

**MINUTES OF THE
SENATE BUSINESS AND LABOR STANDING COMMITTEE**
215 Senate Building, Utah State Capitol Complex
February 24, 2014

Members Present: Sen. Curtis S. Bramble, Chair
Sen. Gene Davis
Sen. Deidre Henderson
Sen. David P. Hinkins
Sen. Karen Mayne
Sen. John L. Valentine
Sen. Todd Weiler

Staff Present: Mr. Bryant Howe, Policy Analyst
Ms. Karen Allred, Committee Secretary

NOTE: A list of visitors and a copy of handouts are filed with the committee minutes.

Chair Bramble called the meeting to order at 8:00 a.m.

MOTION: Sen. Valentine moved to approve the minutes of the February 20, 2014 meeting.
The motion passed unanimously with Sen. Davis, Sen. Henderson and Sen. Hinkins
absent for the vote.

S.B. 120 Shelter Animal Vaccine Amendments (*S. Jenkins*)

MOTION: Sen. moved to adopt **2nd Sub. S.B. 120**. The motion passed unanimously with Sen.
Davis, Sen. Henderson and Sen. Hinkins absent for the vote.

Sen. Jenkins explained the bill to the committee:

Spoke to the bill: Drew Allen, Legislative Chair, Utah Veterinarian Medical Association

Spoke for the bill: Donald V. Renda, Veterinarian
Roland Bringhurst, Executive Director, Cache Humane Society
Tug Gettling, Director Utah Coalition of Animal Shelters

Brent Gardner, CEO, Utah Association of Counties answered questions from the committee.

MOTION: Sen. Valentine moved to pass the bill out favorably. The motion passed
unanimously with Sen. Mayne and Sen. Henderson absent for the vote.

S.B. 190 Utility Fee Limitations (*J. Valentine*)

Sen. Valentine explained the bill to the committee.

Spoke for the bill: Spencer Stokes, Lobbyist, Macquarie

Spoke against the bill: Pete Ashdown, President X Mission
Jesse Harris, Senior Editor, Free UTOPIA Organization

Gary Crane, Layton City Attorney, told the committee that he would support the bill with the proposed amendment.

MOTION: Sen. Weiler moved to amend the bill as follows:

1. *Page 1, Lines 12 through 13*

12 This bill:

▶ authorizes a municipality, in certain circumstances, to enact a per address utility fee to cover costs related to the utility if the municipality has established a procedure for a person who is economically indigent to opt out of the fee; and

13 ▶ clarifies that any other means by which a municipality may not cross subsidize its

2. *Page 1, Lines 20 through 21:*

20AMENDS:

10-8-14, as last amended by Laws of Utah 2013, Chapter 242

21 10-18-303, as last amended by Laws of Utah 2009, Chapter 388

3. *Page 1, Line 23:*

23 Be it enacted by the Legislature of the state of Utah:

Section 1. Section 10-8-14 is amended to read:

10-8-14. Water, sewer, gas, electricity, and public transportation -- Service beyond municipal limits -- Retainage -- Notice of service and agreement -- Cable television and public telecommunications services.

(1) A municipality may:

(a) construct, maintain, and operate waterworks, sewer collection, sewer treatment systems, gas works, electric light works, telecommunications lines, cable television lines, or public transportation systems;

(b) authorize the construction, maintenance and operation of the works or systems listed in Subsection (1)(a) by others;

(c) purchase or lease the works or systems listed in Subsection (1)(a) from any person or corporation; and

(d) sell and deliver the surplus product or service capacity of any works or system listed in Subsection (1)(a), not required by the municipality or the municipality's inhabitants, to others beyond the limits of the municipality, except the sale and delivery of:

(i) retail electricity beyond the municipal boundary is governed by Subsections (3) through (8); and

(ii) cable television services or public telecommunications services is governed by Subsection (11).

(2) If any payment on a contract with a private person, firm, or corporation to construct waterworks, sewer collection, sewer treatment systems, gas works, electric works, telecommunications lines, cable television lines, or public transportation systems is retained or withheld, it shall be retained or withheld and released as provided in Section 13-8-5.

