

# HOUSE COMMITTEE ON ADVANCING E-GOVERNMENT

May 01, 2001  
3:30 PM

Hearing Room E  
Tapes 45-46

**MEMBERS PRESENT:** Rep. Jim Hill, Chair  
Rep. Rob Patridge, Vice-Chair  
Rep. Kathy Lowe

**MEMBER EXCUSED:**

**STAFF PRESENT:** Mark Jolley, Committee Administrator  
Alice Morton, Committee Assistant

**MEASURE/ISSUES HEARD:** HB 3696 Public Hearing & Work Session

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These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<b>Tape 45, A</b> 005	Chair Hill	Calls the committee to order at 3:45 p.m. and opens a public hearing on HB 3696, which limits the authority of the Public Utility Commission to regulate services of utilities.
<b><u>HB 3696 – Public Hearing</u></b> 006	John DiLorenzo	Attorney, representing Portland General Electric. Makes brief opening statement introducing –1 amendments that PGE has developed ( <b>EXHIBIT A</b> ).
045	Michael Morgan	Attorney. Portland General Electric. Goes through the –1 amendment detailing its contents.
076	Morgan	Continues, outlining Section 8 and onward.
103	Rep. Lowe	Says upon reading several parts of the amendment that it looks like many contracts would be sole source.
130	Morgan	Replies yes, it could make them sole source, but the PUC can also continue with traditional regulation.
163	DiLorenzo	Adds comments to clarify contract information in response to Rep. Lowe's questions.
182	Rep. Lowe	Says she feels the legislature would be giving up its authority on contracts, it would be unconstitutional, and that the amendment does not feel right.
210	DiLorenzo	Responds.
212	Mark Hellman	Administrator, Public Utilities Commission. Testifies, opposing HB 3696 and submits written testimony ( <b>EXHIBIT B</b> ). States the bill is so complex that the commission still does not have a good understanding of all the implications and that now is not the right time to consider a  major restructuring of the regulatory framework for energy utilities.
390	Hellman	Continues presentation, detailing reasons for opposing HB 3696.
420	Chair Hill	Asks for clarification and says he spoke with commissioner Smith yesterday and heard something different.

445	Hellman	Said in two weeks there might be a different view by the PUC given the anticipated change in commissioners as well as changes in other variables.
<b>TAPE 46, A</b>		
035	Brad Van Cleve	Industrial Customers of Northwest Utilities (ICNU) and Northwest Industrial Gas Users (NWIGU). Testifies against HB 3696 and submits written comments ( <b>EXHIBIT C</b> ).
114	Jeff Bissonnette	Citizens Utility Board (CUB) Says they go on record as opposing the bill and says they have similar concerns as the previous speaker.
125	Chair Hill	Asks when the CUB would feel they are ready to address the concepts.
130	Bissonnette	Says he will need to speak with others of his group.
145	DiLorenzo	Comments on points of Mr. Hellmans' testimony that he disagrees with.
175	Rep. Lowe	Asks for a summarizaiton of the law related to consumer protections.
Rep. Lowe	Morgan	Supplies answer regarding the law.
180	DiLorenzo	Continues with rebuttal points.
190	Chair Hill	Asks about Public Utility Commission's role.
205	Morgan	Responds that they do not expect anything sweeping, but that the contract would provide another tool for the commission.
210	DiLorenzo	Says they desire latitude to allow for the acquisition of experience and of contract/business experiments to enable possible innovation.
225	Mark Hellman	Public Utility Commission. Makes two points related to Mr. DiLorenzo's comments. Adds there are some policy decisions that the legislature may wish to reserve for themselves, rather than bestow on the Public Utility Commission.
247	Rep. Patridge	Gives Mr. Hellman copies of the -4 amendment ( <b>EXHIBIT D</b> ).
300	Hellman	Says it is hard to understand on the spot what the -4 amendment does, and that he was only aware of the -1 amendments.
322	Chair Hill	Says it repeals SB 1149.
325	Committee	Exchange with Mr. Hellman and PUC attorney regarding the proposed amendments.
330	Committee	Verbal exchange continues.
470	Committee	Verbal exchange continues.
<b>TAPE 45, B</b>		
050	Jeff Bissonnette	Citizens Utility Board (CUB). Comments briefly on proposed amendments.
060	Chair Hill	Asks if there are any others who wish to speak toward HB 3696 or any amendments.
065	Chair Hill	Closes public hearing on HB 3696 and opens work session on HB3696.

