

HOUSE COMMITTEE ON POWER DEREGULATION

May 13, 1997 Hearing Room E

1:00 P.M. Tapes 154 - 155

MEMBERS PRESENT:

Rep. Jim Welsh, Chair

Rep. Cynthia Wooten, Vice-Chair

Rep. Randall Edwards

Rep. Jim Hill

Rep. Patti Milne

Rep. Lonnie Roberts

Rep. Ken Strobeck

MEMBER EXCUSED:

STAFF PRESENT:

John Larson, Administrator

Julie Neburka, Asst. Administrator

Lynda Sloan, Administrative Support

MEASURE/ISSUES HEARD:

HB 2821 PUBLIC HEARING AND WORK SESSION

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.

Tape/#	Speaker	Comments
TAPE 154, A		
001	Chair Welsh	Opens meeting, 1:55 p.m. Thanks participants, expresses appreciation for input on bill. Says legislative leadership very concerned about what goes into legislation. Discusses review of what has transpired
050	Chair Welsh	Continues review. Discusses desire for move from status quo.

100	Chair Welsh	Discusses portions being carried over to task force. Discusses key components left to talk about: Date for open access, three percent for public purposes, pilot programs, low income assistance committee.
<u>HB 2821</u> <u>WORK</u> <u>SESSION</u>		
140	Rep. Wooten	Notes several items she would like to be considered: * language pertaining to cap on rates * relationship to franchise fees pertaining to pilot projects * preservation of Bonneville Power Administration * standards, direction to PUC regarding stranded costs determination * discusses not to be determined as strip down bill * discusses PUC recommendations to move forward
178	Rep. Roberts	Asks about cap on rates.
180	Rep. Wooten	Explains about cap and what other states are doing, time frame through transition period.
200	Chair Welsh	Asks about language on rate cap.
204	Rep. Wooten	Amendment available, also amendment on franchise fees for cities relative to pilot projects and major industrial users.
214 267	Committee	Discusses * whether any customer class allowed to go early * date certain * public purposes * pilot projects time line * propose 10/1/2001 implementation date * LC language drafted to include 10/1/2001 * any customer class allowed to go early
289	Ron Eachus	Commissioner, Public Utility Commission. Discusses distinction between allowing someone to go early and mandating particular customers to go on a particular date.

314	Chair Welsh	Acknowledges both terms have been used.
319	Rep Wooten	Comments on not using mandate.
332	Rep. Roberts	Asks if still on operative date of 2001. Discusses stranded costs.
354	Chair Welsh	Discusses asking legislative counsel or PUC to address stranded costs. Discusses passing recommendations to task force to address or ask PUC for investor owned utilities. Comments stranded costs issue then can be allowed to be determined by governing boards of co-ops, PUDs and municipalities.
374	Rep. Wooten	Discusses should be PUC decision-making process with recommendations.
390	Chair Welsh	Asks if committee will allow recovery of stranded costs.
401	Rep. Wooten	Discusses her recommendation to not specify amount.
423	Rep. Hill	Disagrees in terms of legislature needs to set policy. States favors setting percentage.
TAPE 155, A		
001	Rep. Roberts	Discusses coming back to general rate payers.
010	Chair Welsh	Discusses test being giving direction to PUC.
040	Rep. Wooten	Discusses language that protects obligations of utilities.
058	Rep. Hill	Question regarding amendments, piecing together.
071	Chair Welsh	Discusses recommended date of 10/1/2001 for open access, and making decision regarding stranded costs.
076	Rep. Wooten	Discusses going to motion amendment process.
077	Chair Welsh	Asks to look at transition language, Section 16.
108	Rep. Wooten	Discusses amendment provided by Fair and Clean, addressing concern of timing and amount. Reads amendment.
119	Rep. Roberts	Discusses not being clear on issue, asks for guidance on stranded costs.
129	Rep. Wooten	Discusses wanting to move bill forward out of committee, instead of going in circles.
147	Rep. Strobeck	States agreement with Rep. Wooten. Discusses being able to come up with date. Discusses not being able to resolve stranded costs issues in committee and should be directed to legislative task force.

