

Bill Brief for repeal of PUC's role in issuing a certificate of financial good standing

Overview: The purpose of this bill is to do away with the option for utilities to obtain a certificate of good financial standing from the PUC for self-insurance purposes.

The PUC seeks repeal of 62-5-17 due to the changing nature of the utility business. Utilities have become more diverse in their business holdings in the decades since this statute was passed. Today much of the business is non-jurisdictional as utilities have acquired other business entities, both utility and non-utility, which operate outside the purview of the SDPUC. It has become virtually impossible for the SDPUC to accurately measure the financial standing of multi-tiered, non-jurisdictional operations of utilities with only a portion of their overall business being jurisdictional in South Dakota.

Repeal of the statute would have the utilities go back (as they were before about 1989) to being treated like any other self-insured entity.