

NATURAL GAS MARKET FAIR ACCESS ACT

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jacob L. Anderegg

House Sponsor: _____

LONG TITLE

General Description:

This bill defines the relationship between a local distribution company, a wholesale supplier, and a wholesale customer of natural gas.

Highlighted Provisions:

This bill:

- ▶ defines terms;
 - ▶ defines the relationship between a local distribution company, a wholesale supplier, and a wholesale customer of natural gas as pertaining to a natural gas supply contract between a wholesale customer and a wholesale supplier;
 - ▶ defines the role of a local distribution company as pertaining to a wholesale natural gas supply contract, including fees that a local distribution company may charge;
- and
- ▶ requires the Public Service Commission to consider certain fees charged by a local distribution company in a general rate case.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:



28 [54-23-101](#), Utah Code Annotated 1953
 29 [54-23-102](#), Utah Code Annotated 1953
 30 [54-23-103](#), Utah Code Annotated 1953



31
 32 *Be it enacted by the Legislature of the state of Utah:*

33 Section 1. Section **54-23-101** is enacted to read:

34 **CHAPTER 23. NATURAL GAS MARKET FAIR ACCESS ACT**

35 **Part 1. Natural Gas Market Fair Access Act**

36 **54-23-101. Natural Gas Market Fair Access Act.**

37 This chapter is known as the "Natural Gas Market Fair Access Act."

38 Section 2. Section **54-23-102** is enacted to read:

39 **54-23-102. Definitions.**

40 As used in this chapter:

41 (1) "Agency agreement" means a contract by which a wholesale customer designates a
 42 wholesale marketer as the wholesale customer's agent as described in the agency agreement.

43 (2) "Commission" means the Public Service Commission created in Section [54-1-1](#).

44 (3) "Local distribution company" means a large-scale natural gas distributor that
 45 provides retail natural gas service to more than 200,000 retail customers in the state.

46 (4) "Wholesale customer" means a person or company that purchases natural gas
 47 directly from a wholesale marketer, consumes at least 2,100 dekatherms per year, and utilizes
 48 the infrastructure of a local distribution company for delivery of the natural gas.

49 (5) "Wholesale marketer" means a person or company that brings natural gas to market
 50 from a wellhead, tailgate, or other receipt point.

51 Section 3. Section **54-23-103** is enacted to read:

52 **54-23-103. Natural gas market fair access.**

53 (1) For wholesale marketer and wholesale customer arrangements, a local distribution
 54 company:

55 (a) may not charge an administrative fee or customer service fee to a wholesale
 56 customer or wholesale marketer; and

57 (b) shall bill the wholesale marketer for transmission costs and applicable fees.

58 (2) The commission shall consider any costs described in Subsection (1)(b) in each

59 general rate case of the local distribution company beginning on July 1, 2019.

60 (3) (a) For any supply contract between a wholesale marketer and a wholesale
61 customer, the wholesale customer and wholesale marketer shall enter into an agency
62 agreement.

63 (b) The agency agreement described in Subsection (3)(a) shall specify the extent of the
64 agency relationship, including:

65 (i) contract information;

66 (ii) billing and usage information; and

67 (iii) pipeline delivery and scheduling information.

68 (c) (i) A wholesale customer shall notify the local distribution company of the
69 existence and extent of an agency agreement described in Subsection (3)(a).

70 (ii) A wholesale service is effective on the first day of the month following 120 days
71 after the notice of the agency agreement described in Subsection (3)(c)(i).

72 (d) After execution of an agency agreement as described in this Subsection (3), the
73 wholesale marketer is responsible for all communications between the wholesale customer and
74 the local distribution company as agent of the wholesale customer.