

House Engrossed

utilities; high load factor customers

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2756

AN ACT

AMENDING TITLE 30, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 2; AMENDING TITLE 40, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 40-207; RELATING TO PUBLIC UTILITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 30, Arizona Revised Statutes, is amended by adding
3 chapter 2, to read:

4 CHAPTER 2

5 PUBLIC POWER ENTITIES

6 ARTICLE 1. GENERAL PROVISIONS

7 30-301. Public power entities; new extra high load factor
8 customers; quarterly reports; load growth
9 projections

10 A. A PUBLIC POWER ENTITY THAT SERVES MORE THAN ONE MILLION
11 CONNECTIONS IN THIS STATE SHALL FILE WITH THE GOVERNING BODY OF THE PUBLIC
12 POWER ENTITY QUARTERLY REPORTS REGARDING NEW EXTRA HIGH LOAD FACTOR
13 CUSTOMERS, AS DEFINED BY THE PUBLIC POWER ENTITY, THAT INCLUDE BOTH OF THE
14 FOLLOWING WITH RESPECT TO THE IMMEDIATELY PRECEDING QUARTER:

- 15 1. THE NUMBER OF REQUESTS FOR INTERCONNECTION.
- 16 2. THE NUMBER OF COMPLETED INTERCONNECTIONS.

17 B. BEGINNING TWO YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION,
18 THE GOVERNING BODY OF THE PUBLIC POWER ENTITY MAY SUSPEND THE QUARTERLY
19 REPORT REQUIREMENT BY A MAJORITY VOTE OF THE GOVERNING BODY IF THE NUMBERS
20 REPORTED BY THE PUBLIC POWER ENTITY PURSUANT TO SUBSECTION A OF THIS
21 SECTION ARE ZERO FOR AT LEAST TWO CONSECUTIVE QUARTERS. THE GOVERNING
22 BODY MAY VOTE TO REINSTATE THE QUARTERLY REPORT REQUIREMENT AT ANY TIME.

23 C. A PUBLIC POWER ENTITY THAT CONDUCTS INTEGRATED SYSTEM PLANNING
24 SHALL INCLUDE EXTRA HIGH LOAD FACTOR CUSTOMERS IN THE PUBLIC POWER
25 ENTITY'S LOAD GROWTH PROJECTIONS FOR THE INTEGRATED SYSTEM PLAN.

26 Sec. 2. Title 40, chapter 2, article 1, Arizona Revised Statutes,
27 is amended by adding section 40-207, to read:

28 40-207. Electric service corporations; new extra high load
29 factor customers; quarterly reports; load growth
30 projections; rules; exemption

31 A. AN ELECTRIC PUBLIC SERVICE CORPORATION OPERATING IN THIS STATE
32 SHALL FILE WITH THE CORPORATION COMMISSION QUARTERLY REPORTS REGARDING NEW
33 EXTRA HIGH LOAD FACTOR CUSTOMERS, AS PRESCRIBED IN RULE, THAT INCLUDE BOTH
34 OF THE FOLLOWING WITH RESPECT TO THE IMMEDIATELY PRECEDING QUARTER:

- 35 1. THE NUMBER OF REQUESTS FOR INTERCONNECTION.
- 36 2. THE NUMBER OF COMPLETED INTERCONNECTIONS.

37 B. BEGINNING TWO YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION,
38 THE CORPORATION COMMISSION MAY SUSPEND THE QUARTERLY REPORT REQUIREMENT BY
39 A MAJORITY VOTE IF THE NUMBERS REPORTED BY THE ELECTRIC PUBLIC SERVICE
40 CORPORATION PURSUANT TO SUBSECTION A OF THIS SECTION ARE ZERO FOR AT LEAST
41 TWO CONSECUTIVE QUARTERS. THE CORPORATION COMMISSION MAY VOTE TO
42 REINSTATE THE QUARTERLY REPORT REQUIREMENT AT ANY TIME.

