

**Bill Summary**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 1049</b>
<b>Version:</b>	<b>CS</b>
<b>Request No.:</b>	<b>2090</b>
<b>Author:</b>	<b>Sen. Thompson</b>
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**Bill Analysis**

The CS for SB 1049 The CS for SB 1049 creates the February 2021 Unregulated Utility Consumer Protection Act. The measure shall provide financial assistance in the form of a pooled loan program provided for unregulated utility entities for the purpose of reducing the impact of costs related to the extreme weather event that occurred between February 7, 2021, and February 21, 2021. The Oklahoma Development Finance Authority shall issue and administer the bonds, notes or other forms of evidence of indebtedness to fund the loans to unregulated utility entities under this program. The Public Utility Division of the Oklahoma Corporation Commission is directed by the measure to assist the Authority in determining the costs an unregulated utility actually and lawfully incurred by the weather event through administrative review before a loan is approved.

Unregulated utilities may apply for a loan from the Authority through an application process and must provide the amount of extreme purchase costs and extraordinary costs requested for recovery, whether the unregulated utility is requesting a loan for all or a portion of the extreme purchase costs and extraordinary costs, estimated amount of cost savings from or demonstration of how utility bill impact to customers would be mitigated by receiving a loan for the eligible extreme purchase costs and extraordinary costs, and any other information deemed necessary by the Authority. The Authority shall send the application to the Corporation Commission for an audit of the amounts requested for recovery and then the Commission shall send the application back to the Authority for approval or rejection. If the Authority rejects the application, it must provide the reasoning for its rejection to the utility and provide for the utility to resubmit its amended application.

The Authority is authorized to issue credit with loan terms of and up to 30 years, which shall be at their discretion. The measure authorizes the Authority to take a security interest in any property or revenues of the unregulated utility. The loans shall be financed from revenue by the newly created Unregulated Utility Consumer Protection Fund. The Fund shall receive monies derived from the bonds, notes, or any other form of evidence of indebtedness issued by the Authority and any other contributions from unregulated utilities permitted by law.

Upon receiving the loan provided by the Authority, the utility must base customer charges mitigated pursuant to this act on the then-current monthly billing of the customer and shall line-item such charges on the monthly bill of the unregulated utility customer.

The Authority is also directed by the measure to notify in writing the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives when an application for a loan is approved or disapproved and on the date the loan is issued and prepare an annual report. The utility revenue bonds or any other obligations issued shall not at any time be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the full faith and credit of the state or any political subdivision.

The measure provides that the jurisdiction of the Corporation Commission shall not extend beyond the audit required for the application process in this measure. It also authorizes the Authority to file an application with the Oklahoma Supreme Court for the approval of bonds issued and confers exclusive jurisdiction upon the Court to hear and determine each application.

The measure also provides that any bonds issued under this act shall be reviewed by the Council of Bond Oversight and also amends the duties of the Authority to include actions required by this act.

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