

"AN ACT TO AMEND ARKANSAS STATUTE 73-277.1 TO HELP PROMOTE ECONOMIC DEVELOPMENT IN ARKANSAS, AND TO HELP MAINTAIN REASONABLE UTILITY RATES FOR THE CITIZENS OF ARKANSAS BY ALLOWING UTILITIES TO RECOVER FROM CUSTOMERS THE REASONABLE COST OF ADVERTISING DESIGNED TO IMPROVE OR MAINTAIN THE LOAD FACTOR OF UTILITIES; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 2 of Act 910 of 1983, the same being Arkansas Statute 73-277.1, is hereby amended to read as follows:

"Section 2. (a) No public utility, as that term is defined by Act 324 of 1935, as amended, shall charge, demand, collect or receive from its customers or any person other than the shareholders or other owners of such utility any direct or indirect expenditure for promotional or political advertising.

(b) Notwithstanding the provisions of subsection (a) of this section, but subject to the review of the Arkansas Public Service Commission, public utilities may properly recover from customers reasonable costs for advertising which comes within one or more of the following categories:

- (1) advertising that informs electric and gas consumers how they can conserve energy or can reduce peak demand for electric energy;
- (2) advertising that is designed to promote the more efficient use of energy or energy resources within this State;
- (3) advertising concerning employment opportunities with such utility;
- (4) advertising which promotes or encourages the use of energy in such a way as to improve or maintain a utility's load factor or which promotes or encourages the acquisition, installation or use of energy efficient appliances, equipment or energy conservation measures, or load management techniques, including but not limited to the following: caulking, weatherstripping, furnace efficiency modifications, installation or replacement of energy efficient furnaces or boilers or furnace replacement burners, flue opening modifications, electrical or mechanical ignition systems, installation or replacement of energy efficient air conditioning systems, heat pumps, ceiling insulation, wall insulation, floor insulation, duct insulation, pipe insulation, water heater insulation, storm windows, thermal windows, storm or thermal doors, heat reflective and heat absorbing windows or door material, clock thermostats and devices associated with load management techniques;
- (5) any explanation of existing or proposed rate schedules, or notifications thereof;
- (6) information concerning the impact of facility siting, operations or future plans on surrounding areas and populations;
- (7) information concerning operations at company facilities that may potentially affect the public safety, convenience and welfare;
- (8) advertising which promotes economic development in the State of Arkansas;
- (9) any other advertising which the Commission determines should be recovered from the ratepayers.

(c) Notwithstanding any other provisions of this Act, and subject to approval by the Commission, telephone utilities may recover from persons other than shareholders any direct or indirect expenditure for promotional and informational advertising regarding competitive service offerings."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. It is hereby found and determined by the General Assembly that poor utility load factors are substantially contributing to rapidly escalating utility rates and that the provisions of this Act are necessary to maintain reasonable utility rates, and that economic development is important to the future of this State's economy and that advertising by utilities to promote economic development is in the public interest, and that the provisions of this Act will aid in alleviating the poor economic condition of the State. Therefore, an emergency is declared to exist and this Act being immediately necessary for the preservation of the public peace, health and welfare shall be in full force and effect from and after its passage and approval.

APPROVED: 3/31/87

---