1 C. AN ELECTRIC PUBLIC SERVICE CORPORATION THAT CONDUCTS INTEGRATED
2 RESOURCE PLANNING SHALL INCLUDE EXTRA HIGH LOAD FACTOR CUSTOMERS IN THE
3 ELECTRIC PUBLIC SERVICE CORPORATION'S LOAD GROWTH PROJECTIONS FOR THE
4 INTEGRATED RESOURCE PLAN.

5 D. THE CORPORATION COMMISSION MAY ADOPT RULES PURSUANT TO ARTICLE
6 XV, SECTION 3, CONSTITUTION OF ARIZONA, THAT DO ALL OF THE FOLLOWING:

7 ESTABLISH REQUIRED CHARACTERISTICS THAT GOVERN THE TERMS FOR
8 ELECTRIC SERVICE PROVIDED TO EXTRA HIGH LOAD FACTOR CUSTOMERS THAT ARE NOT
9 OTHERWISE PROVIDED SERVICE UNDER A PRE-EXISTING ELECTRIC PUBLIC SERVICE
10 CORPORATION TARIFF. THE REQUIRED CHARACTERISTICS MAY INCLUDE ALL OF THE
11 FOLLOWING AND ENSURE FLEXIBILITY FOR AN ELECTRIC PUBLIC SERVICE
12 CORPORATION TO DEFINE SPECIFIC TERMS FOR EACH TRANSACTION ON A CASE-BY-
13 CASE BASIS:

14 1. PROVISIONS FOR MINIMUM BILLING REQUIREMENTS.

15 2. MINIMUM CONTRACT LENGTH.

16 3. PROVISIONS THAT GOVERN EARLY EXIT OR TERMINATION OF SERVICE
17 BEFORE THE TERM OF A CONTRACT CONCLUDES.

18 4. REQUIREMENTS FOR CUSTOMER-PROVIDED SECURITY, GUARANTEES OR
19 COLLATERAL TO SUPPORT SERVICE CONTRACT OBLIGATIONS.

20 5. REQUIREMENTS FOR EXTRA HIGH LOAD FACTOR CUSTOMER PAYMENTS TO
21 COVER THE COSTS OF ANY INFRASTRUCTURE IMPROVEMENTS, ADDITIONS OR EXPANSION
22 THAT ARE NECESSARY TO FACILITATE SERVICE TO THE CUSTOMER, WHICH SHALL BE
23 SUPPORTED BY SCHEDULES FILED BY THE ELECTRIC PUBLIC SERVICE CORPORATION
24 THAT DEMONSTRATE THE PROTECTION OF NON-HIGH LOAD FACTOR CUSTOMERS FROM
25 CROSS-SUBSIDIZATION.

26 E. THIS SECTION DOES NOT APPLY TO MEMBER-OWNED ELECTRIC
27 COOPERATIVES.

28 Sec. 3. Cost-of-service studies; exemption

29 Within one hundred eighty days after the effective date of this act:

30 1. An electric public service corporation operating in this state
31 shall file with the corporation commission a cost-of-service study that
32 shows the cost allocation of serving new extra high load factor customers.
33 This paragraph does not apply to member-owned electric cooperatives.

34 2. A public power entity that services more than one million
35 connections in this state shall file with the governing body of the public
36 power entity a cost-of-service study that shows the cost allocation of
37 serving new extra high load factor customers.

38 Sec. 4. Legislative findings

39 The legislature finds that this act:

40 1. Is necessary pursuant to article XV, section 3, Constitution of
41 Arizona, "for the convenience, comfort, and safety, and the preservation
42 of the health, of patrons of such corporations".

1 2. Does not attempt to set or establish any specific rates or
2 charges to be made or collected by public service corporations or require
3 the corporation commission to set or adopt any specific rates or charges
4 to be made or collected by a public service corporation.

5 3. Supports the adoption of rules and policies that establish new
6 customer classes, rate designs and cost allocation formula for extra high
7 load factor customers that are reasonable and necessary to prevent cost
8 shifts to residential customers from extra high load factor customers.