

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE

4 FOR

5 SENATE BILL 472

6 By: Paxton

7 COMMITTEE SUBSTITUTE

8 An Act relating to electric utilities; defining  
9 terms; requiring certain electric utilities to  
10 maintain certain firm gas supply; providing that  
11 certain utilities may enter into certain agreements;  
12 providing that certain monetary proceeds be utilized  
13 for cost mitigation to consumers; authorizing  
14 Corporation Commission to promulgate rules; providing  
15 for codification; and providing an effective date.

16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 1. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 803 of Title 17, unless there is  
19 created a duplication in numbering, reads as follows:

20 A. As used in this section:

21 1. "Actual physical storage" means a storage field, liquefied  
22 natural gas storage, or other physical facility which is not a  
23 pipeline or pipeline capacity, for the purpose of provision and  
24 storage of natural gas and for which the stored natural gas is not  
subject to a prior claim by another storage customer or another

1 class of storage service and cannot be interrupted except in a  
2 situation of force majeure;

3 2. "Firm" means an electric utility's failure to perform will  
4 only be excused if the electric utility is subject to an event of  
5 force majeure. The only excuse for failure to deliver, store, or  
6 receive gas under a firm obligation under this section is an event  
7 of force majeure;

8 3. "Firm gas supply" means an adequate and reliable quantity of  
9 natural gas which is an amount sufficient to meet and support the  
10 desired generating capacity demand for a given period as supplied by  
11 firm natural gas transportation or as supplied from actual physical  
12 storage; and

13 4. "Winter months" means the time between November 1 of a given  
14 year through March 31 of the following year.

15 B. An electric utility subject to retail rate regulation by the  
16 Corporation Commission that utilizes natural gas electric generation  
17 shall maintain a firm gas supply of enough natural gas under firm gas  
18 transportation contracts or from actual physical storage to operate  
19 its natural gas electric generation facilities at an eighty percent  
20 (80%) maximum daily capacity for a period of not less than fourteen  
21 (14) consecutive days during the winter months to protect customers  
22 from adverse weather events and supply chain issues. Of the above  
23 required firm supply of natural gas, at least fifty percent (50%) of  
24 that firm gas supply shall be satisfied by actual physical storage.

1 C. Each electric utility subject to the requirements of this  
2 section may enter storage management contracts with asset managers  
3 or may self-optimize its storage services to mitigate the costs of  
4 the increased storage for customers, or any combination thereof.  
5 All monetary or financial benefits derived from storage management  
6 contracts utilizing an asset manager, the electric utility's self-  
7 optimized services, or any combination thereof shall be returned to  
8 customers to mitigate the costs of increased storage capacity  
9 required in subsection B of this section.

10 D. Electric utilities subject to the provisions of this section  
11 shall be entitled to recover costs for the firm gas supply and  
12 actual physical storage requirements of this section.

13 E. The Corporation Commission shall have the authority to  
14 promulgate any rules and regulations necessary to effectuate the  
15 provisions of this section.

16 SECTION 2. This act shall become effective November 1, 2023.

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18 59-1-1999 RD 3/2/2023 11:48:00 AM

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