

An Act

ENROLLED SENATE
BILL NO. 1091

By: Thompson and Hall of the
Senate

and

Wallace and Martinez of the
House

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

SUBJECT: Winter storm grant program

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

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

As used in this act:

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

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

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

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

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

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

There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Agriculture, Food, and Forestry to be designated the "February 2021 Winter Storm Grant Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Department in the form of appropriations, donations, or other monies designated for deposit in the fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Department for the purpose of providing grants to an incorporated municipality as provided by this act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

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

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

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

2. The population of the incorporated municipality shall be no greater than three thousand five hundred (3,500) persons according to the most recent Federal Decennial Census or most recent annual estimate of the population by the United States Census Bureau; and

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

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

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

Department determines to be necessary.

SECTION 4. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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

Presiding Officer of the Senate

Passed the House of Representatives the 20th day of May, 2022.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____