

Public Utility Expenditures Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Nate Blouin

LONG TITLE**General Description:**

This bill prohibits a qualified utility from recovering in rates expenses related to advertising, lobbying, and political activities.

Highlighted Provisions:

This bill:

- defines terms;
- prohibits a qualified utility from recovering in rates certain advertising, lobbying, and political influence expenses;
- requires a qualified utility to file an annual report detailing prior year expenses related to advertising, lobbying, and political activities;
- specifies information that must be included in the annual report; and
- establishes penalties for a qualified utility that improperly recovers prohibited expenses.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

54-4-43, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **54-4-43** is enacted to read:

54-4-43 . Cost recovery prohibitions.

(1) As used in this section:

(a) "Advertising" means publishing, disseminating, soliciting, or circulating information in written, online, video, or audio form with the intent to:

(i) induce a person to purchase or use a product, service, or business;

(ii) promote a business's brand; or

- 32 (iii) influence public opinion on legislative, administrative, electoral, or other
33 governmental matter.
- 34 (b) "Advertising" does not include:
- 35 (i) advertising required by law, regulation, or rule;
36 (ii) advertising directly related to a program regarding income-based rates, energy
37 conservation, energy efficiency, or renewable energy offerings available to
38 customers;
39 (iii) messaging regarding service interruptions, safety measures, or emergency
40 conditions; or
41 (iv) advertising regarding employment opportunities with the qualified utility.
- 42 (c) "Expenses" means any payment made in the form of compensation that a qualified
43 utility pays to an external firm, a corporate affiliate, or an employee of the qualified
44 utility.
- 45 (d) "Lobbying" means directly, or through solicitation of others, communicating with an
46 individual who is in a position to make a policy decision, in order to influence the
47 outcome of a local, state, or federal legislation, regulation, or administrative rule.
- 48 (e) "Political activities" means activities that attempt to influence public opinion or sway
49 the outcome of legislation, regulation, administrative rule, ballot initiative,
50 referendum, or other electoral matter.
- 51 (2) A qualified utility may not recover in rates:
- 52 (a) advertising and public relations expenses that do not relate to a program or purpose
53 authorized by statute or commission rule;
- 54 (b) expenses for:
- 55 (i) promoting or improving the qualified utility's brand;
56 (ii) influencing public opinion about the qualified utility; or
57 (iii) lobbying or political activities;
- 58 (c) expenses for organizational or membership dues, or other contributions, to an
59 organization, association, institution, corporation, or other entity that:
- 60 (i) engages in lobbying or political activities; or
61 (ii) engages in an activity with a similar purpose to lobbying and political activities; or
62 (d) contributions to:
- 63 (i) a political candidate;
64 (ii) a campaign committee; or
65 (iii) another similar political expense.

- 66 (3) A qualified utility shall file an annual report with the commission, by March 1 of each
67 year, detailing the prior calendar year's expenses related to advertising, lobbying, and
68 political activities.
- 69 (4) The report described in Subsection (3) shall include:
- 70 (a) an itemization of all expenses that the qualified utility incurred related to advertising,
71 lobbying, and political activities, including expenditures made directly by the
72 qualified utility or through an affiliate organization, that would have been charged to
73 ratepayers but for the prohibitions in this section;
- 74 (b) the total number of employees of the qualified utility that are engaged in advertising,
75 lobbying, political activities, or otherwise attempting to influence public opinion
76 about the qualified utility;
- 77 (c) for each employee described in Subsection (4)(b):
- 78 (i) the employee's job title and responsibilities;
79 (ii) the business unit in which the employee works; and
80 (iii) the percentage of the employee's salary charged to ratepayers; and
- 81 (d) any other disclosures deemed relevant by the commission regarding advertising,
82 lobbying, or political expenses.
- 83 (5) If the commission determines that a qualified utility violates this section by recovering
84 expenses prohibited in Subection (2), the commission shall:
- 85 (a) require the qualified utility to reimburse ratepayers for the amount of expenses
86 improperly recovered, plus interest; and
- 87 (b) assess a non-recoverable penalty to the qualified utility in an amount that is not less
88 than the total amount of the cost that the qualified utility improperly recovered.

89 **Section 2. Effective Date.**

90 This bill takes effect on May 7, 2025.