

**MINUTES OF THE
ELECTRICAL DEREGULATION AND CUSTOMER CHOICE TASK FORCE**

Thursday, June 22, 2000 - 1:00 p.m. - 303 State Capitol

Members Present:

Sen. Leonard M. Blackham, Chair
Rep. Tom Hatch, Chair
Sen. Lorin V. Jones
Sen. Eddie "Ed" P. Mayne
Sen. Millie M. Peterson
Sen. Michael G. Waddoups
Rep. Ralph Becker
Rep. Sheryl L. Allen
Rep. Judy Ann Buffmire
Rep. Kevin S. Garn

Members Absent:

Rep. Jack A. Seitz
Rep. David Ure

Staff Present:

Ms. Patricia Owen,
Associate General Counsel
Ms. Beverlee LeCheminant,
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 - Approval of Minutes of June 8, 2000 Meeting - Chair Hatch called the meeting to order at 1:20 p.m.

MOTION: Sen. Peterson moved to approve the minutes of the June 8, 2000 meeting.

Sen. Jones indicated that on page two of the minutes in the first sentence of the fourth paragraph the term should read "138kv."

The amended minutes were approved unanimously with Reps. Seitz and Ure and Sen. Mayne absent for the vote.

2. Task Force Business - Chair Hatch excused Rep. Seitz from the meeting.

3. Task Force Discussion - Rep. Hatch indicated that in response to Rep. Garn's motion at the June 8th meeting, the chairs asked staff to meet with the interested stakeholders. A meeting was held on June 15 and four issues identified by the chairs were discussed by the working group: taxation, customer protections against cost shifting, regional transmission, and stranded costs/benefits.

a. Taxation

Ms. Patricia Owen, Associate General Counsel gave a brief overview of the discussion that took place in the June 15th meeting regarding taxation. She provided task force members with printed copies of her overview.

Task Force discussion followed with the following individuals speaking to the issue:

Mr. Roger Tew, Utah Association of Municipal Power Agency;
Mr. Reed Searle, Intermountain Power Agency; and
Mr. Kevin Boardman, PacifiCorp.

MOTION: Rep. Garn moved that the task force adopt the following principles:

- 1) legislation should provide for a level playing field for all providers of electricity in the state; and
- 2) legislation should not create a new tax.

Rep. Buffmire requested that the motion be divided.

Principle 1 passed unanimously with Reps. Ure and Seitz absent for the vote.

Principle 2 passed with Sen. Mayne and Reps. Becker and Buffmire voting in the negative and Reps. Seitz and Ure absent for the vote.

b. Cost Shifting and Customer Protections

Ms. Owen gave a brief overview of the discussion that took place in the June 15th meeting regarding cost shifting and customer protections. She provided task force members with printed copies of her overview.

Task Force discussion followed with the following individuals speaking to the issue:

Ms. Nancy Kelly, Committee of Consumer Services;
Mr. Edward Hunter, Stoel Rives;
Mr. Rich Collins, Public Service Commission; and
Mr. Ric Campbell, Director, Division of Public Utilities

Chair Hatch directed staff to prepare language on the issue of cost shifting and customer protection that could be presented to the task force.

c. Regional Transmission

Ms. Owen gave a brief overview of the discussion that took place in the June 15th meeting regarding regional transmission. She provided task force members with printed copies of her overview.

Task Force discussion followed with the following individuals speaking to the issue:

Mr. Richard Judd, Utah Municipal Power Agency;
Mr. Scott Gutting, Utah Industrial Energy Users;

Ms. Nancy Kelley, Committee of Consumer Services;
Mr. Gary Dodge, representing large industrial customers;
Mr. Edward Hunter, Stoel Rives; and
Mr. Ted Rampton, Utah Associated Municipal Power Systems.

d. Stranded Costs/Benefits

Ms. Owen gave a brief overview of the discussion that took place in the June 15th meeting regarding stranded costs/benefits. She provided task force members with printed copies of her overview.

Task Force discussion followed.

MOTION: Rep. Garn moved that the working group meet with the task force chairs and other interested task force members to come up with a framework for addressing stranded costs/benefits and then bring the framework back to the task force for its consideration.

SUBSTITUTE MOTION: Sen. Peterson moved to have each of the various groups bring to the task force what they believe should be the policy directives and have the task force come to a conclusion on the directives.

Task Force discussion followed.

The Substitute Motion failed with Sen. Peterson voting in the affirmative and Reps. Ure and Seitz and Sen. Mayne absent for the vote.

The original motion passed unanimously with Reps. Seitz and Ure and Sen. Mayne absent for the vote.

Rep. Tom Hatch reminded the task force that the next meeting will be on July 6th at 1:00 and the issues to be discussed will be market power, default provider, regulation of market participants, and aggregation.

4. Adjourn -

MOTION: Sen. Waddoups moved to adjourn. The motion passed unanimously with Sen. Mayne absent for the vote.

Chair Hatch adjourned the meeting at 3:20 p.m.

