



789608

LEGISLATIVE ACTION

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

1           **Senate Substitute for Amendment (383720) (with title**  
2 **amendment)**

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4           Between lines 49 and 50  
5 insert:

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



789608

12 or subsidiary which was used to support or justify the  
13 appropriateness of each gas reserve project entered into during  
14 the reporting period. The filing must:

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

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

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

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

29 (3) A public utility may enter into a gas reserves project  
30 only if there is a transportation path available to deliver the  
31 gas produced from that project to the public utility's service  
32 territory. The costs of any new transportation needed to deliver  
33 gas from a gas reserve project must be taken into consideration  
34 when analyzing the economics of that project.

35  
36 ===== T I T L E A M E N D M E N T =====

37 And the title is amended as follows:

38 Delete line 9

39 and insert:

40 investments; requiring each public utility to file



789608

41 with the commission a comparison of all gas reserve  
42 projects entered into on behalf of the utility and any  
43 affiliate or subsidiary of the parent company as part  
44 of its Risk Management Plan; specifying the  
45 requirements of the filing; requiring the use of a  
46 third-party auditor for audits of associated  
47 transactions for a gas reserve project; requiring a  
48 public utility entering into a gas reserves project to  
49 have a transportation path between the project and the  
50 utility's service territory; specifying the accounting  
51 of the costs of any new transportation in the economic  
52 analysis of projects; providing an effective date.