

## HB 344 -- Cost Recovery for Utilities

Co-Sponsors: Rector, Bivins, Willoughby

This bill allows gas corporations to file petitions with the Public Service Commission for rate and charge adjustments that recover from customers prudently incurred costs for infrastructure replacement and security projects. Eligible projects may include replacement of deteriorating equipment, safety enhancements, security measures related to terrorism threats, and non-reimbursed costs of facility relocations required by highway and other public works construction. Projects may not increase revenue by connecting to new customers and must not have been included in the corporation's last general rate case.

Commission staff may examine the petition and submit a report within 60 days. The commission may hold a public hearing and must issue an order that becomes effective within 120 days after the petition is filed. During its consideration of the petition, the commission may not examine the corporation's other revenue requirements or rate-making issues.

Charges will not be approved if the corporation's last general rate proceeding was more than four years before the petition was filed or if the adjustment produces revenue exceeding 10% of the base revenue level approved in the corporation's last general rate proceeding. Rates may not be adjusted more than twice a year, and charges may not be collected for more than four years unless the corporation has filed or is the subject of a new general rate proceeding. Estimated monthly charges are subject to annual reconciliation.

The bill also requires the commission to allow electric corporations to recover from customers prudent costs for security measures and insurance and for non-reimbursed costs of facility relocations required by highway and other public works projects. Requests for recovery of security and insurance costs are confidential and subject to a protective order of the commission.