

**MINUTES OF THE
ENERGY POLICY TASK FORCE**

Monday, October 22, 2001 – 4:00 p.m. – Room 303 State Capitol

Members Present:

Sen. Leonard M. Blackham, Senate Chair
Rep. Thomas Hatch, House Chair
Sen. Mike Dmitrich
Sen. Dan R. Eastman
Sen. Ed P. Mayne
Rep. Sheryl L. Allen
Rep. Ralph Becker
Rep. Judy Ann Buffmire

Members Absent:

Sen. David H. Steele
Rep. Kevin S. Garn
Rep. Jack A. Seitz
Rep. David Ure

Staff Present:

Ms. Patricia Owen, Associate General Counsel
Ms. Jennifer Markham, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or contact the Office of Legislative Research and General Counsel.

1. Task Force Business

Chair Hatch called the meeting to order at 4:07 p.m.

Sen. Steele and Rep. Seitz were excused from the meeting.

MOTION: Sen. Eastman moved to approve the minutes of the July 19 and September 13, 2001 meetings. The motion passed unanimously, with Sen. Steele, Rep. Garn, Rep. Seitz, and Rep. Ure absent for the vote.

2. Service Territories

Mr. Mike Peterson, Executive Director, Utah Rural Electric Association, discussed the history of electric cooperatives and the development of service territories in Utah. He described how factors such as the rural cooperatives' increasing sophistication and the proximity of rural cooperatives' service territories to PacifiCorp's service territory has led some rural customers to ask whether or not there is a more efficient way to distribute service territory. He further explained that traditionally a transfer of service territory requires a willing seller, a willing buyer, and approval of the PSC (Public Service Commission). He suggested that coordination of utilities might also be encouraged in order to better serve customers.

Ms. Carol Hunter, Vice President, Community Relations, PacifiCorp, emphasized that service territory is established by the PSC. She stated that service territory can be transferred when it is in the best interest of the public. She explained that PacifiCorp has had transactions with rural cooperatives in the past. Ms. Hunter also emphasized that PacifiCorp successfully serves many rural areas.

Mr. Doug Larson, Vice President for Regulation, PacifiCorp, discussed rates in rural areas and spending on rural upgrades.

Mr. Lowell Alt, Director, Division of Public Utilities, discussed provisions of the Utah Code that address the reassignment of service territories. He cited cases where the PSC allowed changes in service

territories. He stated that there is a process to resolve disputes relating to who serves a customer, service quality complaints of customers, and service territory sales.

3. PacifiCorp's Proposal to Restructure—Legislative Options

Ms. Patricia Owen, Associate General Counsel, Office of Legislative Research and General Counsel, discussed legislative options related to PacifiCorp's restructuring proposal. She distributed a copy of her presentation.

MOTION: Sen. Blackham moved to have the Task Force begin the process of developing legislation that directs the PSC to ensure that the reorganization decision complies with legislatively established public policies before the PSC takes final action on a reorganization proposal. The motion passed unanimously, with Sen. Steele, Rep. Garn, Rep. Seitz, and Rep. Ure absent for the vote.

4. Other Items/Adjourn

The next meeting date was changed from November 8 to November 6 at 1:00 p.m.

Motion: Rep. Buffmire moved to adjourn the meeting. The motion passed unanimously, with Sen. Steele, Rep. Garn, Rep. Seitz, and Rep. Ure absent for the vote.

Chair Hatch adjourned the meeting at 5:45 p.m.