

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1683

By: Morgan

AS INTRODUCED

An Act relating to electric service providers; amending 17 O.S. 2001, Section 190.7, which relates to consumer switching of electric service providers; stating public policy; prohibiting switching of providers; providing exception; prohibiting electric service providers from paying certain transfer fee or offering inducements; repealing 11 O.S. 2001, Section 21-121, which relates to switching electric service providers; repealing 17 O.S. 2001, Sections 190.1, 190.2, 190.3, 190.4, 190.5, 190.8 and 190.9, which relate to the Electric Restructuring Act of 1997; and providing an effective date.

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

SECTION 1. AMENDATORY 17 O.S. 2001, Section 190.7, is amended to read as follows:

Section 190.7 A. ~~Electric distribution providers governed by the Retail Electric Supplier Certified Territory Act, Section 158.21 et seq. of this title or~~ It is the public policy of this state that wasteful duplication of electric distribution facilities raises the cost of providing retail electric service, unnecessarily encumbers the landscape, constitutes a waste of materials and natural resources and therefore is not in the public interest. Neither investor owned electric public utilities, rural electric cooperatives, municipal corporations or beneficial trusts thereof owning or operating a retail electric distribution system ~~or~~ nor the Grand River Dam Authority shall ~~not~~ furnish retail electric service to an electric consuming facility which is currently being served, or which was being served and the permanent electric facilities are in place to render such service, by a municipal corporation or beneficial trust thereof, a rural electric cooperative ~~or~~, an

investor-owned electric utility or the Grand River Dam Authority ~~until enactment of electric restructuring enabling legislation and the implementation of consumer choice of retail electric energy suppliers unless the entities involved have agreed by mutual consent, in writing, to such transaction. For the purpose of this section, "electric distribution providers" shall mean the same as "retail electric service distributors" as defined by Section 190.3 of this title except pursuant to the provisions of subsection C of this section.~~

B. Any municipal corporation or beneficial trust thereof offering retail electric distribution service from a municipally or trust-owned electric distribution system ~~that decides not to participate in the provisions of this act as outlined in Section 190.3 of this title~~ shall be prohibited from extending a retail electric distribution primary feeder system beyond its corporate limits with the exception that it may continue to offer retail electric distribution service through the addition of secondary service drops from the primary feeder system it owned outside the corporate limits of such municipality on April 25, 1997. Provided, however, nothing contained in this section shall be construed to prohibit system maintenance, repairs or upgrades to such primary distribution feeder system outside the corporate limits except that secondary service drops shall not be upgraded to primary distribution lines.

C. If an electric consuming facility is located in an area where there are two or more lawful providers of retail electric service and such consumer desires to switch providers the consumer shall pay to the provider from which such consumer is currently receiving retail electric service a transfer fee in an amount equal to ten times the annual gross revenues derived from the sale of electricity to such retail electric consuming facility less taxes, fuel, customer charges, franchise fees and other assessment imposed

by any governing authority. The amount of such transfer fee shall be determined by the current electric service provider, provided however, if historical data is not available to determine the annual gross revenues, the current electric provider shall estimate such an amount based upon the size and characteristics of the electric consuming facility in question.

D. The electric service provider to which a retail customer desires to switch shall not directly or indirectly pay the transfer fee and no electric service provider shall pay, directly or indirectly, to any retail customer, builder, developer or any other person, firm, corporation or other entity any inducement for the switching of distribution facilities in any intermingled area of this state.

E. For purposes of this section, the term "electric consuming facility" means everything that utilizes electric energy from a central station source.

SECTION 2. REPEALER 11 O.S. 2001, Section 21-121, is hereby repealed.

SECTION 3. REPEALER 17 O.S. 2001, Sections 190.1, 190.2, 190.3, 190.4, 190.5, 190.8 and 190.9, are hereby repealed.

SECTION 4. This act shall become effective September 1, 2006.

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