

UTILITY BILL ASSISTANCE PROGRAM

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Don L. Ipson

House Sponsor: Robert M. Spendlove

LONG TITLE

General Description:

This bill creates the Utility Bill Assistance Program (program).

Highlighted Provisions:

This bill:

▶ creates the program which is to be administered by the Division of Public Utilities (division);

▶ authorizes the division to disburse money allocated to the program to large-scale electricity and natural gas utility companies to provide bill credits for customers who meet income requirements;

▶ requires a large-scale utility company to obtain approval from the Public Service Commission to participate in the program and to report to the Public Service Commission on the program's use; and

▶ requires the division to report to the Public Utilities, Energy, and Technology Interim Committee on the status of the program.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2023:

▶ to Public Utility Restricted Account as a one-time appropriation:
• from Nonlapsing Balances -- Department of Commerce -- Commerce General Regulation, One-time, \$4,700,000;

▶ to Public Utility Restricted Account as a one-time appropriation:



- 28 • from Nonlapsing Balances -- Department of Commerce -- Public Utilities
- 29 Professional and Technical Services, One-time, \$2,400,000;
- 30 ▶ to Public Utility Restricted Account as a one-time appropriation:
- 31 • from Nonlapsing Balances -- Department of Commerce -- Office of Consumer
- 32 Services Professional and Technical Services, One-time, \$4,200,000;
- 33 ▶ to Public Utility Restricted Account as a one-time appropriation:
- 34 • from Nonlapsing Balances -- Public Service Commission, One-time, \$867,000;
- 35 and
- 36 ▶ to Department of Commerce -- Utility Bill Assistance Program
- 37 • from General Fund Restricted -- Public Utility Restricted Account, One-time,
- 38 \$12,167,000.

39 **Other Special Clauses:**

40 This bill provides a special effective date.

41 **Utah Code Sections Affected:**

42 AMENDS:

43 **54-5-1.5**, as last amended by Laws of Utah 2018, Chapter 469

44 ENACTS:

45 **54-4-42**, Utah Code Annotated 1953



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

48 Section 1. Section **54-4-42** is enacted to read:

49 **54-4-42. Utility Bill Assistance Program.**

50 (1) As used in this section:

51 (a) "Division" means the Division of Public Utilities established in Section [54-4a-1](#).

52 (b) "Eligible customer" means the same as that term is defined in Section [54-7-13.6](#).

53 (c) "Existing credit" refers to bill payment assistance provided under Section
54 [54-7-13.6](#).

55 (d) "Large-scale utility" means a large-scale electric utility or a large-scale natural gas
56 utility.

57 (e) "Program" means the Utility Bill Assistance Program created in this section.

58 (2) (a) There is created in the Department of Commerce the Utility Bill Assistance

59 Program that shall be administered by the division.

60 (b) The purpose of the program is to provide credits to eligible customers to use against
61 utility service balances.

62 (3) A large-scale utility may request approval for a tariff that authorizes the large-scale
63 utility to provide credits to eligible customers from funds available to the program.

64 (4) The commission shall approve a large-scale utility's tariff request described in
65 Subsection (3) if:

66 (a) the commission finds the tariff to be in the public interest; and

67 (b) the tariff does not result in increased costs to the large-scale utility's customers.

68 (5) The division shall allocate available funds in accordance with a
69 commission-approved tariff of a large-scale utility.

70 (6) A large-scale utility that receives an allocation under Subsection (5) shall provide
71 credits from funds received under this program to eligible customers to use against utility
72 service balances.

73 (7) (a) A credit provided under the program shall be in addition to any existing credit
74 the eligible customer receives.

75 (b) If a large-scale utility provides an existing credit on a monthly basis, the large-scale
76 utility shall only provide a credit under this section if the eligible customer has a utility service
77 balance after application of an existing credit.

78 (8) A large-scale utility with an approved tariff under Subsection (4) shall report to the
79 commission semi-annually concerning:

80 (a) amounts expended since the program's inception or the previous report;

81 (b) amounts remaining to fund credits; and

82 (c) verification of customer eligibility.