164	Chair Welsh	Asks Rep. Roberts about allowing time for determination of stranded costs.
168	Rep. Roberts	Asks to hear from Portland General Electric to get whole picture.
171	Jim Tarpey	Enron. Discusses concern with date as integrally related to stranded costs, tied to each other. Discusses key items being date and stranded costs. States early access can be worked out with PUC. Once set date, dissension "among troops."
192	Rep. Wooten	Asks for clarification of who "troops" are.
193	Tarpey	Responds Enron and other participants.
197	Chair Welsh	Reads proposal on transition charge.
214	Rep. Wooten	Discusses that satisfying her concerns.
221	Chair Welsh	Discusses with other language, transition charges will be determined before open access.
228	Jason Eisdorfer	Citizens Utility Board. Comments being right on point. Discusses if have someone go early, make sure not cost shifting, make sure everyone at table in next session. List of things to be done: stranded costs determination, allocation; unbundling docket, metering issues, pilot programs, resolution of franchise tax issue. Would like to see default cost based, market based rates discussed before allowing anyone to go first.
257	Steven Weiss	Northwest Conservation Coalition. Discusses setting date, short date of things to be done. No one goes until they are done.
280	Chair Welsh	Discusses recommended date of 10/1/2001.
289	Rep. Strobeck	Discusses 1/1/2002 alternative date.
295	Committee	Discusses date.
339	Chair Welsh	Discusses having 10/1/2001 in draft, 1/1/2002 not drafted. Discusses public purposes, customer classes - are we allowing any to go early or at same time.
257	Rep. Wooten	States personal preference is not mandate all customer classes move to open access at same time. Allow PUC to hear requests for moving into competitive market prior to open access date.
367	Chair Welsh	Discusses allowing customer choice by certain date - allow prior to, mandate at.
395	Rep. Roberts	Discusses having more flexible system. Discusses making application through PUC.
404	Chair Welsh	States governing board take care of PUD's, co-ops.
	Rep.	States agrees with language to allow some classes of customers to go

408	Strobeck	sooner. Discusses having reality mechanism.
434	Chair Welsh	Discusses allowing customers working with their public utilities to go early to be determined by those incumbent utilities - working out an agreement.
TAPE 154, B		
001	Rep. Hill	Discusses problem for industrial who wants to go and cannot. If let class of customers go, let all in class go. Discusses having arbiter to determine impact.
019	Chair Welsh	Discusses until 2001 consumer owned utilities tied to contracts, some are diversified 10-30 percent. Discusses utilities making decisions balancing costs of power. Discusses group of consumer owned utilities that have not diversified. Discusses exit fee. Asks if something else needed for consumer owned or is it to be taken up in their determination of stranded costs, transition costs.
050	Rep. Wooten	States agrees with Chair Welsh's comments.
085	Chair	Discusses next meeting. Adjourns meeting at 3:02.
		(EXHIBITS A - H) submitted into record (see exhibit summary).

Submitted By, Reviewed By,

Lynda Sloan, John Larson,

Administrative Support Administrator

Transcribed By,

Shirley Spendal,

Administrative Support

EXHIBIT SUMMARY

A - HB 2821, Written Testimony, Jim Deason, 25 pg.

B - HB 2821, Written Testimony, Tom O'Connor, 2 pg.

C - HB 2821, Written testimony, Fred Gordon, 1 pg.

D - HB 2821, Written testimony, Ron Eachus, 3 pg.

E - HB 2821, Written testimony, Denise McPhail, 2 pg.

F - HB 2821, Written testimony, Jane Cummins, 2 pg.

G - HB 2821, Written testimony, Steve Weiss, 7 pg.

H - HB 2821, Written testimony, Jim Anderson, 2 pg.