

1 ENGROSSED SENATE
2 BILL NO. 1091

By: Thompson and Hall of the
Senate

3 and

4 Wallace and Martinez of the
5 House

6
7 An Act relating to municipal utilities; defining
8 terms; creating the February 2021 Winter Storm Grant
9 Revolving Fund; providing for sources of revenue;
10 stating purpose of fund; establishing procedures for
11 expenditures from fund; requiring the Oklahoma
12 Department of Agriculture, Food, and Forestry to
13 create grant program; providing eligibility
14 requirements; requiring promulgation of rules;
15 requiring the Department to provide certain report;
16 providing for codification; and declaring an
17 emergency.

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

20 SECTION 1. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 11-11 of Title 2, unless there
22 is created a duplication in numbering, reads as follows:

23 As used in this act:

24 1. "Extraordinary costs" means costs incurred by an
incorporated municipality's unregulated utility related to the
extreme weather that occurred beginning February 7, 2021, and ending
February 21, 2021, including but not limited to fuel-related storage
and associated costs, emergency compressed or liquified natural gas
supplies, contracts for services providing additional pressurization

1 on lines and transportation pipeline penalties. Extraordinary costs
2 shall not include extreme purchase costs, as defined in this
3 section;

4 2. "Extreme purchase costs" means expenses incurred for the
5 purchase of fuel, purchased power, natural gas commodity, or any
6 combination thereof, whether at spot pricing, index pricing, or
7 otherwise with delivery beginning February 7, 2021, and ending
8 February 21, 2021;

9 3. "Utility" shall mean any person or entity doing business in
10 this state that furnishes natural gas or electric current to its
11 customers located at an address within this state and within the
12 service area of the utility; and

13 4. "Unregulated utility" shall mean any utility, as defined in
14 this section, which is not subject to the regulatory jurisdiction of
15 the Corporation Commission with respect to its rates, charges, and
16 terms and conditions of service.

17 SECTION 2. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 11-12 of Title 2, unless there
19 is created a duplication in numbering, reads as follows:

20 There is hereby created in the State Treasury a revolving fund
21 for the Oklahoma Department of Agriculture, Food, and Forestry to be
22 designated the "February 2021 Winter Storm Grant Revolving Fund".
23 The fund shall be a continuing fund, not subject to fiscal year
24 limitations, and shall consist of all monies received by the

1 Department in the form of appropriations, donations, or other monies
2 designated for deposit in the fund. All monies accruing to the
3 credit of the fund are hereby appropriated and may be budgeted and
4 expended by the Department for the purpose of providing grants to an
5 incorporated municipality as provided by this act. Expenditures
6 from the fund shall be made upon warrants issued by the State
7 Treasurer against claims filed as prescribed by law with the
8 Director of the Office of Management and Enterprise Services for
9 approval and payment.

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 11-13 of Title 2, unless there
12 is created a duplication in numbering, reads as follows:

13 A. The Oklahoma Department of Agriculture, Food, and Forestry
14 shall develop a grant program for the purpose of providing grants to
15 incorporated municipalities to mitigate extreme purchase costs,
16 extraordinary costs, or both, incurred by the incorporated
17 municipality's owned or controlled unregulated utility affected by
18 the extreme weather event that began February 7, 2021. To qualify
19 for a grant, the following requirements shall be met:

20 1. The incorporated municipality must show proof of extreme
21 purchase costs, extraordinary costs, or both incurred by the
22 incorporated municipality's owned or controlled unregulated utility;

23 2. The population of the incorporated municipality shall be no
24 greater than three thousand five hundred (3,500) persons according

1 to the most recent Federal Decennial Census or most recent annual
2 estimate of the population by the United States Census Bureau; and

3 3. The incorporated municipality's owned or controlled
4 unregulated utility has had no costs mitigated through
5 securitization as provided by Sections 9070 through 9081 of Title 74
6 of the Oklahoma Statutes.

7 B. The Department shall promulgate rules necessary for
8 determining the eligibility and priority of applicants for the
9 grants. In determining the priority of applicants, the Department
10 shall consider the implications of the extraordinary costs and
11 extreme purchase costs regarding the incorporated municipality's
12 solvency and the amount of the incorporated municipality's
13 extraordinary costs and extreme purchase costs on a per capita
14 basis.

15 C. On or before February 1, 2023, the Oklahoma Department of
16 Agriculture, Food, and Forestry shall provide a report to the
17 Governor, President Pro Tempore of the Senate, and the Speaker of
18 the House of Representatives that includes the list of
19 municipalities who applied for the grant, the amount requested by
20 each municipality, municipalities that were awarded grants, the
21 amount of each grant awarded, and any other information the
22 Department determines to be necessary.

23 SECTION 4. It being immediately necessary for the preservation
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 Passed the Senate the 18th day of May, 2022.

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Presiding Officer of the Senate

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7 Passed the House of Representatives the ____ day of _____,
8 2022.

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Presiding Officer of the House
of Representatives

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