

AN ACT

ENTITLED, An Act to authorize the Public Utilities Commission to approve tariff mechanisms for the automatic annual adjustment of charges for jurisdictional costs of new or modified transmission facilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 49-34A be amended by adding thereto a NEW SECTION to read as follows:

Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the jurisdictional costs of new or modified transmission facilities with a design capacity of thirty-four and one-half kilovolts or more and which are more than five miles in length. For the purposes of this Act, electric transmission facilities and electric transmission lines covered by this section include associated facilities such as substations and transformers.

Section 2. That chapter 49-34A be amended by adding thereto a NEW SECTION to read as follows:

Upon filing of an application consistent with rules promulgated by the commission by any public utility providing transmission service, the commission may approve, reject, or modify, after notice, hearing, and comment, a tariff that:

- (1) Allows the public utility to recover on a timely basis the costs net of revenues of facilities described in section 1 of this Act;
- (2) Allows a return on investment at the level approved in the public utility's last general rate case, unless a different return is found to be consistent with the public interest;
- (3) Provides a current return on construction work in progress, if the recovery from retail customers for the allowance for funds used during construction is not sought through any

other mechanism;

- (4) Allocates project costs appropriately between wholesale and retail customers; and
- (5) Terminates recovery once costs have been fully recovered or have otherwise been reflected in the public utility's general rates.

Section 3. That chapter 49-34A be amended by adding thereto a NEW SECTION to read as follows:

A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved pursuant to section 2 of this Act. In the utility's filing, the public utility shall provide:

- (1) A description of and context for the facilities included for recovery;
- (2) A schedule for implementation of applicable projects;
- (3) The public utility's costs for these projects;
- (4) A description of the public utility's efforts to ensure the lowest reasonable costs to ratepayers for the project; and
- (5) Calculations to establish that the rate adjustment is consistent with the terms of the tariff established in section 2 of this Act.

Section 4. That chapter 49-34A be amended by adding thereto a NEW SECTION to read as follows:

Upon receiving a filing under section 3 of this Act for a rate adjustment pursuant to the tariff established in section 2 of this Act, the commission shall approve the annual rate adjustments if, after notice, hearing, and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest reasonable cost to ratepayers.

Section 5. That § 49-1A-8 be amended to read as follows:

49-1A-8. There is created a special fund within the state treasury to be known as the South

Dakota Public Utilities Commission Regulatory Assessment Fee fund. The Public Utilities Commission may require a public utility as defined in subdivision 49-34A-1(12) to make a deposit of up to one hundred thousand dollars when it files for approval of a general rate case, regardless of the number of issues involved, or files an integrated resource plan. The commission may require a deposit of up to one hundred twenty-five thousand dollars for a filing which combines a general rate case and an integrated resource plan. The commission may require a deposit of up to fifty thousand dollars for the filing of a tariff for approval under the provisions of this Act. The deposits shall be made to the South Dakota Public Utilities Commission Regulatory Assessment Fee fund, the amount to be designated by commission order. The fund shall be invested as provided by law, and the interest earned shall be credited to the fund.

Section 6. That § 49-34A-4 be amended to read as follows:

49-34A-4. The commission shall regulate to the extent provided in this chapter every public utility as defined in this chapter. The commission may promulgate rules pursuant to chapter 1-26 in furtherance of the purposes of this chapter concerning:

- (1) Procedures and requirements for applications for rate and tariff changes;
- (2) Requirements for gas and electric utilities to maintain and make available to the public and the commission records and information;
- (3) Requirements and procedures regarding customer billings and meter readings;
- (4) Requirements regarding availability of meter tests;
- (5) Requirements regarding billing adjustments for meter errors;
- (6) Procedures and requirements for handling customer disputes and complaints;
- (7) Procedures and requirements regarding temporary service, changes in location of service and service interruptions;
- (8) Standards and procedures to ensure nondiscriminatory credit policies;

- (9) Procedures, requirements and record-keeping guidelines regarding deposit policies;
- (10) Procedures, requirements and record-keeping guidelines regarding customer refunds;
- (11) Policies for refusal of gas or electric service;
- (12) Policies for disconnection and transfer of gas and electric service;
- (13) Customer payment plans for delinquent bills;
- (14) Requirements regarding advertising; and
- (15) Procedures and requirements for applications for tariff mechanisms seeking the automatic annual adjustment of charges for the jurisdictional costs of new or modified transmission facilities under the provisions of section 1 of this Act.

An Act to authorize the Public Utilities Commission to approve tariff mechanisms for the automatic annual adjustment of charges for jurisdictional costs of new or modified transmission facilities.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1091

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1091
File No. _____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State