



Utah's Public Utilities

Key Players & Regulators

OFFICE OF LEGISLATIVE RESEARCH AND GENERAL COUNSEL

Bagels & Briefings

February 25, 2020



Public Utilities Policy Development

➤ Foundational Questions:

- Which type of utility service provider do you want to impact?
- Which level (sector) of utility service do you want to impact?



Presentation Roadmap

➤ Utility Service Providers

- Energy Utilities
- Telecommunications Utilities

➤ Utility Sectors

- Interplay

➤ Regulators/Oversight

➤ Recent Legislation & Policy



Water, Rail, & Pipeline

- **Just hitting the high points in slides 34–39**
- **Comprise a small portion of our Title 54 Regulators' workloads compared to Telecom and Energy Utilities**
- **More heavily regulated at different levels of government and/or by other state agencies**

ENERGY

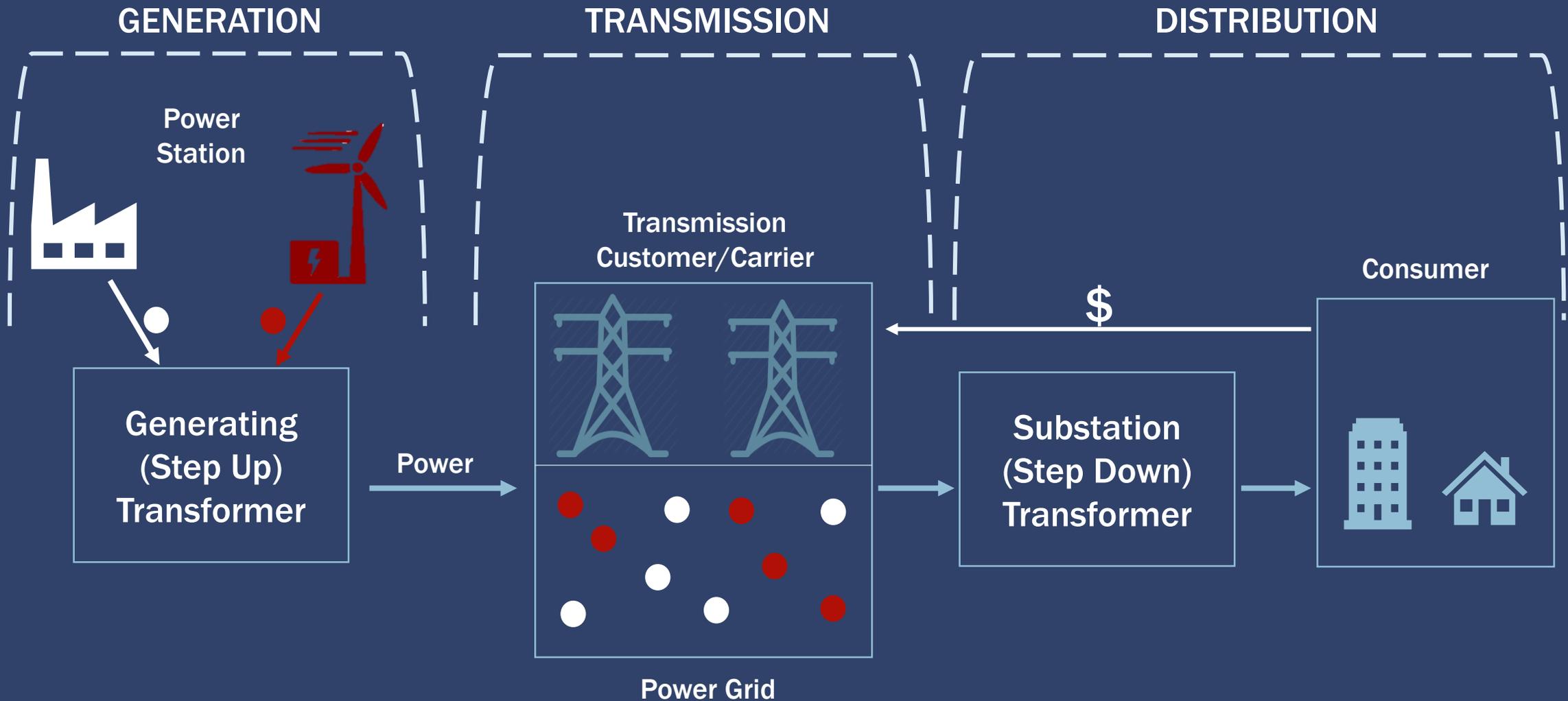




Energy Utility Sectors

- 1. Investor-Owned Utilities (“IOUs”)**
- 2. Electric Cooperatives (“co-ops”)**
- 3. Interlocal Utilities (“municipalities”)**

