

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE BILL 610

By: Boren

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5
6 AS INTRODUCED

7 An Act relating to the Corporation Commission;
8 amending 17 O.S. 2021, Section 286, which relates to
9 rate proceedings before the Commission; requiring
10 submission of information regarding certain
11 technology usage; and providing an effective date.

12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 17 O.S. 2021, Section 286, is
14 amended to read as follows:

15 Section 286. A. 1. The portion of costs incurred by an
16 electric utility, which is subject to rate regulation by the
17 Corporation Commission, for transmission upgrades approved by a
18 regional transmission organization to which the utility is a member
19 and resulting from an order of a federal regulatory authority having
20 legal jurisdiction over interstate regulation of transmission rates,
21 shall be presumed recoverable by the utility. The presumption
22 established in this paragraph may be rebutted by evidence that the
23 costs so incurred by the utility for the transmission upgrades
24 exceed the scope of the project authorized by the regional

1 transmission organization or order issued by the federal regulatory
2 authority having jurisdiction over interstate regulation of
3 transmission rates. The Commission shall transmit rules to
4 implement the requirements of this subsection to the Legislature on
5 or before April 1, 2006. The rules may authorize an electric
6 utility to periodically adjust its rates to recover all or a portion
7 of the costs so incurred by the utility for the transmission
8 upgrades.

9 2. Reasonable costs incurred by an electric utility for
10 transmission upgrades:

- 11 a. needed to develop wind generation in this state,
- 12 b. approved by the Southwest Power Pool, and
- 13 c. placed into service before December 31, 2013,

14 shall be presumed recoverable through a periodic adjustment in the
15 rates of the utility, provided that the presumption of the recovery
16 of such costs or the recovery of such costs through a periodic
17 adjustment in rates may be rebutted by evidence presented to the
18 Commission. The determination of whether the costs shall be
19 recovered and whether the costs shall be recovered through a
20 periodic adjustment of rates shall be made by the Commission
21 following proper notice and hearing in a cause to be filed by the
22 electric utility in which it files such information as the
23 Commission may require.

1 B. An electric utility subject to rate regulation by the
2 Corporation Commission may file an application seeking Commission
3 authorization of a plan by the utility to make capital expenditures
4 for equipment or facilities necessary to comply with the federal
5 Clean Air Act (CAA), the Clean Water Act (CWA), the Comprehensive
6 Environmental Response, Compensation, and Liability Act (CERCLA),
7 the Emergency Planning & Community Right-to-Know Act (EPCRA), the
8 Endangered Species Act (ESA), the National Environmental Policy Act
9 (NEPA), the Occupational Safety and Health Act (OSHA), the Oil
10 Pollution Act (OPA), the Pollution Prevention Act (PPA), the
11 Resource Conservation and Recovery Act (RCRA), the Safe Drinking
12 Water Act (SDWA), the Toxic Substances Control Act (TSCA), all as
13 amended, and, as the Commission may deem appropriate, federal,
14 state, local or tribal environmental requirements which apply to
15 generation facilities. If approved by the Commission, after notice
16 and hearing, the equipment or facilities specified in the approved
17 utility plan are conclusively presumed used and useful. The utility
18 may elect to periodically adjust its rates to recover the costs of
19 the expenditures. The utility shall file a request for a review of
20 its rates pursuant to Section 152 of this title no more than twenty-
21 four (24) months after the utility begins recovering the costs
22 through a periodic rate adjustment mechanism and no more than
23 twenty-four (24) months after the utility begins recovering the
24 costs through any subsequent periodic rate adjustment mechanism.

1 Provided further, that a periodic rate adjustment or adjustments are
2 not intended to prevent a utility from seeking cost recovery of
3 capital expenditures as otherwise may be authorized by the
4 Commission. However, the reasonableness of the costs to be
5 recovered by the utility shall be subject to Commission review and
6 approval. The Commission shall promulgate rules to implement the
7 provisions of this subsection, such rules to be transmitted to the
8 Legislature on or before April 1, 2007.

9 C. 1. An electric utility subject to rate regulation by the
10 Corporation Commission may elect to file an application seeking
11 approval by the Commission to construct a new electric generating
12 facility, to purchase an existing electric generation facility or
13 enter into a long-term contract for purchased power and capacity
14 and/or energy, subject to the provisions of this subsection. If,
15 and to the extent that, the Commission determines there is a need
16 for construction or purchase of the electric generating facility or
17 long-term purchase power contract, the generating facility or
18 contract shall be considered used and useful and its costs shall be
19 subject to cost recovery rules promulgated by the Commission. The
20 Commission shall enter an order on an application filed pursuant to
21 this subsection within two hundred forty (240) days of the filing of
22 the application, following notice and hearing and after
23 consideration of reasonable alternatives.
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1 2. Following receipt of an application filed pursuant to this
2 subsection, the Corporation Commission staff may file a request to
3 assess the specific costs, to be paid by the electric utility and
4 which shall be deemed to be recoverable, for the costs associated
5 with conducting the analysis or investigation of the application
6 including, but not limited to, the cost of acquiring expert
7 witnesses, consultants, and analytical services. The request shall
8 be filed at and heard by the Corporation Commissioners in the docket
9 opened by the electric utility pursuant to this subsection. After
10 notice and hearing, the Commission shall decide the request.

11 3. Additionally, following receipt of an application filed
12 pursuant to this subsection, the Office of the Attorney General may
13 file a request with the Corporation Commission for the assessment of
14 specific costs, to be paid by the electric utility and which shall
15 be deemed to be recoverable, associated with the performance of the
16 Attorney General's duties as provided by law. Those costs may
17 include, but are not limited to, the cost of acquiring expert
18 witnesses, consultants and analytical services. The request shall
19 be filed at and heard by the Corporation Commissioners in the docket
20 opened by the electric utility pursuant to this subsection. After
21 notice and hearing, the Commission shall decide the request.

22 4. The Commission shall promulgate rules to implement the
23 provisions of this subsection. The rules shall be transmitted to
24 the Legislature on or before April 1, 2006. In promulgating rules

1 to implement the provisions of this subsection, the Commission shall
2 consider, among other things, rules which would:

- 3 a. permit contemporaneous utility recovery from its
4 customers, the amount necessary to cover the
5 Corporation Commission staff and Attorney General
6 assessments as authorized by this subsection,
- 7 b. establish how the cost of facilities approved pursuant
8 to this subsection shall be timely reviewed, approved,
9 and recovered or disapproved, and
- 10 c. establish the information which an electric utility
11 must provide when filing an application pursuant to
12 this subsection, including information regarding the
13 use or nonuse of grid enhancement technology to
14 mitigate potential energy costs which may have caused
15 the application to be filed.

16 5. The Commission shall also consider rules which may permit an
17 electric utility to begin to recover return on or return of
18 Construction-Work-In-Progress expenses prior to commercial operation
19 of a newly constructed electric generation facility subject to the
20 provisions of this subsection.

21 SECTION 2. This act shall become effective November 1, 2025.

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