

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

Wednesday, August 16, 2000 – 2:00 p.m. – Room 223 State Capitol

Members Present:

Sen. Lorin V. Jones, Co-Chair
Rep. Sheryl L. Allen, Co-Chair
Sen. Leonard M. Blackham
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. Martin R. Stephens
Rep. John E. Swallow
Rep. David Ure

Members Excused:

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 Jones called the meeting to order at 2:22 p.m.

MOTION: Senator Nielson moved to approve the minutes of the July 12, 2000 meeting. The motion passed unanimously. Sen. Dmitrich, Rep. Bennion, Rep. Chard, Rep. Hatch, Rep. Stephens, and Rep. Swallow were absent for the vote.

2. HB 320 Interim Review Continued -

Pass Through Accounts and Energy Balancing Accounts - There was no testimony on this issue. Ms. Claire Geddes, Utah Legislative Watch, and Ms. Betsy Wolf, Salt Lake Community Action Program, reserved the right to speak on this issue at a later time in the meeting.

Affiliate Relationships - There was no testimony on this issue.

3. HB 320 Concepts Discussion To Date - Ms. Downing distributed a handout titled "HB320 Proposal (7/25/00)." Rep. Ure briefed the committee on the proposal.

Ms. Geddes spoke in support of the proposal and stressed the importance of appointed members of the Committee of Consumer Services (CCS) having a vested interest. This interest would likely result in members who are knowledgeable on the issues and who are familiar with the legislative process.

Rep. Allen said the CCS's geographic representation and the appointment process were not discussed at length in the conceptual proposal work meeting. However, it will be addressed at a future meeting.

Mr. Jeff Fox, Crossroads Urban Center, also spoke in support of the proposal. He recommended that three names from specific interest groups be sent to the governor for the purpose of selecting the Administrative Secretary of CCS. He also expressed concern about the 20-day time limit and having adequate time to object to proposed pre-adjudicative settlement agreements.

Ms. Downing clarified that if there was not an agreement in the pre-adjudicative hearing by all the parties having a substantial interest, the commission would not issue a Notice of Agency Action for a proposed settlement agreement and the 20-day period would not start to run.

Mr. Jerry Crouch, AARP, spoke in support of the overall concept. He stressed the importance of retaining the independence of the CCS.

Committee members complimented the efforts of Rep. Ure and staff for their diligent work on HB320.

MOTION: Rep. Ure moved to approve the HB320 proposal in concept only and that staff begin to draft a bill based on the concepts in the proposal. The motion passed unanimously.

4. HB 320 Interim Review -

Tax versus Regulatory Fees - Ms. Downing briefed the committee on the issue.

Ms. Wolf encouraged keeping it a regulatory fee.

Mr. Chuck Greenhawt, Questar, said there is no economic advantage to the utility if it is a tax or a regulatory fee.

Mr. Fox also encouraged keeping it a regulatory fee.

Mr. Bill Greer, Office of the Legislative Fiscal Analyst, discussed the regulatory fee and how it is distributed. He said if it is called a tax or a fee would not make a difference either way to the fiscal analysts.

Mr. Rob Marrelli, Utah State Tax Commission, said the difference is not in the name (tax vs. fee), it is in the function and the use. Therefore, if the money goes into the General Fund and is used for general purposes, it is a tax and should be administered by the Tax Commission. If it is a fee, going directly to fund an organization, then it would not be necessary to direct it through the Tax Commission.

Mr. Roger Ball, CCS, said the regulatory fee is passed on through the rate-making process to the customers of the utility company. He explained the procedure used by the Department of Commerce to administer the service fund.

5. Adjourn -

MOTION: Rep. Gary Cox moved to adjourn the meeting at 3:33 p.m. The motion passed unanimously.

