

2020 First Extraordinary Session

HOUSE BILL NO. 39

BY REPRESENTATIVE DAVIS

UTILITIES: Provides relative to the Louisiana Electric Utility Investment Recovery Securitization Act (Item #35)

1 AN ACT

2 To amend and reenact R.S. 45:1252(11)(c) and to enact R.S. 45:1252(11)(d), relative to the
3 Louisiana Electric Investment Recovery Securitization Act; to provide definition for
4 investment recovery costs; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 45:1252(11)(c) is hereby amended and reenacted and R.S.
7 45:1252(11)(d) is hereby enacted to read as follows:

8 §1252. Definitions

9 As used in this Part:

10 * * *

11 (11) "Investment recovery costs" means, if requested by the electric utility,
12 and as may be approved by the commission, costs incurred or to be incurred by an
13 electric utility consisting of any of the following:

14 * * *

15 (c) Any other expenses, unrecovered costs, capital expenditures, or write-
16 offs incurred or to be incurred by the electric utility, including without limitation
17 incremental out-of-pocket costs, write-offs of unpaid customer bills in excess of
18 those provided for in rates, lost contributions to fixed costs, and costs of special rate
19 relief or other credit arrangements extended to customers, as a result of an event

- 1 designated as a state emergency by the governor and determined by the commission
2 to be suitable for securitization financing pursuant to this Part.
- 3 (d) Costs of repurchasing equity or retiring any existing indebtedness
4 relating to any costs as provided in ~~Subparagraph (a) and (b)~~ Subparagraphs (a), (b),
5 and (c) of this Paragraph.
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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 39 Engrossed

2020 First Extraordinary Session

Davis

Abstract: Expands the definition of "investment recovery costs."

Relative to the La. Electric Investment Recovery Securization Act, present law defines "investment recovery costs" as certain costs incurred or to be incurred by an electric utility when the costs are associated with the cancelled construction of electric generating or transmission facilities, costs associated with purchasing long-term supplies of fuel of any type or facilities of any type for the production, delivery, or storage of such supplies, or costs of repurchasing equity or retiring any existing indebtedness relating to any costs as provided in present law.

Proposed law expands the present law definition to include any other expenses, unrecovered costs, capital expenditures, or write-offs incurred or to be incurred by the electric utility under as a result of an event designated by the governor as a state of emergency and determined by the Public Service Commission to be suitable for securitization financing.

(Amends R.S. 45:1252(11)(c); Adds R.S. 45:1252(11)(d))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Makes technical changes.