

Bill Summary
1st Session of the 59th Legislature

Bill No.:	SB 1103
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Author:	Sen. Treat
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Bill Analysis

SB 1103 creates the Ratepayer Protection Act of 2023. The measure authorizes any electric utility applying to change its rates and charges to file a performance-based rate plan notice before the Commission indicating the utility is electing to have its rates regulated under a performance-based rate plan. Such a plan is defined by the measure as a formula by which the jurisdictional non-fuel revenue requirements of a rate-regulated electric utility shall be calculated and allocated to the utility's various rate schedules. The utility shall select the historical year used as the baseline for making such calculations. The utility may not file its first performance-based rate plan application until at least 180 days after rates have become effective.

The Corporation Commission is directed to conduct a hearing on a utility's performance-based rate plan application no later than 120 calendar days after a utility's performance-based rate plan application filing date and to issue a final order no later than 180 days after the filing date. The Commission shall specify the minimum information required with each annual rate review filing. Following the conclusion of a performance-based rate term, the utility may file a general rate case application and may elect to include a new performance-based rate notice. All existing tariffs approved by the Corporation Commission providing separate cost recovery outside of base rates shall continue to be effective outside the performance-based rate unless those tariffs are proposed to be eliminated at the discretion of the utility. The utility may withdraw from the plan at any time.

Rates for such plans shall be calculated based on a comparison of the earned return on equity to the target return on equity. The measure establishes a dead-band target and provides for consumers to receive a refund if the earned return on equity is greater than the dead-band. The measure provides that only 1 performance-based rate adjustment shall occur each year. Any utility using such a plan shall be responsible for the administration of a customer utility bill relief program. The relief program plan shall be filed with the Commission and shall contain the minimum requirements outlined in the measure. The measure outlines prohibited reasons for disconnecting customers.

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