Traditional Power Grid Model





Investor-Owned Utilities

Utah Code Subsection 54-2-1(18):

Large-scale electric utility



Utah Code Subsection 54-2-1(19):

Large-scale natural gas utility





Electric Cooperatives

Utah Code Subsection 54-2-1(38):
Wholesale Electrical Cooperative





Electric Cooperatives

Utah Code Subsection 54-2-1(7): Distribution Electrical Cooperative



A Touchstone Energy® Cooperative 





Co-Op History & Representation

1933

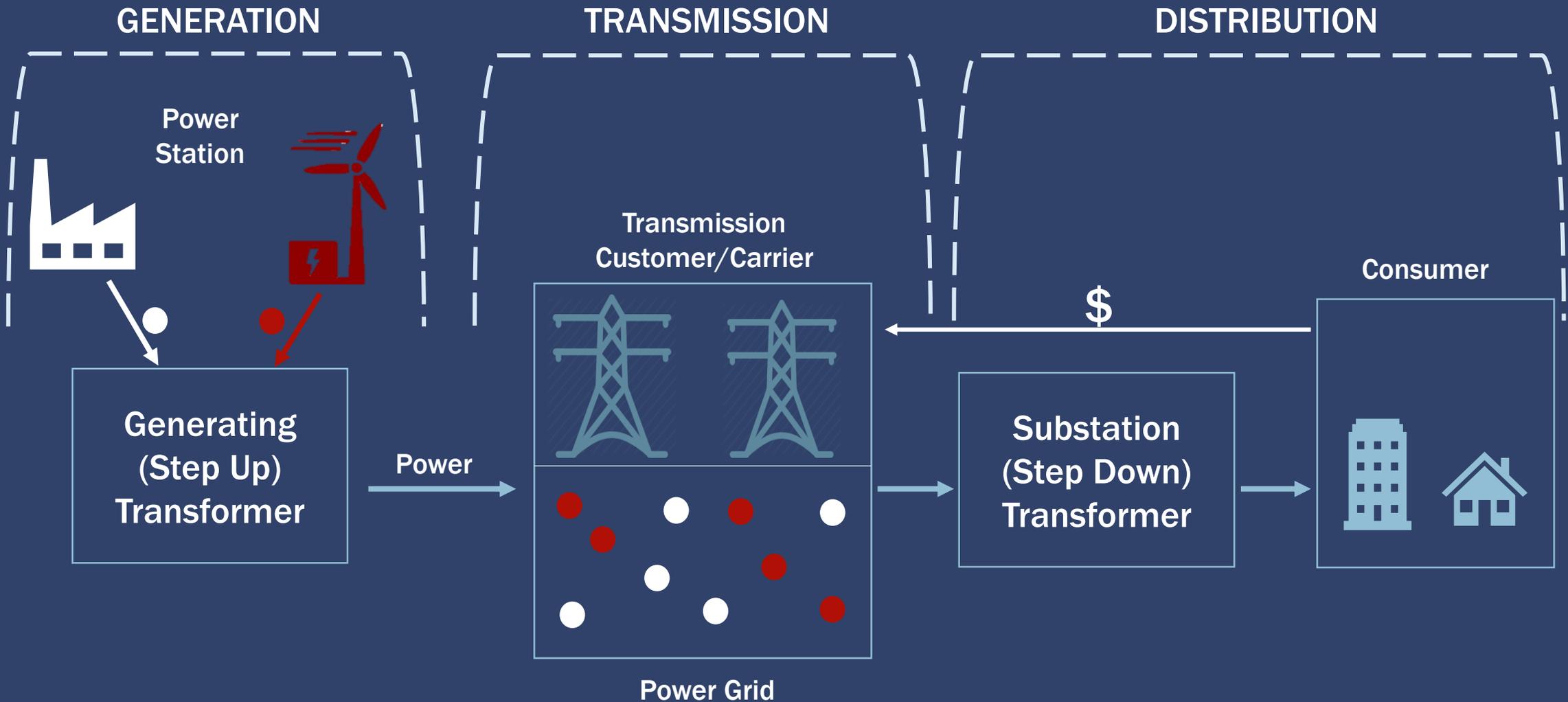


1936
Rural
Electrification
Act

1942



Traditional Power Grid Model



Co-op Model

WHOLESALE CO-OPS
(Generation &
Transmission)



