

**MINUTES OF THE
ENERGY POLICY TASK FORCE**

Wednesday, August 21, 2002 – 1:00 p.m. – Room 303 State Capitol

Members Present:

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

Members Absent:

Sen. Dan R. Eastman
Sen. David H. Steele
Rep. Jack A. Seitz

Staff Present:

Ms. Chyleen Arbon, Research Analyst
Ms. Patricia Owen, Associate General Counsel
Mr. Thad LeVar, Associate General Counsel*
Ms. Jennifer Markham, Legislative Secretary

*not authorized to practice law in Utah

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 by contacting the task force secretary, Jennifer Markham, at 538-1032.

1. Task Force Business

Chair Blackham called the meeting to order at 1:24 p.m. Sen. Eastman, Sen. Steele, and Rep. Seitz were excused from the meeting.

MOTION: Rep. Buffmire moved to approve the minutes of the November 6, 2001 meeting. The motion passed unanimously, with Rep. Ure absent for the vote.

2. Generation Resource Acquisition and Development

Mr. Stan Watters, Vice President, Commercial Business, PacifiCorp, provided an overview on generation resources and future development. He distributed a copy of his presentation "Generation Resource Acquisition and Development."

3. Reliability and Customer Service

Mr. Curtis Mansfield, Director, Distribution Dispatch, PacifiCorp, and Ms. Carol Hunter, Managing Director of Community Relations, PacifiCorp, discussed planning and reliability issues in Utah and provided a copy of their presentation "Planning and Reliability Update."

Ms. Amanda Nelson, Vice President, Customer Service, PacifiCorp, discussed customer service improvements and described how power outages are handled. She distributed a copy of her presentation "Customer Service Report."

Mr. Larry Bunkall shared his experience with two recent major outages. He asked whether there is a reimbursement policy for customers affected by major outages and whether routine maintenance could have prevented the outages.

Ms. Nelson provided information regarding amounts paid by PacifiCorp to its customers as a result of outages.

Mr. Lowell Alt, Director, DPU (Division of Public Utilities), provided an overview of DPU's role in monitoring utility complaints and customer service issues. He distributed a copy of his presentation "Electric Utility Reliability and Customer Service."

4. Multi-State Utility Regulation and Regional Transmission Organizations (RTOs)

Mr. Don Furman, Senior Vice President, External Affairs, PacifiCorp, emphasized that the recent outages were unacceptable and improvements will be made. He provided a brief history of RTO West and PacifiCorp's involvement in RTO West. He stated that FERC recently issued its standard market design, and the report contains FERC's vision and decision on the operation of wholesale markets. He indicated PacifiCorp had not completed an analysis of this report, but there is a potential risk for PacifiCorp and its customers.

Mr. Furman discussed the multi-state process currently being conducted by PacifiCorp and regulators in the jurisdiction in which PacifiCorp operates. He indicated that PacifiCorp's future investments would include the clean air initiative, hydro plants re-licensing, building power plants, and reinforcing the grid. He expressed appreciation of the Task Force's support in the past and requested their continued support.

5. Report from the Public Service Commission

Mr. Steve Mecham, Chair, (PSC) Public Service Commission, stated that there is no activity at present from PacifiCorp that would result in rate impact. Mr. Mecham discussed the recent settlement order for PacifiCorp, the multi-state process involving PacifiCorp, and efforts to address the outage problems PacifiCorp has had. He also discussed the Questar rate case that is currently before the PSC.

6. Report from the Utah Energy Office

Mr. Thomas Brill, Director, Utah Energy Office, outlined Utah's energy resources and needs. He distributed a copy of his presentation "Utah Energy Situation."

7. Other Items/Adjourn

Motion: Rep. Buffmire moved to adjourn the meeting. The motion passed unanimously, with Rep. Allen, Rep. Becker, Rep. Hatch, and Rep. Ure absent for the vote.

Chair Blackham adjourned the meeting at 4:00 p.m.