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Matter of Oklahoma Development Finance Authority for Approval of Not to Exceed $800,000,000 Ratepayer-Backed Bonds

Supreme Court of Oklahoma - May 3, 2022 - P.3d - 2022 WL 1312957 - 2022 OK 41

Oklahoma Development Finance Authority (ODFA) filed application for approval of issuance of ratepayer-backed bonds pursuant to February 2021 Regulated Utility Consumer Protection Act to finance recovery of natural gas costs incurred by public utility during two-week period of record cold temperatures.

Ratepayers filed protests challenging bonds.

On assumption of original jurisdiction, the Supreme Court held that:

- ODFA followed correct statutory process for authorization to issue bonds, and
- Bonds did not violate constitutional debt-limitation provisions.

Oklahoma Development Finance Authority (ODFA) followed correct statutory process pursuant to February 2021 Regulated Utility Consumer Protection Act for authorization to issue ratepayer-backed bonds to finance recovery of natural gas costs incurred by public utility during two-week period of record cold temperatures; ODFA gave proper notice of its application and required hearing, and final financing order set out parameters of bonds' issuance, terms, conditions, requirements, and interest.

Ratepayer-backed bonds issued by Oklahoma Development Finance Authority (ODFA) pursuant to February 2021 Regulated Utility Consumer Protection Act to finance recovery of natural gas costs incurred by public utility during two-week period of record cold temperatures did not violate constitutional debt-limitation provisions; bonds would be repaid through a charge on each ratepayer's monthly bill, such charge was secure revenue source, and money to directly pay bonds was reliable, predictable fees from outside sources, rather than from one state entity to another.

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