

"AN ACT TO AMEND SECTION 2 OF ACT 910 OF 1983, AS AMENDED BY ACT 475 OF 1987 [ARK. STAT. ANN. 73-277.1], TO REPEAL SECTION 2(b)(8) OF ACT 910 OF 1983, AS AMENDED BY ACT 475 OF 1987."

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

SECTION 1. Section 2 of Act 910 of 1983, as amended, 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 expenditures 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 measure, 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 where the utility can demonstrate, and the Commission shall find, that such advertising expenditures were directly related to, and were reasonably incurred in the promotion of, the economic development of this State; collection from customers of the utility of such expenditures shall be limited to those expenditures actually incurred within the test year utilized for ratemaking purposes as defined in Ark. Stat. Ann. 73-217.5 and shall further be limited to five one-hundredths of one percent (.05%) of such utility's revenues during such test year.

(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. It is hereby found and determined by the General Assembly that allowing public utilities to pass through the cost of economic advertising to utility customers will increase the cost of utility service to such customers and that the cost of economic development advertising should be borne by the stockholders of public utilities unless the Public Service Commission determines that such costs should be recovered from ratepayers. Therefore, an emergency is declared to exist and this Act being 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: June 19, 1987

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