

Hall of the House of Representatives
90th General Assembly - Regular Session, 2015
Amendment Form

Subtitle of Senate Bill No. 727

TO MODIFY THE REGULATION OF PUBLIC UTILITIES BY THE ARKANSAS PUBLIC SERVICE
COMMISSION; AND TO DECLARE AN EMERGENCY.

Amendment No. 2 to Senate Bill No. 727

Amend Senate Bill No. 727 as originally introduced:

Page 1, delete lines 29 through 36, and substitute the following:

"23-4-501. ~~Legislative findings and intent~~ Authority to recover costs through interim rate schedule.

~~(a)(1) It is recognized that legislative or administrative regulations impose certain legal requirements upon public utilities relating to the protection of the public health, safety, or the environment, and that:~~

~~(1) In order to comply with such legislative or regulatory requirements, utilities are required to make substantial additional investments or incur additional expenses with respect to existing facilities used and useful in providing service to the utility's customers; and~~

~~(2) Although such additional investments and expenses are necessary in order to provide service to the utility's customers, such additional investments and expenses are not included in the utility's rates and cannot be recovered in a prompt and timely fashion under existing regulatory procedures.~~

~~(b) It is intended by the General Assembly that utilities be permitted to recover in a prompt and timely manner all such costs incurred by utilities in order to comply with such legislative or regulatory requirements through an interim surcharge which, if approved, shall be effective until the implementation of new rate schedules in connection with the next general rate filing of the utility wherein such additional investments or expenses can be included in the utility's base rate schedules~~ Upon a proper filing with the Arkansas Public Service Commission, a public utility shall be permitted to recover in a prompt and timely manner all investments and expenses through an interim surcharge, if the investments or expenses:

(A) Are not currently being recovered in existing rates;

(B) Are reasonably incurred;

(C) Were not reasonably known and measurable at a time that allowed for a reasonable opportunity for the inclusion and consideration of the investments or expenses for recovery in the public utility's last general rate case;

(D) Are incurred by the public utility to comply with



legislative or administrative rules, regulations, or requirements;
 (E) Relate to the protection of the public health, safety,
or the environment;
 (F) Cannot otherwise be recovered in a prompt and timely
manner; and
 (G) Are any of the following:
 (i) Mandatory;
 (ii) A condition of continued operation of a utility
facility; or
 (iii) Previously approved by the commission.
(2) The interim surcharge shall be effective until the
implementation of new rate schedules in connection with the next general rate
filing of the public utility in which such investments or expenses can be
included in the public utility's base rate schedule."

AND

Page 2, delete lines 1 through 18

AND

Page 2, line 19, delete "(2)" and substitute "(3)"

AND

Page 2, line 20, delete "subdivision (b)(1)" and substitute "subdivisions
(a)(1) and (2)"

AND

Page 2, line 23, delete "(c)(1)" and substitute "(b)(1)"

AND

Page 2, line 32, delete "(c)(1)" and substitute "(b)(1)"

AND

Page 3, delete lines 2 through 6, and substitute the following:
"investments and expenses reasonably incurred by such a utility as a direct
result of legislative or regulatory requirements relating to the protection
of the public health, safety, and the environment described in § 23-4-501 by
filing with the"

AND

Page 3, delete lines 30 through 36, and substitute the following:
 (1) The expenditures investments or expenses were not made for
the purposes set forth in § 23-4-501 or were not reasonably incurred or were
not substantiated to comply with legislative or administrative rules,
regulations, or requirements;
 (2) The amount of the surcharge has been erroneously calculated

investments or expenses do not relate to the protection of the public health, safety, or the environment; or

(3) The allocation of the surcharge among the customers of the utility is unreasonable investments or expenses were not substantiated;

(4) The amount of the surcharge has been erroneously calculated;

(5) The investments or expenses are already being recovered in existing rates;

(6) The investments or expenses were reasonably known and measurable at a time that allowed for a reasonable opportunity for their inclusion and consideration for recovery in the public utility's last general rate case;

(7) The investments or expenses were not reasonably incurred;

(8) The investments or expenses can otherwise be recovered in a prompt and timely manner;

(9) The allocation of the surcharge among the customers of the public utility is unreasonable; or

(10) The investments or expenses were not:

(A) Mandatory;

(B) A condition of continued operation of a utility facility; or

(C) Previously approved by the commission."

AND

Page 4, delete lines 1 through 4

AND

Page 4, delete line 11, and substitute the following:

"under subdivision (a)(1) subsection (a), or (2) of"

The Amendment was read _____

By: Representative Baine

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Chief Clerk