(3) (a) Except as provided in Subsection (3)(b), (5), or (9), a municipality may not sell or deliver the electricity produced or distributed by its electric works constructed, maintained, or operated in accordance with Subsection (1) to a retail customer located beyond its municipal boundary.

(b) A municipality that provides retail electric service to a customer beyond its municipal boundary on or before June 15, 2013, may continue to serve that customer if:

(i) on or before December 15, 2013, the municipality provides the electrical corporation, as defined in Section 54-2-1, that is obligated by its certificate of public convenience and necessity to serve the customer with an accurate and complete verified written notice described in Subsection (3)(c) that identifies each customer served by the municipality beyond its municipal boundary;

(ii) no later than June 15, 2014, the municipality enters into a written filing agreement for the provision of electric service with the electrical corporation; and

(iii) the Public Service Commission approves the written filing agreement in accordance with Section 54-4-40.

(c) The municipality shall include in the written notice required in Subsection (3)(b)(i) for each customer:

(i) the customer's meter number;

(ii) the location of the customer's meter by street address, global positioning system coordinates, metes and bounds description, or other similar method of meter location;

(iii) the customer's class of service; and

(iv) a representation that the customer was receiving service from the municipality on or before June 15, 2013.

(4) The written filing agreement entered into in accordance with Subsection (3)(b)(ii) shall require the following:

(a) The municipality shall provide electric service to a customer identified in accordance with Subsection (3)(b)(i) unless the municipality and the electrical corporation subsequently agree in writing that the electrical corporation will provide electric service to the customer.

(b) If a customer who is located outside the municipal boundary and who is not identified in accordance with Subsection (3)(b)(i) requests service from the municipality after June 15, 2013, the municipality may not provide that customer electric service unless the municipality submits a request to and enters into a written agreement with the electric corporation in accordance with Subsection (5).

(5) (a) A municipality may submit to the electrical corporation a request to provide electric service to an electric customer described in Subsection (4)(b).

(b) If a municipality submits a request, the electrical corporation shall respond to the request within 60 days.

(c) If the electrical corporation agrees to allow the municipality to provide electric service to the customer:

(i) the electrical corporation and the municipality shall enter into a written agreement;

(ii) the municipality shall agree in the written agreement to subsequently transfer service to the customer described in Subsection (4)(b) if the electrical corporation notifies,

in writing, the municipality that the electrical corporation has installed a facility capable of providing electric service to the customer; and

(iii) the municipality may provide the service if the Public Service Commission approves the agreement in accordance with Section 54-4-40.

(d) The municipality or the electrical corporation may terminate the agreement for the provision of electric service if the Public Service Commission imposes a condition authorized in Section 54-4-40 that is a material change to the agreement.

(6) If the municipality and electrical corporation make a transfer described in Subsection (5)(c)(ii):

(a) (i) the municipality shall transfer the electric service customer to the electrical corporation; and

(ii) the electrical corporation shall provide electric service to the customer; and

(b) the municipality shall transfer a facility in accordance with and for the value as provided in Section 10-2-421.

(7) (a) In accordance with Subsection (7)(b), the municipality shall establish a reasonable mechanism for resolving potential future complaints by an electric customer located outside its municipal boundary.

(b) The mechanism shall require:

(i) that the rates and conditions of service for a customer outside the municipality's boundary are at least as favorable as the rates and conditions of service for a similarly situated customer within the municipality's boundary; and

(ii) if the municipality provides a general rebate, refund, or other payment to a customer located within the municipality's boundary, that the municipality also provide the same general rebate, refund, or other payment to a similarly situated customer located outside the municipality's boundary.

(8) The municipality is relieved of any obligation to transfer a customer described in Subsection (4)(b) or facility used to serve the customer in accordance with Subsection (5)(c)(ii) if the municipality annexes the property on which the customer is being served.

(9) (a) A municipality may provide electric service outside of its municipal boundary to a facility that is solely owned and operated by the municipality for municipal service.

