall record the members present at each meeting of the task force. If any member is absent from two consecutive meetings, the position of such member may be declared vacant and the position reappointed by the original appointing authority.

C. A majority of the members serving on the task force shall constitute a quorum. The task force shall meet at such times and places as it deems necessary to perform its duties as specified herein. Meetings shall be at the call of the chair.

D. The task force may appoint advisory councils made up of representatives of various utility companies, regulatory agencies, industrial and residential consumers or any other persons as needed to advise the task force in any matter they deem to be appropriate and necessary.

E. Members of the task force shall be reimbursed by their appointing authorities for necessary travel expenses incurred in the performance of their duties in accordance with Section 456 of Title 74 of the Oklahoma Statutes. Advisory council members appointed pursuant to this section shall not be authorized to claim travel expenses.

F. The Senate and the House of Representatives shall provide such staff support as is required by the task force and shall be authorized to employ any legal counsel, independent consultants, or

other persons as necessary and approved by the President Pro Tempore of the Senate and the Speaker of the House of Representatives.

G. The duties of the task force shall be to direct and oversee the studies by the Corporation Commission and the Oklahoma Tax Commission as provided for in Sections 4 and 5 of this act and may include, but shall not be limited to, any duties previously authorized by Enrolled Senate Joint Resolution No. 29 of the 1st Session of the 45th Oklahoma Legislature and Senate Concurrent Resolution No. 37 of the 2nd Session of the 45th Oklahoma Legislature and any other duties required to carry out the provisions and directives of this act. The task force may make final recommendations to the Governor and the Legislature. The Legislature shall review any reports developed by the Corporation Commission or the Oklahoma Tax Commission, in conjunction with the Joint Electric Utility Task Force, during the 2nd Session of the 46th Oklahoma Legislature. Final authority relating to the implementation of any recommended statutory revisions shall reside with the Legislature.

H. The Joint Electric Utility Task Force is hereby authorized to retain such consultants and experts as may be necessary to study the creation of an Independent System Operator (ISO) which would coordinate the physical supply of electricity throughout the state and maintain reliability security and stability of the bulk power system. In addition, such study shall assess the benefits of establishing a Power Exchange which would operate as a power pool allowing power producers to compete on common ground in the State of Oklahoma. All studies and recommendations relating to the creation of an independent system operator shall be submitted to the Joint Electric Utility Task Force on or before February 1, 1998, and shall conform to the principles set forth in Order No. 888 of the Federal Energy Regulatory Commission.

I. The task force shall remain in effect and operate as herein directed until its termination which shall be no later than January 1, 2003. The task force may elect, by majority vote, to terminate its operations at an earlier date if it deems such action appropriate.

SECTION 3. REPEALER Section 1, Chapter 88, O.S.L. 1994, as last amended by Section 1, Chapter 102, O.S.L. 1995 (52 O.S. Supp. 1996, Section 261), is hereby repealed.

SECTION 4. 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.