



440944

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/25/2017	.	
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The Committee on Rules (Latvala) recommended the following:

**Senate Amendment (with title amendment)**

Between lines 49 and 50  
insert:

Section 2. (1) Annually, each public utility shall file with the Public Service Commission a detailed comparison of all gas reserve projects entered into on behalf of the utility and any affiliate or subsidiary of the utility's parent company as part of its Risk Management Plan. The information must be the same for each gas reserve project entered into by any affiliate or subsidiary that was used to support or justify the



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12 appropriateness of each gas reserve project entered into during  
13 the reporting period. The filing must:

14 (a) Show all material assumptions relied upon to support  
15 each gas reserve project, including the capital investment  
16 amount;

17 (b) Calculate the associated revenue requirement for each  
18 gas reserve project; and

19 (c) Provide the net present value savings for each gas  
20 reserve project entered into by any affiliate or subsidiary of a  
21 parent company.

22 (2) For any gas reserve project, the utility shall use an  
23 independent third-party auditor in performing audits of the  
24 associated transactions. Subaccounts that correspond on a one-  
25 on-one basis with the oil and gas system of accounts shall be  
26 established and used by the utility for each investment in a gas  
27 reserve project.

28 (3) Each utility recovering its investment in a natural gas  
29 reserve project through an adjustment clause shall separately  
30 identify such clause on each customer's monthly bill. Within  
31 that line item, the utility shall explain the costs and profits  
32 being recovered and the rate of return that is used to calculate  
33 the profit. Annually, the utility shall include in each  
34 customer's bill a summary describing the annual costs and  
35 profits and any loss or gain on hedging and production costs.

36 (4) Annually, the commission shall prepare a report and  
37 provide it to the President of the Senate and the Speaker of the  
38 House of Representatives containing the following information:

39 (a) The name of each utility participating in natural gas  
40 reserve projects.



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- 41       (b) The number of projects for each utility.
- 42       (c) The amount of investment for each project.
- 43       (d) The amount of gain or loss for the year of hedging or
- 44 production.
- 45       (e) Any other information the commission deems relevant.

47 ===== T I T L E   A M E N D M E N T =====

48 And the title is amended as follows:

49       Delete line 9

50 and insert:

51       investments; requiring each public utility to file  
52       with the commission with a comparison of all gas  
53       reserve projects entered into on behalf of the utility  
54       and any affiliate or subsidiary of the parent company  
55       as part of its Risk Management Plan; specifying the  
56       requirements of the filing; specifying the use of a  
57       third-party auditor; requiring public utilities to  
58       separately identify certain adjustment clauses for  
59       investments in natural gas in and annual costs and  
60       profits on customers' bills; requiring the commission  
61       to file a report with the Legislature; providing an  
62       effective date.