(b) A municipality's provision of electric service to a facility that is solely owned and operated by the municipality does not expand the municipality's electric service area.

(10) Nothing in this section expands or diminishes the ability of a municipality to enter into a wholesale electrical sales contract with another municipality that serves electric customers to sell and deliver wholesale electricity to the other municipality.

(11) ~~{A}~~ Except as provided in Subsection (12), a municipality's actions under this section related to works or systems involving public telecommunications services or cable television services are subject to the requirements of Chapter 18, Municipal Cable Television and Public Telecommunications Services Act.

(12) A municipality that constructs telecommunication lines and related facilities, and operates them as a communications utility that is open to providers, may enact a per address utility fee to cover costs related to the utility if the municipality has established a procedure for a person who is economically indigent to opt out of the fee.

Renumber remaining sections accordingly.

The motion passed unanimously with Sen. Henderson, Sen. Hinkins and Sen. Mayne absent for the vote.

MOTION: Sen. Weiler moved to pass the bill out favorably as amended. The motion passed unanimously with Sen. Henderson, Sen. Hinkins and Sen. Mayne absent for the vote.

Sen. Weiler assumed the Committee Chair.

S.B. 199 Amendments to Emergency Telephone Service Law (C. Bramble)

Sen. Bramble explained the bill to the committee.

Spoke for the bill: Eric Isom, Century Link

MOTION: Sen Bramble moved to pass the bill out favorably. The motion passed unanimously with Sen. Henderson, Sen. Hinkins and Sen. Mayne absent for the vote.

MOTION: Sen. Bramble moved to place the bill on the Consent Calendar. The motion passed unanimously with Sen. Henderson, Sen. Hinkins and Sen. Mayne absent for the vote.

S.B. 210 Prescription Synchronization (C. Bramble)

Sen. Bramble explained the bill to the committee.

MOTION: Sen. Bramble moved to pass the bill out favorably.

The motion passed unanimously with Sen. Henderson, Sen. Hinkins and Sen. Mayne absent for the vote.

S.B. 203 Immigration Amendments (C. Bramble)

Sen. Bramble explained the bill to the committee.

Spoke to the bill: Jean Hill, Government Liason, Catholic Diocese

MOTION: Sen Bramble moved to pass the bill out favorably. The motion passed unanimously with, Sen. Henderson, Sen. Hinkins and Sen. Mayne absent or the vote.

MOTION: Sen. Valentine moved to place the bill on the Consent Calendar. The motion passed unanimously with Sen. Mayne, Sen. Henderson and Sen. Hinkins absent for the vote.

S.B. 208 Public Utility modifications (C. Bramble)

Sen. Bramble explained the bill to the committee.

Spoke to the bill: Linda Johnson

Spoke for the bill: David Taylor, Manager, Rocky Mountain Power
Michelle Beck, Office of Consumer Services
Jeff Larsen, Rocky Mountain Power

Spoke against the bill: Sarah Baldwin, Utah Clean Energy
John Harrington, Energy Director, DFCM
Rene Oehlerking, Director, Garbett Homes
Erin Mendenhall, Director, Breathe Utah
Willie Blocker, Building Owners and Managers Association
Kathy Van Dame, Wasatch Clean Air Coalition
Kim Sanders, Alliance for Solar Choice
Jim French, Citizen
Vicky Bennet, Sustain Director, Salt Lake City
Todd Stevens, Managing Director, Renewable Tech Ventures
Dan Black, Associate General Counsel, Vivint Solar
Lincoln Hobbs, Citizen, Homeowner
Hans Ehrbar, Economic Faculty, University of Utah
Ed Tallerico, CEO/Owner, 5Star Services, Inc.
Kathryn Alburry, Citizen
James O'Neil, Provo, Citizen
Jacob Anderson, Director of Sales, TRA Snow & Sun

MOTION: Sen. Bramble moved to pass the bill out favorably. The motion passed unanimously with Sen. Mayne absent for the vote.

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

Chair Bramble adjourned the meeting at 10:00 a.m.

Sen. Curtis S. Bramble, Chair