

**MINUTES OF THE
PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE**

Wednesday, May 19, 1999 - 9:00 a.m. - Room 223 - State Capitol

Members Present:

Sen. Lorin V. Jones, Co-Chair
Rep. Sheryl L. Allen, Co-Chair
Sen. Mike Dmitrich
Sen. Joseph L. Hull
Sen. Howard C. Nielson
Rep. Ralph Becker
Rep. Chad E. Bennion
Rep. Melvin R. Brown
Rep. Blake D. Chard
Rep. David N. Cox
Rep. Gary F. Cox
Rep. Kevin S. Garn
Rep. Brent H. Goodfellow
Rep. Tom Hatch
Rep. Gordon E. Snow
Rep. John E. Swallow
Rep. David Ure

Members Excused:

Sen. Leonard M. Blackham
Rep. David M. Jones

Staff Present:

Mr. Richard North,
Research Analyst
Ms. Tani Pack Downing,
Associate General Counsel
Ms. Junie G. Anderson,
Legislative Secretary

Note: A list of others present and a copy of materials distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

1. Call to Order - Chair Allen called the meeting to order at 9:14 a.m.

MOTION: Rep. Gary Cox moved to approve the minutes of the April 21, 1999 meeting. The motion passed unanimously, with Rep. Becker, Rep. Garn, Rep Hatch, Rep. Swallow, and Rep. Ure absent for the vote.

2. Utilities In Highway Rights-of-Way Task Force Report - Rep. Tom Hatch, House Chair, Utilities In Highway Rights-of-Way Task Force, reported on the study plan and schedule of meetings for the task force. He distributed a map titled "States Telecommunication Resource Sharing Agreements," and discussed the information contained within.

Mr. Jerry Oldroyd, representing Electric Lightwave, and a member of the task force, assured the committee that the task force will strive to be non-discriminatory toward all utility companies.

Mr. Jerry Fenn, representing rural telecommunication users, also a member of the task force, discussed the compensation for utility companies that is being considered by the task force.

3. What Is The Blue Stakes Program? Who Does It Affect & Who is Exempt? - Ms. Tina Kraus, Manager - Blue Stakes Program, distributed a handbook titled "Professional

Excavator's Handbook - Moving More Than Dirt." A statute from the Utah Code titled "Title 54 Chapter 08a – Damage to Underground Utility Facilities," was also distributed by staff. She explained that the law requires operators to call Blue Stakes before engaging in activity which displaces earth, rock, or other material on or below the ground, and the only exception to that law is a homeowner who is tilling his own yard.

Mr. Vaughn Shosted, Chair - Blue Stakes, answered concerns of committee members regarding liabilities as stated in the statute.

4. Can Other Rural Communities Benefit From Gas Extensions Like Panguitch? - Mr. Ric Campbell, Director - Division of Public Utilities (DPU), distributed a handout titled "Natural Gas to Rural Communities," and discussed the ruling by the Public Service Commission (PSC) and the current law regarding the extension of natural gas service to rural communities.

Commissioner Steve Mecham, Chair - PSC, said the PSC is supportive of natural gas service to the rural communities but is concerned about the cost, subsidies, and benefits.

Mr. Alan Allred, Questar, said there is a balancing act between the interest of existing customers and new customers regarding the cost of extending the gas service. He discussed which rural areas are being considered for natural gas service.

Mr. Eric Orton, Committee for Consumer Services (CCS), distributed a handout titled "Issues for Consideration for the Interim Committee Regarding HB 180," and then discussed the issues outlined in the handout.

5. What Is The Status Of The Power Merge Between Utah Power & Light and ScottishPower? What Are The Key Issues? - Mr. Ric Campbell, Director - DPU, distributed a handout titled "PacifiCorp - ScottishPower Merger," and discussed the merger case schedule by state as listed in the handout. The handout also included a list of the parties involved in the merger.

Mr. Lowell Alt, Manager - Energy Office, DPU, distributed a handout titled "ScottishPower Merger - Key Issues," and discussed the issues.

Ms. Kelly Francone, CCS, gave a slide presentation and distributed a copy titled "ScottishPower/PacifiCorp Merger." She expressed concern by CCS over ScottishPower placing unknown conditions on the Utah rate-payers but stated that CCS is in neutral position regarding the merger.

Mr. Kevin Boardman, Manager of Government Affairs - Utah Power, provided testimony on behalf of Utah Power regarding the PacifiCorp and ScottishPower merger. He maintained that

the merger would make Utah Power a stronger, more competitive company with improvements in customer service and reliability.

Mr. Alan Richardson, ScottishPower, provided background information on ScottishPower and discussed efforts that would be taken by the merging companies to ensure high customer service standards.

Chair Allen expressed concerns that ScottishPower has high indebtedness in unsecured loans and PacifiCorp had most of its indebtedness in secured loans. She was also concerned over the process of selling distribution and the first right of refusal on the distribution lines for communities. Mr. Richardson answered her concerns.

A booklet titled "ScottishPower - PacifiCorp - Customer Service Standards," and a handout titled "Idaho Commission Staff Recommends Approval of ScottishPower-PacifiCorp Merger," were distributed by Mr. Boardman, PacifiCorp.

A packet titled "ScottishPower-PacifiCorp Power Merger," was distributed. The packet contained: 1) Utility NEWS (April-June, 1999) Summary of Oregon PUC staff recommendations and 2) Oregon Public Utility Commission Report on Power Merger.

6. Adjournment -

MOTION: Sen. Hull moved to adjourn the meeting at 11:48 a.m. The motion passed unanimously, with Sen. Dmitrich, Rep. Becker, Rep. Brown, Rep. D. Cox, Rep. G. Cox, Rep. Garn, and Rep. Ure absent for the vote.

