

**HOUSE COMMITTEE ON POWER DEREGULATION**

**WORK GROUP**

**Monday, March 10, 1997 Hearing Room 137**

**3:00 p.m. Tapes 36 - 38**

**MEMBERS PRESENT:**

**Rep. Jim Welsh, Chair**

**STAFF PRESENT:**

**John Larson, Administrator**

**Lynda Sloan, Administrative Support**

**MEMBERS OF PUBLIC**

**PRESENT:**

**Jim Anderson, PacifiCorp**

**Gary Conklin, OEC**

**Ron Eachus, Oregon Public Utility Commission**

**Jason Eisdorfer, Fair and Clean Energy Coalition**

**Jim Gardner, Enron**

**Libby Henry, Eugene Water and Electric Board**

**Denise McPhail, Portland General Electric**

**John Savage, Office of Energy**

**Sarah Sifford, ORECA**

**Brad Van Cleve**

**MEASURE/ISSUES HEARD:**

**Development of Consensus Bill**

**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.**

---

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>Tape 36, A</b>		
001	Chair Welsh	Calls meeting to order at 3: 06 p.m. Announces sections of Strawman Bill being worked on this meeting.
<b>ISSUES DISCUSSED</b>		
010	Chair Welsh	Announces vote to be taken on inclusion of Section 11. Right to interconnect.
020	Work Group	Discusses inclusion of Section 11.
043	<b>Vote</b>	<b>NO</b> on including Section 11.
051	Chair Welsh	Announces vote on inclusion of Section 17.Comparability.
056	<b>Vote</b>	<b>YES</b> on inclusion of Section 17.
058	John Larson	Reads Section 17.
068	Work Group	Discusses language of Section 17 * possible redundancy in subsections 2 and 3 * suggestions for changes * goal is to avoid self-dealing
125	Work Group	Continues discussing Section 17.(2) and (3) * keeping customer information private * intent of language of (2) and (3)
172	Work Group	Continues discussing Section 17.(2) and (3) * inclusion of proactive release of information upon request of customer * two issues: who has access to customer information, and right of customer not to provide information * comparability of information, and release of information requiring positive action, or assumption that information is public unless customer requests otherwise * removal of subsection (3)
235	Work Group	Discusses amending subsection (2) by adding "timely" between "customers" and "access". Discusses * enforcement

		* provision of information
289	Work Group	Discusses * necessity for definition of power marketing * amending language regarding affiliates
335	Tom O'Connor	Asks for clarification of term "comparability".
366	Ron Eachus	Gives examples of comparability in pricing bundled and unbundled charges.
<b>Tape 37, A</b>		
001	Eachus	Continues comments regarding bundled and unbundled charges.
015	Work Group	Discusses distribution charges for different classes of customers.
070	Work Group	Continues discussion of subsection (3).
082	Chair Welsh	Requests motion on removal of subsection (3) of Section 17.
090	Ron Eachus	Moves subsection (3) of Section 17 be removed.
092	<b>Vote</b>	<b>YES</b> to remove subsection (3) of Section 17.
098	Chair Welsh	Notes amendments to subsection (2).
099	Larson	Reads amended subsection (2). Adds "timely" between customers and access, and changes "own divisions and affiliates" to "non-distribution divisions and related parties."
110	Work Group	Discusses deleting or rephrasing introductory clause to Section 17 which includes effective date July 1, 1999.
124	Larson	Reads Section 17 introductory clause, substituting "When an electric utility offers direct access, the utility shall:"....
128	<b>Vote</b>	<b>YES</b> on rephrased introductory clause.
125	Larson	Reads revised Section 17.
141	<b>Vote</b>	<b>YES</b> to include revised Section 17.
143	Work Group	Discusses Section 22. Statutory obligation to serve ( <b>EXHIBIT A</b> ) * may be tied to other sections, i.e., Section 8, default supplier and consumer protection rules * may need to combine this section with other related sections
176	Chair Welsh	Asks if Section 22 should be combined with other sections on consumer protection.
		Proposes amendment, adding a subsection that allows utility to impose a