RETAIL CO-OPS
(Distribution)



Out-of-State Co-Ops

Bonneville Power Authority
Portland, OR



NV/UT

Pacific Northwest
Generating Cooperative
Portland, OR



ID/UT

Tri-State Generation &
Transmission Association
Westminster, CO



CO/UT



Municipal & Interlocal Utilities

Utah Code Title 11, Chapter 13

Cities, Counties & Local Taxing Units –
Interlocal Cooperation Act

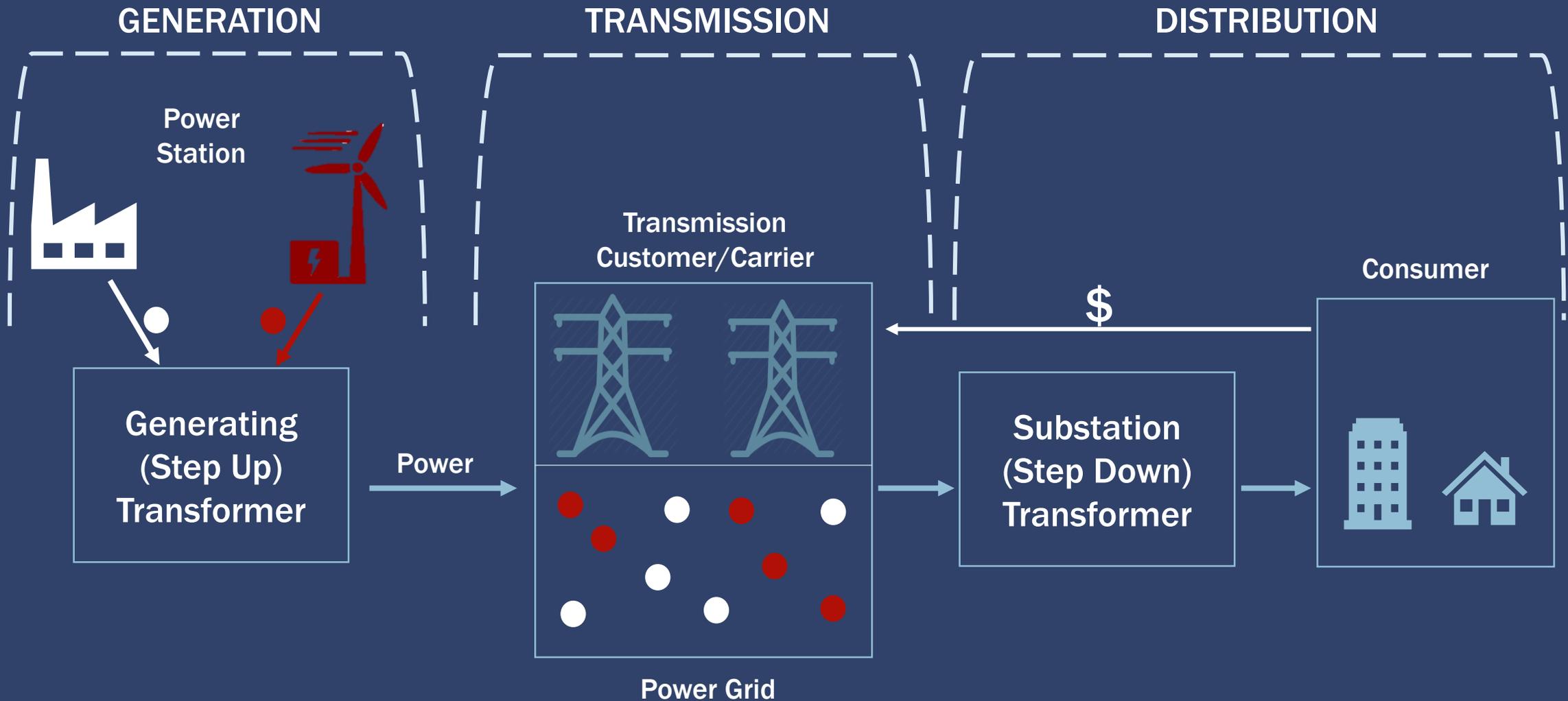


Municipal & Interlocal Utilities

Examples

“Project(s)”	“Interlocal Entity”	Municipal Member
CRSP, Hunter I, Deseret, PacifiCorp , Deseret , Spanish Fork Wind	UMPA	Provo
CRSP , Hunter II, San Juan, IPP, NuScale, Horse Butte Wind Farm, etc.	UAMPS	Kaysville
Jordanelle Hydro , Lake Creek Hydro, Lower and Upper Snake Hydro, etc.	Heber Light & Power	Midway

