

CHAPTER 105**(HJR 141)**

A JOINT RESOLUTION relating to natural gas retail competition.

WHEREAS, it is the policy of the Commonwealth of Kentucky to ensure that Kentucky natural gas customers receive reliable natural gas services at fair, just and reasonable rates; and

WHEREAS, in order to ensure price transparency and to create purchasing options for consumers, and with the understanding that competition is reliant upon properly structured markets supported by both regulated and competitive business entities, natural gas retail competition programs should be evaluated;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. The Kentucky Public Service Commission (PSC) is hereby directed to commence a collaborative study of natural gas retail competition programs to determine if benefits could be derived from these programs, and to determine whether natural gas retail competition programs could be crafted to benefit Kentucky consumers. The study shall include an evaluation of existing natural gas retail competition programs. Upon completion of the study, the PSC shall make a written report to the General Assembly and the Legislative Research Commission of its findings and recommendations.

➔Section 2. As a part of the study directed by this Resolution, the PSC is encouraged to seek input from interested stakeholders, including but not limited to:

- (1) The Attorney General;
- (2) Regulated local distribution companies in Kentucky as defined in KRS 278.010(3)(b), if the local distribution companies do not include natural gas marketers;
- (3) Natural gas marketers, including natural gas marketers that are not local distribution companies, utilities, natural gas companies, public service companies, or similar companies;
- (4) Representatives from consumer groups; and
- (5) Representatives from all classes of customers.

➔Section 3. The study and subsequent report to the General Assembly and the Legislative Research Commission directed by this Resolution shall consider and examine elements that shall be incorporated into any proposed natural gas retail competition program. The report shall examine the following issues which need to be addressed in order to adequately protect the public interest in any new natural gas retail competition program:

- (1) The role of the PSC in a competitive marketplace;
- (2) The obligation to serve;
- (3) The supplier of last resort;
- (4) Alternative commodity procurement procedures;
- (5) Non-discriminatory access to services offered;
- (6) Codes of conduct for marketers and affiliates of regulated utilities;
- (7) Billing which should include the desirability of the purchase of receivables;
- (8) Certification of suppliers;
- (9) Transition costs;
- (10) Stranded costs;
- (11) Uncollectibles;
- (12) Disconnections;
- (13) Steps necessary to maintain system integrity;

- (14) Access to pipeline storage capacity; and
- (15) Impacts of new natural gas retail competition programs on existing utility services and customers.

The PSC shall also establish criteria by which the effectiveness of competition and benefits to customers can be measured.

➔Section 4. The report directed by this Resolution shall be provided to the Legislative Research Commission for appropriate distribution no later than January 1, 2011. Nothing in this joint resolution shall be construed to interfere with existing natural gas retail competition programs, including the continuation or extension of programs.

Signed by Governor April 12, 2010.