

Introduced by

1 A BILL for an Act to create and enact a new section to chapter 49-05 of the North Dakota  
2 Century Code, relating to public utility rate adjustments for environmental compliance costs and  
3 recovery from acts of terrorism, sabotage, and natural disaster.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 49-05 of the North Dakota Century Code is  
6 created and enacted as follows:

7 **Rate adjustment - Environmental compliance and natural disaster recovery costs.**

8 1. A public utility may file a tariff with the commission which provides for a rate  
9 adjustment, effective without a prior hearing, for recovery of capital and operating  
10 costs incurred by the public utility to comply with federal, state, or local  
11 environmental laws or regulations or provides for repair damages and recovery  
12 costs caused by an act of terrorism or sabotage or by a natural disaster, including  
13 a flood or storm. The tariff must:

14 a. Allow the public utility to recover on a timely basis environmental compliance  
15 costs and terrorism, sabotage, and natural disaster recovery costs not  
16 reflected in the utility's general rate schedule.

17 b. Allow a return on the public utility's investment made for environmental  
18 compliance costs and for infrastructure replacement and repair costs caused  
19 by acts of terrorism, sabotage, or natural disaster at the level approved in the  
20 utility's most recent general rate case unless a different return is found to be  
21 consistent with the public interest and the utility's cost of capital.

22 c. Provide a current return on construction work in progress for environmental  
23 compliance and infrastructure replacement and repair costs caused by  
24 terrorism, sabotage, and natural disaster.

- 1                    d. Terminate cost recovery after the public utility's costs for environmental
- 2                    compliance and terrorism, sabotage, or natural disaster recovery have been
- 3                    recovered fully or have been reflected otherwise in the public utility's general
- 4                    rates.
- 5                    2. Future rate adjustments filed under this tariff must be accompanied by:
- 6                    a. A description and quantification of the costs incurred by the public utility which
- 7                    are subject to recovery;
- 8                    b. A schedule for implementation of the applicable environmental compliance
- 9                    projects; and
- 10                   c. Calculations showing the derivation of the rate adjustment.