



Legislative Fiscal Office  
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**Bill Title:** Relating to expenditures nonrecoverable from ratepayers.

**Government Unit(s) Affected:** Public Utility Commission

### Summary of Fiscal Impact

Costs related to the measure are anticipated to be minimal - see explanatory analysis.

### Measure Description

The measure modifies the cost recovery framework for electric and gas companies regulated by the Public Utility Commission (PUC). The measure prohibits utilities from recovering certain categories of costs and expenses from ratepayers, including those associated with lobbying, charitable contributions, political activities, investor relations, litigation related to legislation or regulation, penalties and fines, executive travel, and compensation exceeding defined thresholds.

PUC may limit the portion of costs and expenses utilities may recover from ratepayers for contested case proceedings before the commission. Utilities must also submit detailed reports to PUC identifying costs and activities for the prior two years that are not recoverable, including itemized expenditures by vendor and employee compensation related to non-recoverable activities. The measure establishes civil penalties for noncompliance.

### Fiscal Analysis

The fiscal impact for PUC is anticipated to be minimal. The measure authorizes PUC to adopt rules limiting cost recovery in contested case proceedings and to oversee new reporting requirements related to non-recoverable utility expenses. While these responsibilities may require additional staff time for rulemaking and data review, the agency expects to absorb the workload within existing resources. The measure also authorizes civil penalties for noncompliance with reporting requirements. PUC may incur some legal expenses to enforce penalties. Although there is potential for revenue due to non-compliance penalties, collections would depend on the frequency and severity of violations which are indeterminate at this time, but any resulting revenues are expected to be minimal.

### Relevant Dates

The measure takes effect on January 1, 2026.