Traditional Power Grid Model





Municipal & Interlocal Utilities



37 Utah
Municipalities
(+ Heber L & P)

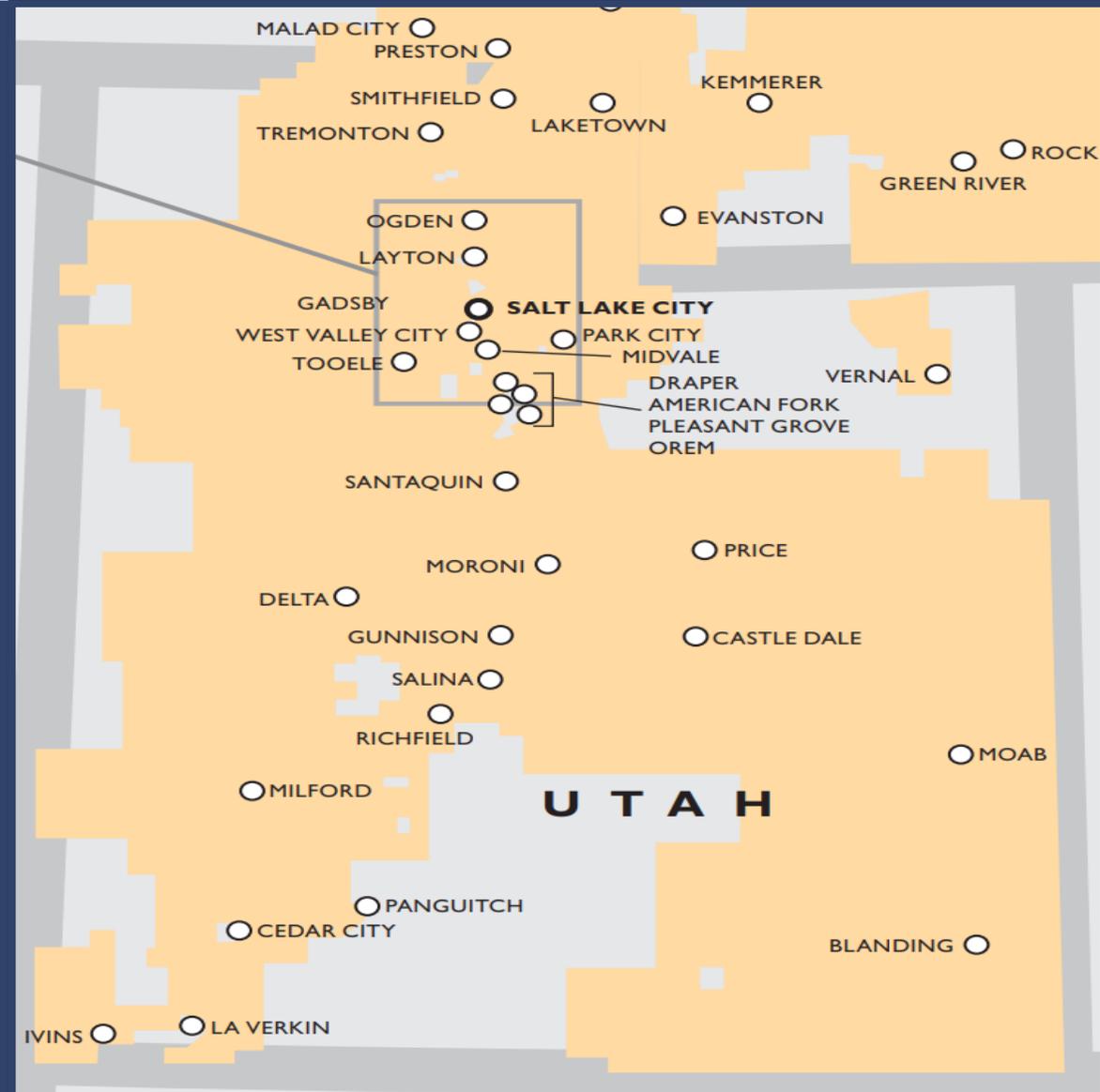


6 Utah
Municipalities

