

House Engrossed

corporation commission; utilities; amortization; tariffs

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

HOUSE BILL 2782

AN ACT

AMENDING TITLE 40, CHAPTER 2, ARTICLE 7, ARIZONA REVISED STATUTES, BY
ADDING SECTION 40-363; RELATING TO UTILITY RATE SCHEDULES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 40, chapter 2, article 7, Arizona Revised
3 Statutes, is amended by adding section 40-363, to read:
4 40-363. Commission; public utilities; establishing rates;
5 fair value
6 A. IF A REGULATORY ASSET IS INCLUDED IN RATE BASE OR OTHERWISE
7 REFLECTED IN RATES BASED ON A TEST YEAR OR HISTORICAL BALANCE, THE
8 COMMISSION AND THE PUBLIC SERVICE CORPORATION SHALL DISCLOSE ALL OF THE
9 FOLLOWING:
10 1. THE UNAMORTIZED BALANCE OF THE REGULATORY ASSET AS OF THE RATE
11 EFFECTIVE DATE.
12 2. THE DIFFERENCE BETWEEN THE TEST YEAR BALANCE AND THE RATE
13 EFFECTIVE DATE BALANCE.
14 3. THE TOTAL AMOUNT OF AMORTIZATION EXPENSE EXPECTED TO BE
15 RECOVERED OVER THE PERIOD THE RATES ARE IN EFFECT.
16 4. IF A PUBLIC SERVICE CORPORATION'S REGULATORY ASSETS INCLUDE
17 EITHER ASSETS WHOSE RATE BASE VALUE REMAINS FIXED UNTIL THE NEXT RATE CASE
18 OR ASSETS WHOSE RATE BASE VALUE DECLINES IN PROPORTION TO THE AMORTIZATION
19 OF THE UNAMORTIZED BALANCE, THE PUBLIC SERVICE CORPORATION SHALL DISCLOSE
20 THE TREATMENT APPLIED TO EACH CATEGORY OF REGULATORY ASSET AND INDICATE
21 WHETHER AND HOW RATE BASE WILL BE ADJUSTED OVER TIME TO REFLECT DECLINING
22 BALANCES FOR THE ASSETS SUBJECT TO SUCH ADJUSTMENT.
23 B. NOTHING IN THIS SECTION REQUIRES THE COMMISSION TO ADOPT ANY
24 PARTICULAR ADJUSTMENT MECHANISM, BUT THIS SECTION DOES REQUIRE THE
25 COMMISSION TO ENSURE THAT THE DISCLOSURES REQUIRED BY THIS SECTION ARE
26 SUFFICIENT TO COMPARE THE TOTAL AMOUNTS THAT WILL BE RECOVERED IN RATES
27 AGAINST THE REMAINING UNAMORTIZED BALANCE OF REGULATOR ASSET.
28 Sec. 2. Legislative intent
29 The legislature intends that the corporation commission and public
30 service corporations publicly post tariff schedules, including
31 amortization schedules, that impact rates as this provides the public with
32 the ability to comment on rate schedules that are set by the corporation
33 commission.