STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

HOUSE BILL HB2541 By: Glover

AS INTRODUCED

An Act relating to electric utilities; Section 2, Chapter 162, O.S.L. 1997 (17 O.S. Supp. 1999, Section 190.2), which relates to the purpose of the Electric Restructuring Act of 1997; clarifying language; creating the Oklahoma Electrical Energy Consumption Excise Tax Code; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 2, Chapter 162, O.S.L. 1997 (17 O.S. Supp. 1999, Section 190.2), is amended to read as follows:

Section 190.2 The purpose of this act is provide for the orderly restructuring of the electric utility industry in the State of Oklahoma ~~in order~~ to allow direct access by retail consumers to the competitive market for the generation of electricity while maintaining the safety and reliability of the electric system in this state.

A competitive and diverse retail electric market should result in lower electricity prices for consumers, create business opportunities, and encourage the development of increased and enhanced services.

Monopoly utility regulation has been used as a substitute for competition in the supply of electricity, but recent changes in the energy marketplace and technology as well as the passage of the National Energy Policy Act of 1992 and implementation of Order No. 888 by the Federal Energy Regulatory Commission have resulted in

increased competition in the electric generation industry. The introduction of consumer choice in retail electric energy suppliers will result in market forces rather than regulation determining the cost and quality of electricity for all consumers.

Restructuring of the electric utility industry to provide greater competition and more efficient regulation is a national trend and the State of Oklahoma must aggressively pursue restructuring and increased consumer choice in order to provide electric generation service at the lowest and most competitive rates.

The primary goals of a restructured electric utility industry are as follows:

1. To reduce the cost of electricity for as many consumers as possible, helping industry to be more competitive, to create more jobs in this state and help lower the cost of government by reducing the amount and type of regulation now paid for by taxpayers;

2. To encourage the development of a competitive electricity industry through the unbundling of prices and services and separation of generation services from transmission and distribution services;

3. To enable retail electric energy suppliers to engage in fair and equitable competition through open, equal and comparable access to transmission and distribution systems and to avoid wasteful duplication of facilities;

4. To ensure that direct access by retail consumers to the competitive market for generation be implemented in the State of Oklahoma by July 1, 2002; and

5. To ensure that proper standards of safety, reliability and service are maintained in a restructured electric service industry.

It is in the best interest of the citizens of this state to efficiently and expeditiously move forward to increased competition in the generation and sale of electric energy. To ensure a

successful transition to a competitive marketplace, a thorough assessment of issues and consequences associated with restructuring shall be undertaken as provided by this act.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1450 of Title 68, unless there is created a duplication in numbering, reads as follows:

This article shall be known as and may be cited as the "Oklahoma Electric Energy Consumption Excise Tax Code".

SECTION 3. This act shall become effective July 1, 2000.

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.

47-2-8321 KB 6/12/15