

SB0150S01 compared with SB0150

~~deleted text~~ shows text that was in SB0150 but was deleted in SB0150S01.

Inserted text shows text that was not in SB0150 but was inserted into SB0150S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Senator Daniel Hemmert proposes the following substitute bill:

ENERGY BALANCING ACCOUNT AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel Hemmert

House Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions of the Legislative Oversight and Sunset Act and requires a report.

Highlighted Provisions:

This bill:

- ▶ requires an electrical corporation that has established an energy balancing account to report to the Public Utilities, Energy, and Technology Interim Committee;
- ▶ repeals the sunset date for an electrical corporation's energy balancing account, allowing a corporation to permanently recover 100% of its prudently incurred net power costs; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

SB0150S01 compared with SB0150

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

[54-7-13.5, as last amended by Laws of Utah 2016, Chapter 393](#)

63I-1-254, as last amended by Laws of Utah 2018, Chapter 426

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

[Section 1. Section 54-7-13.5 is amended to read:](#)

54-7-13.5. Energy balancing accounts.

(1) As used in this section:

(a) "Base rates" means the same as that term is defined in Subsection 54-7-12(1).

(b) "Energy balancing account" means an electrical corporation account for some or all components of the electrical corporation's incurred actual power costs, including:

(i) (A) fuel;

(B) purchased power; and

(C) wheeling expenses; and

(ii) the sum of the power costs described in Subsection (1)(b)(i) less wholesale revenues.

(c) "Gas balancing account" means a gas corporation account to recover on a dollar-for-dollar basis, purchased gas costs, and gas cost-related expenses.

(2) (a) The commission may authorize an electrical corporation to establish an energy balancing account.

(b) An energy balancing account shall become effective upon a commission finding that the energy balancing account is:

(i) in the public interest;

(ii) for prudently-incurred costs; and

(iii) implemented at the conclusion of a general rate case.

(c) An electrical corporation:

(i) may, with approval from the commission, recover costs under this section through:

SB0150S01 compared with SB0150

- (A) base rates;
- (B) contract rates;
- (C) surcredits; or
- (D) surcharges; and

(ii) shall file a reconciliation of the energy balancing account with the commission at least annually with actual costs and revenues incurred by the electrical corporation.

(d) Beginning June 1, 2016, for an electrical corporation with an energy balancing account established before January 1, 2016, the commission shall allow an electrical corporation to recover 100% of the electrical corporation's prudently incurred costs as determined and approved by the commission under this section.

(e) An energy balancing account may not alter:

- (i) the standard for cost recovery; or
- (ii) the electrical corporation's burden of proof.

(f) The collection method described in Subsection (2)(c)(i) shall:

- (i) apply to the appropriate billing components in base rates; and
- (ii) be incorporated into base rates in an appropriate commission proceeding.

(g) The collection of costs related to an energy balancing account from customers paying contract rates shall be governed by the terms of the contract.

(h) Revenues collected in excess of prudently incurred actual costs shall:

(i) be refunded as a bill surcredit to an electrical corporation's customers over a period specified by the commission; and

(ii) include a carrying charge.

(i) Prudently incurred actual costs in excess of revenues collected shall:

(i) be recovered as a bill surcharge over a period to be specified by the commission;

and

(ii) include a carrying charge.

(j) The carrying charge applied to the balance in an energy balancing account shall be:

- (i) determined by the commission; and
- (ii) symmetrical for over or under collections.

(3) (a) The commission may:

(i) establish a gas balancing account for a gas corporation; and

SB0150S01 compared with SB0150

(ii) set forth procedures for a gas corporation's gas balancing account in the gas corporation's commission-approved tariff.

(b) A gas balancing account may not alter:

- (i) the standard of cost recovery; or
- (ii) the gas corporation's burden of proof.

(4) (a) All allowed costs and revenues associated with an energy balancing account or gas balancing account shall remain in the respective balancing account until charged or refunded to customers.

(b) The balance of an energy balancing account or gas balancing account may not be:

- (i) transferred by the electrical corporation or gas corporation; or
- (ii) used by the commission to impute earnings or losses to the electrical corporation or gas corporation.

(c) An energy balancing account or gas balancing account that is formed and maintained in accordance with this section does not constitute impermissible retroactive ratemaking or single-issue ratemaking.

(5) This section does not create a presumption for or against approval of an energy balancing account.

~~[(6) The commission shall report to the Public Utilities and Technology Interim Committee before December 1 in 2017 and 2018 regarding whether allowing an electrical corporation to continue to recover costs under Subsection (2)(d) is reasonable and in the public interest.]~~

(6) (a) An electrical corporation that has established an energy balancing account under this section shall report to the Public Utilities, Energy, and Technology Interim Committee before December 1 of each even numbered year, beginning in 2020.

(b) The report required in Subsection (6)(a) shall provide information regarding:

(i) the continued 100% recovery of the electrical corporation's prudently incurred costs related to the energy balancing account; and

(ii) any determination by the Public Service Commission of costs not prudently incurred.

Section ~~41~~2. Section **63I-1-254** is amended to read:

63I-1-254. Repeal dates, Title 54.

SB0150S01 compared with SB0150

~~[(1) The language of Subsection 54-4-13.4(1)(a)(ii) after "do not exceed \$5,000,000 in any calendar year" is repealed July 1, 2018.]~~

~~[(2) Subsection 54-7-13.5(2)(d) is repealed on December 31, 2019.]~~

~~[(3)]~~ Title 54, Chapter 15, Net Metering of Electricity, is repealed January 1, 2036.