181	Eachus	fee, if approved by Commission, to cover administrative costs of changing suppliers or electric company tariff options if done more than once in any 12-month period.
210	Chair Welsh	Calls for vote on including Section 22. Statutory obligation to serve.
215	Work Group	Discusses inclusion of Section 22  * reason for including in bill  * covers both default supplier and obligation to connect  * reasons it seems connected to Section 8  * clarify statutory obligation
260	<b>Vote</b>	<b>YES</b> to include Section 22 with consumer protection when discussing Sections 8 and 9.
270	Work Group	Discusses  * ancillary services  * clarification of energy imbalance service  * consistency with FERC definition of ancillary services  * statutory obligation to serve, provide direct access  * consumer protection  * obligation to connect
<b>Tape 36, B</b>		
001	Work Group	Discusses obligation to connect.
012	Chair Welsh	Discusses proposals on Sections 7, 8, 9, 27, 22.A, distribution company obligations, and Sections 19, 20, 21, and 28 consumer protection.
031	Work Group	Discusses revisions to Section 22.(1).(b) and (c) proposed by the state agency caucus  * amendments  * necessity of inclusion in bill  * authority for collecting administrative costs for switching providers whenever it occurs
080	Work Group	Continues to discuss subsections (b) and (c)

121	Work Group	Discusses revisions to Section 22.(2).(a) proposed by state agency caucus <ul style="list-style-type: none"> <li>* relevance of term "new customer"</li> <li>* may be obligation to serve</li> <li>* attempt to treat returning customer no different than any other new customer</li> </ul>
180	Work Group	Continues discussion <ul style="list-style-type: none"> <li>* informed choices</li> <li>* distribution of administration costs incurred through customer choice</li> </ul>
220	Eachus	Discusses <ul style="list-style-type: none"> <li>* changes occurring in market as result of customer choice</li> <li>* rules might affect market</li> <li>* potential effects of fees</li> <li>* possible inhibition of competition</li> </ul>
270	Work Group	Continues discussing <ul style="list-style-type: none"> <li>* administrative costs</li> <li>* fees to industrial and commercial compared to residential customers</li> </ul>
320	Work Group	Discusses <ul style="list-style-type: none"> <li>* who pays for switching</li> <li>* wording of proposed Section 22.(2).(a), assumptions of market-based tariff</li> </ul>
359	Chair Welsh	Requests vote on inclusion of proposed Section 22.(2).(B)
370	Work Group	Discusses effects of leaving in or taking out the subsection.
<b>Tape 37, B</b>		
001	Chair Welsh	Calls for vote on removing proposed Section 22.(2).(b).
006	<b>Vote</b>	<b>YES</b> to remove.
016	Work Group	Discusses revisions to Section 22.2. (B) and (C) proposed by industrial customer caucus. Obligation to connect <ul style="list-style-type: none"> <li>* ancillary services being part of distribution utility's obligation or energy</li> </ul>

		related service in the market
065	Work Group	Continues to discuss proposed Section 22.(2).(B) and (C) * parcelling off some services * possibility for commission to impose new fees * wires only facilities
148	Work Group	Continues discussion of proposed Section 22.(2).(B) and (C) * services necessary to use distribution facilities * unbundled services * customer pays for ancillary services * two choices: distribution company has responsibility to provide ancillary services or it is left up to competitive market * provision of waiver
210	O'Connor	Reads from proposed Section 22.(2).(C); says it means a company can't be a wires only company. Asks if that is the intent.
228	Work Group	Discusses concept of wires only company.
285	Savage	Suggests subsection can be amended to address concern of utility that does not want to sell power in market but remain wires only.
295	Eachus	Discusses an interpretation of proposed Section 22.(2).(B) regarding purchase of electricity from a distribution company. Suggests amending language to say that the distribution company has to continue providing.
345	Work Group	Continues discussion of wires only company.
<b>Tape 38, A</b>		
001	Work Group	Discusses distribution charges and ancillary services requirements * intent of legislation * rewrite to meet original intent
050	Chair Welsh	Suggests industrial customer, publicly-owned utility, and investor-owned utility caucuses draft amendment to proposed Section 22.(2).(B).
055	Conklin	Discusses ICNU's objective to have customer choice.
		Discusses assignment for Wednesday * Declaration of Policy

084	Chair Welsh	<ul style="list-style-type: none"> <li>* Section 7, Cost-based rates for distribution facilities and ancillary services</li> <li>* Section 8, Default supplier</li> <li>* Section 9, Market-based index rate</li> <li>* Section 22, Statutory obligation to serve</li> <li>* Section 27, Access to Bonneville Power Administration...</li> </ul>
125	Welsh	Adjourned 5:03 p.m..

Submitted By, Reviewed By,

Lynda Sloan, John Larson,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A - Proposed amendments to Strawman Bill, Staff, 2 pp.**