

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

As Engrossed: H1/25/21

# A Bill

HOUSE BILL 1055

5 By: Representative L. Fite  
6 By: Senator B. Johnson  
7

## For An Act To Be Entitled

9 AN ACT TO ESTABLISH THE ELECTRIC COOPERATIVE  
10 CORPORATION SELF-REGULATION ACT OF 2021; AND FOR  
11 OTHER PURPOSES.  
12  
13

### Subtitle

15 TO ESTABLISH THE ELECTRIC COOPERATIVE  
16 CORPORATION SELF-REGULATION ACT OF 2021.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 23-18-201 is amended to read as follows:  
22 23-18-201. Jurisdiction of commission generally.

23 ~~Electric~~ Except as specifically provided by law or if an electric  
24 cooperative corporation has selected self-regulation as provided in § 23-18-  
25 308, an electric cooperative corporations corporation generating,  
26 manufacturing, purchasing, acquiring, transmitting, distributing, selling,  
27 furnishing, and disposing of electric power and energy in this state ~~pursuant~~  
28 ~~to~~ under the Electric Cooperative Corporation Act, § 23-18-301 et seq., ~~shall~~  
29 ~~be~~ is subject to the general jurisdiction of the Arkansas Public Service  
30 Commission ~~in the same manner and to the same extent as provided by law for~~  
31 ~~the regulation, supervision, or control of public utilities except as~~  
32 ~~provided in this subchapter.~~  
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34 SECTION 2. Arkansas Code § 23-18-308 is amended to read as follows:

35 23-18-308. Legislative findings and intent - Jurisdiction of  
36 commission.



1       (a) The General Assembly finds that a corporation organized under this  
2 subchapter:

3               (1) Is owned by the member-consumers that the corporation  
4 serves; and

5               (2) Is regulated by the member-consumers through an elected and  
6 governing board of directors.

7       (b) It is the intent of the General Assembly that it is in the public  
8 interest to allow self-regulation for a corporation organized under this  
9 subchapter.

10       (c) ~~All corporations organized under this subchapter~~ A corporation  
11 ~~shall be in all respects~~ is subject to the jurisdiction, ~~supervision,~~  
12 ~~regulation, and control~~ of the Arkansas Public Service Commission ~~to the same~~  
13 ~~extent and in the same manner~~ as a public utility, except as otherwise  
14 specifically provided by law or if a corporation has selected self-regulation  
15 as described in subsection (d) of this section.

16       (d) *Excluding a generation and transmission cooperative as defined in*  
17 *§ 23-4-1101, the right of self-regulation and exemption from the jurisdiction*  
18 *of the commission may be selected by the members of a corporation if:*

19               (1) A vote on self-regulation and exemption occurred according  
20 to the corporation's relevant governance documents;

21               (2) A majority of votes cast were in favor of self-regulation  
22 and exemption; and

23               (3) The corporation notifies the commission, in writing, of the  
24 results of the membership vote of the corporation within sixty (60) days of  
25 the declaration of the results.

26       (e) A corporation that becomes self-regulated under this subchapter  
27 shall:

28               (1) Set its own rates, terms, and conditions for service in a  
29 manner that reasonably approximates the costs of providing service to the  
30 respective classes of service of the corporation; and

31               (2) Ensure the rates, terms, and conditions for service of the  
32 corporation are available for access on the website of the corporation or  
33 other member-accessible location.

34       (f) A corporation that becomes self-regulated under this subchapter  
35 may resubmit to the jurisdiction of the commission using the same procedure  
36 described in subsection (d) of this section no earlier than twelve (12)

1 months from the date the corporation first provides notice to the commission  
2 that the corporation would be self-regulated under subdivision (d)(3) of this  
3 section.

4 (g) The commission shall retain jurisdiction over a corporation that  
5 becomes self-regulated under this subchapter for:

6 (1) Areas of service established in § 23-18-101;

7 (2) Siting of transmission facilities subject to a requirement  
8 for a certificate of public convenience and necessity under §§ 23-3-201 – 23-  
9 3-205 or under the Utility Facility Environmental and Economic Protection  
10 Act, § 23-18-501 et seq., if the property for the facility will be acquired  
11 by the corporation using the power of eminent domain;

12 (3) Proceedings brought by a member or consumer of the  
13 corporation regarding quality of service;

14 (4) Pole attachments as described in § 23-4-1001 et seq.; and

15 (5) Ad valorem tax assessments as described in § 26-26-1601 et  
16 seq.

17 (h) A self-regulated corporation shall not use its status as a  
18 monopoly electric service provider to make the provision of electric service  
19 conditional upon the nonelectric service offerings of the corporation.

20 (i) If another provision of Arkansas law conflicts with this  
21 subchapter, this subchapter shall control.

22  
23 SECTION 3. Arkansas Code § 23-18-331 is amended to read as follows:

24 23-18-331. Service in incorporated areas.

25 (a)(1) The inclusion by incorporation, annexation, or otherwise of any  
26 portion of a rural area assigned to ~~corporations~~ a corporation within the  
27 limits of an incorporated or unincorporated city, town, or village,  
28 regardless of its population, shall not ~~in any respect~~ impair or affect the  
29 rights of ~~the corporations under their certificates of convenience and~~  
30 ~~necessity~~ a corporation to continue and extend electric service in the  
31 included areas.

32 (2) Notwithstanding any other provisions of law, ~~the~~  
33 ~~corporations shall be~~ a corporation is entitled to continue and extend  
34 service ~~therein~~ under the same terms and conditions as those contained in the  
35 franchise or indeterminate permit of any other supplier of electric service  
36 in the city, town, or village the same as though it were a party to the

1 franchise or indeterminate permit.

2 (b)(1) ~~A corporation which serves an area within the limits of any~~  
3 ~~municipality under the terms of this subchapter shall as to that area be~~  
4 ~~subject in all respects to the jurisdiction of the Arkansas Public Service~~  
5 ~~Commission to the same extent and in the same manner as it is subject to such~~  
6 ~~jurisdiction in areas outside the limits of municipalities.~~

7 (2) ~~Any such~~ A city, town, or village shall have the same  
8 authority to impose taxes, charges, or fees in respect to the business of a  
9 corporation conducted within the corporate limits of ~~such~~ the city, town, or  
10 village as it has in respect to business conducted by other suppliers of  
11 electric service.

12 (c) ~~Nothing in this section shall in any manner~~ This section does not  
13 restrict or impair the right of ~~any~~ a municipality to acquire, construct,  
14 expand, maintain, or operate any electric generation, transmission, or  
15 distribution facilities within the corporate limits of the city, town, or  
16 village in Arkansas as ~~such~~ the limits may of the city, town, or village now  
17 exist or as ~~such~~ the limits of the city, town, or village may exist upon the  
18 extension or expansion of the city limits of the city, town, or village.

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*/s/L. Fite*