83 (9) The division shall report to the Public Utilities, Energy, and Technology Interim
84 Committee concerning the status of the program before November 30 of each year for which
85 credits are provided.

86 (10) The commission and the division may review records in the possession of a
87 large-scale utility concerning the credits provided in accordance with this section.

88 (11) The division may administer the program as long as funds appropriated for the
89 program remain.

90 Section 2. Section 54-5-1.5 is amended to read:

91 **54-5-1.5. Special regulation fee -- Supplemental Levy Committee -- Supplemental**
92 **fee -- Fee for electrical cooperatives.**

93 (1) (a) A special fee to defray the cost of regulation is imposed upon all public utilities
94 subject to the jurisdiction of the Public Service Commission.

95 (b) The special fee is in addition to any charge now assessed, levied, or required by
96 law.

97 (2) (a) The executive director of the Department of Commerce shall determine the
98 special fee for the Department of Commerce.

99 (b) The chair of the Public Service Commission shall determine the special fee for the
100 Public Service Commission.

101 (c) The fee shall be assessed as a uniform percentage of the gross operating revenue for
102 the preceding calendar year derived from each public utility's business and operations during
103 that period within this state, excluding income derived from interstate business. Gross
104 operating revenue shall not include income to a wholesale electric cooperative derived from the
105 sale of power to a rural electric cooperative which resells that power within the state.

106 (3) (a) The executive director of the Department of Commerce shall notify each public
107 utility subject to the provisions of this chapter of the amount of the fee.

108 (b) The fee is due and payable on or before July 1 of each year.

109 (4) (a) There is created a restricted account within the General Fund known as the
110 Public Utility Regulatory Restricted Account.

111 (b) Notwithstanding Subsection 13-1-2(3)(c), the Department of Commerce shall
112 deposit a fee assessed under this section into the Public Utility Regulatory Restricted Account.

113 (c) Within appropriations by the Legislature:

114 (i) the Department of Commerce may use the funds in the Public Utility Regulatory
115 Restricted Account to administer:

116 (A) the Division of Public Utilities; ~~and~~

117 (B) the Office of Consumer Services; and

118 (ii) the Public Service Commission may use the funds in the Public Utility Regulatory
119 Restricted Account to administer the Public Service Commission~~[-];~~ and

120 (iii) the Division of Public Utilities may use the funds in the Public Utility Regulatory

121 Restricted Account to administer the Utility Bill Assistance Program created under Section
122 54-4-42.

123 (d) At the end of each fiscal year, the director of the Division of Finance shall transfer
124 into the General Fund any balance in the Public Utility Regulatory Restricted Account in
125 excess of \$3,000,000.

126 (5) (a) The Legislature intends that the public utilities provide all of the funds for the
127 administration, support, and maintenance of:

128 (i) the Public Service Commission;

129 (ii) state agencies within the Department of Commerce involved in the regulation of
130 public utilities; and

131 (iii) expenditures by the attorney general for utility regulation.

132 (b) Notwithstanding Subsection (5)(a), the fee imposed by Subsection (1) shall not
133 exceed the greater of:

134 (i) (A) for a public utility other than an electrical cooperative, .3% of the public utility's
135 gross operating revenues for the preceding calendar year; or

136 (B) for an electrical cooperative, .15% of the electrical cooperative's gross operating
137 revenues for the preceding calendar year; or

138 (ii) \$50.

139 (6) (a) There is created a Supplemental Levy Committee to levy additional assessments
140 on public utilities when unanticipated costs of regulation occur in any fiscal year.

141 (b) The Supplemental Levy Committee shall consist of:

142 (i) one member selected by the executive director of the Department of Commerce;

143 (ii) one member selected by the chairman of the Public Service Commission;

144 (iii) two members selected by the three public utilities that paid the largest percent of
145 the current regulatory fee; and

146 (iv) one member selected by the four appointed members.

147 (c) (i) The members of the Supplemental Levy Committee shall be selected within 10
148 working days after the executive director of the Department of Commerce gives written notice
149 to the Public Service Commission and the public utilities that a supplemental levy committee is
150 needed.