**HB 3696 – Work Session**

**Recesses meeting from 4:45 to 5:05 p.m.**

<b>070</b>	<b>Rep. Hill</b>	<b>MOTION: Moves to ADOPT HB 3696--1 amendments dated 4/25/01.</b>
		<b>VOTE: 1-2</b>
		<b>AYE: 1 - Hill</b>
		<b>NAY: 2 - Lowe, Patridge</b>
<b>075</b>	<b>Chair Hill</b>	<b>The motion FAILS.</b>
<b>079</b>	<b>Rep. Patridge</b>	<b>MOTION: Moves to SUSPEND the rules for the purpose of</b>

083 Chair Hill  
085 Rep. Lowe  
**adopting the hand engrossed version of the -5 amendments.**  
Asks if there is any discussion.  
Says she wants to make a speech regarding the number of proposals about energy deregulation, as she is concerned about today's proceedings. Says there must be a real delay, not a faux delay and that it must be a delay of up to two years. Says her other deep, deep concern is the necessity of having some public purpose funds available, as they are vital for the ratepayers and to develop energy alternatives. Says she prefers a two year delay, and suggests that for now, implementing ½ of the public purpose funds, which would be 1 ½ %. Says in so doing, we would have the next interim to monitor what the trust fund committee is doing with the funds, and how effective they are at helping develop other energy sources and implementing the public purpose funds. Says that they could be given the other ½ of the public purpose funds once deregulation is implemented, if it is. Adds, HOWEVER, we are not doing that now, and we are faced with the current dilemma, therefore she supports Rep. Patridge's motion on the -5 amendments (**EXHIBIT E**).  
**VOTE: 2-1**  
**AYE: 2 - Lowe, Patridge**  
**NAY: 1 - Hill**

125 Chair Hill  
**The motion CARRIES.**

130 Rep. Patridge  
**MOTION: Moves to AMEND HB 3696 on page 1, in line 13, delete the reference 757.663; in addition to that, on page 5 delete section 7 in its entirety, and change what is now section 8 to section 7, which is on page 7, line 4.**

140 Chair Hill  
146 Rep. Patridge  
Asks if there is any discussion.  
Delivers his reasons for proposing the full repeal of SB 1149. Says he voted against it originally and feels there are too many unknown variables and external causes to deem it appropriate.

167  
**VOTE: 2-1**  
**AYE: 2 - Lowe, Patridge**  
**NAY: 1 - Hill**

170 Chair Hill  
**The motion CARRIES.**

180 Rep. Patridge  
**MOTION: Moves HB 3696 to the floor with a DO PASS AS AMENDED recommendation.**

**Committee recesses from 5:10 p.m. to 5:20 p.m.**

180 Chair Hill  
182  
Asks for any discussion, says this is not a prudent act at the time.  
**VOTE: 2-1**  
**AYE: 2 - Lowe, Patridge**  
**NAY: 1 - Hill**

Chair Hill  
**The motion CARRIES.**

184 Chair Hill  
**CHANGES vote from NAY to AYE on the MOTION to Move HB 3696 to the floor with a DO PASS AS AMENDED recommendation**  
**SERVES NOTICE OF POSSIBLE RECONSIDERATION.**

185

Chair Hill

Closes work session on HB 3696 and adjourns meeting at 5:20 p.m.

Submitted By,

Reviewed By,

Alice Morton,  
Committee Assistant

Mark Jolley,  
Committee Administrator

**EXHIBIT SUMMARY**

- A – HB 3696, -1 amendments, PGE staff to committee staff, 3pp.**
- B – HB 3696, written testimony, Mark Hellman, PUC staff, 3pp.**
- C – HB 3696, written testimony, Brad Van Cleve, 2pp.**
- D – HB 3696, -2, -3, -4 amendments, staff, 35pp.**
- E – HB 3696, -5 amendments, hand engrossed by Rep. Patridge, 7pp.**