151 (ii) If the members of the Supplemental Levy Committee have not been appointed

152 within the time prescribed, the governor shall appoint the members of the Supplemental Levy
153 Committee.

154 (d) (i) During any state fiscal year, the Supplemental Levy Committee, by a majority
155 vote and subject to audit by the state auditor, may impose a supplemental fee on the regulated
156 utilities for the purpose of defraying any increased cost of regulation.

157 (ii) The supplemental fee imposed upon the utilities shall equal a percentage of their
158 gross operating revenue for the preceding calendar year.

159 (iii) The aggregate of all fees, including any supplemental fees assessed, shall not
160 exceed .3% of the gross operating revenue of the utilities assessed for the preceding calendar
161 year.

162 (iv) Payment of the supplemental fee is due within 30 days after receipt of the
163 assessment.

164 (v) The utility may, within 10 days after receipt of assessment, request a hearing before
165 the Public Service Commission if it questions the need for, or the reasonableness of, the
166 supplemental fee.

167 (e) (i) Any supplemental fee collected to defray the cost of regulation shall be
168 transferred to the state treasurer as a departmental collection.

169 (ii) Supplemental fees are excess collections, credited according to the procedures of
170 Section [63J-1-105](#).

171 (iii) Charges billed to the Department of Commerce by any other state department,
172 institution, or agency for services rendered in connection with regulation of a utility shall be
173 credited by the state treasurer from the special or supplemental fees collected to the
174 appropriations account of the entity providing that service according to the procedures provided
175 in Title 63J, Chapter 1, Budgetary Procedures Act.

176 (7) (a) For purposes of this section, "electrical cooperative" means:

177 (i) a distribution electrical cooperative; or

178 (ii) a wholesale electrical cooperative.

179 (b) Subject to Subsection (7)(c), if the regulation of one or more electrical cooperatives
180 causes unanticipated costs of regulation in a fiscal year, the commission may impose a
181 supplemental fee on the one or more electrical cooperatives in this state responsible for the
182 increased cost of regulation.

183 (c) The aggregate of all fees imposed under this section on an electrical cooperative in
 184 a calendar year shall not exceed the greater of:

185 (i) .3% of the electrical cooperative's gross operating revenues for the preceding
 186 calendar year; or

187 (ii) \$50.

188 Section 3. **Appropriation.**

189 The following sums of money are appropriated for the fiscal year beginning July 1,
 190 2022. These are additions to amounts previously appropriated for fiscal year 2023.

191 Subsection (3)(a). **Operating and Capital Budgets.**

192 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
 193 Legislature appropriates the following sums of money from the funds or accounts indicated for
 194 the use and support of the government of the state of Utah.

195 ITEM 1

196 To Department of Commerce -- Utility Bill Assistance Program

197 From General Fund Restricted -- Public Utility Restricted Acct., One-time 12,167,000

198 Schedule of Programs:

199 Utility Bill Assistance Program 12,167,000

200 Subsection (3)(b). **Restricted Fund and Account Transfers.**

201 The Legislature authorizes the State Division of Finance to transfer the following
 202 amounts between the following funds or accounts as indicated. Expenditures and outlays from
 203 the funds to which the money is transferred must be authorized by an appropriation.

204 ITEM 2

205 To General Fund Restricted -- Public Utility Restricted Account

206 From Nonlapsing Balances -- Department of Commerce -- Commerce General
 207 Regulation 4,700,000

208 From Nonlapsing Balances -- Department of Commerce -- Public Utilities
 209 Professional and Technical Services 2,400,000

210 From Nonlapsing Balances -- Department of Commerce -- Office of
 211 Consumer Services Professional and Technical Services 4,200,000

212 From Nonlapsing Balances -- Public Service Commission 867,000

213 Schedule of Programs:

214	<u>General Fund Restricted -- Public Utility Restricted</u>	
215	<u>Account, One-time</u>	<u>12,167,000</u>
216	Section 4. Effective date.	
217	<u>If approved by two-thirds of all the members elected to each house, this bill takes effect</u>	
218	<u>upon approval by the governor, or the day following the constitutional time limit of Utah</u>	
219	<u>Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,</u>	
220	<u>the date of veto override.</u>	