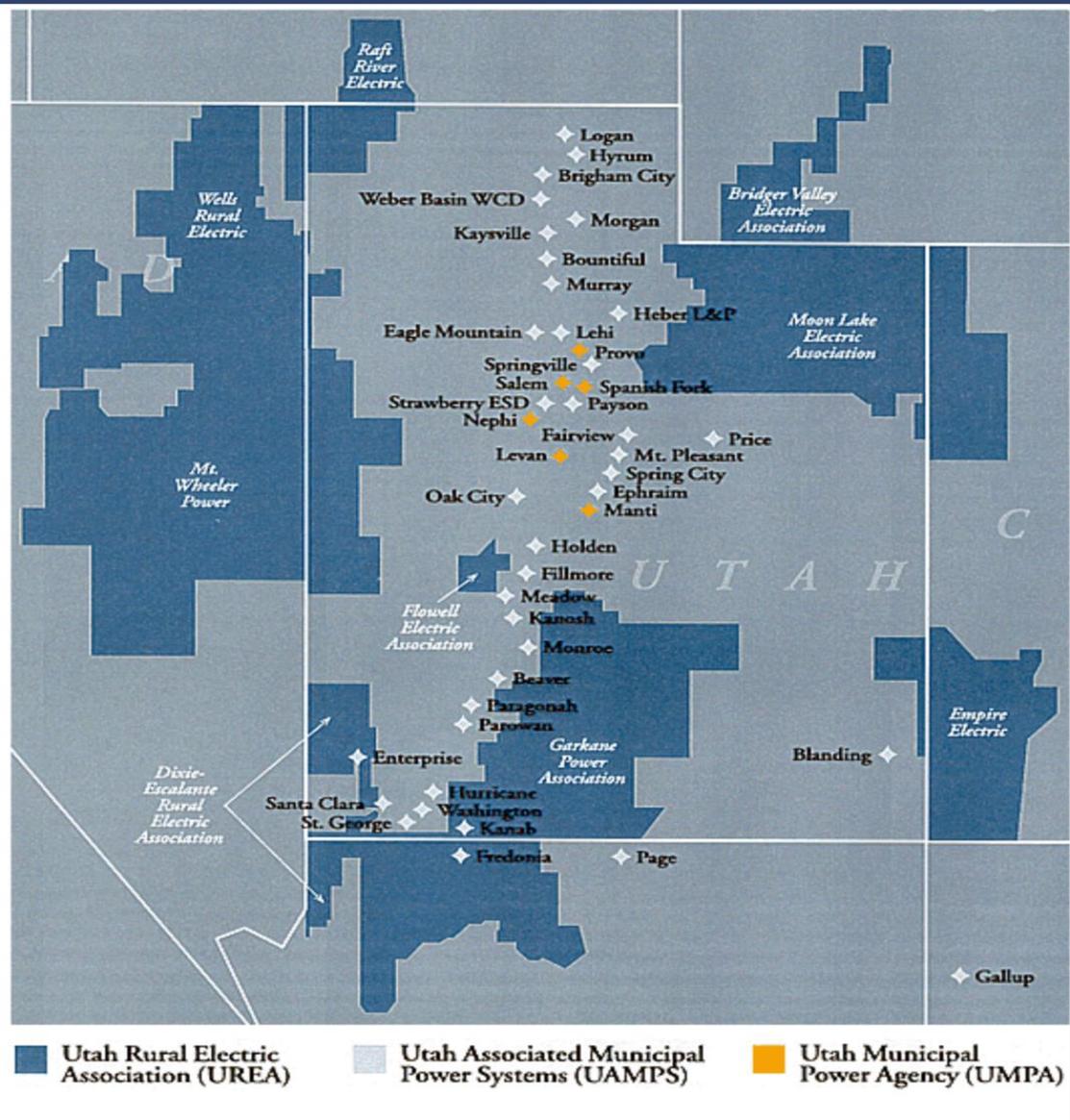


Who Operates Where?

Rocky Mountain
Power—PacifiCorp
Service Area



Who Operates Where?



Municipalities and Co-Ops Service Areas

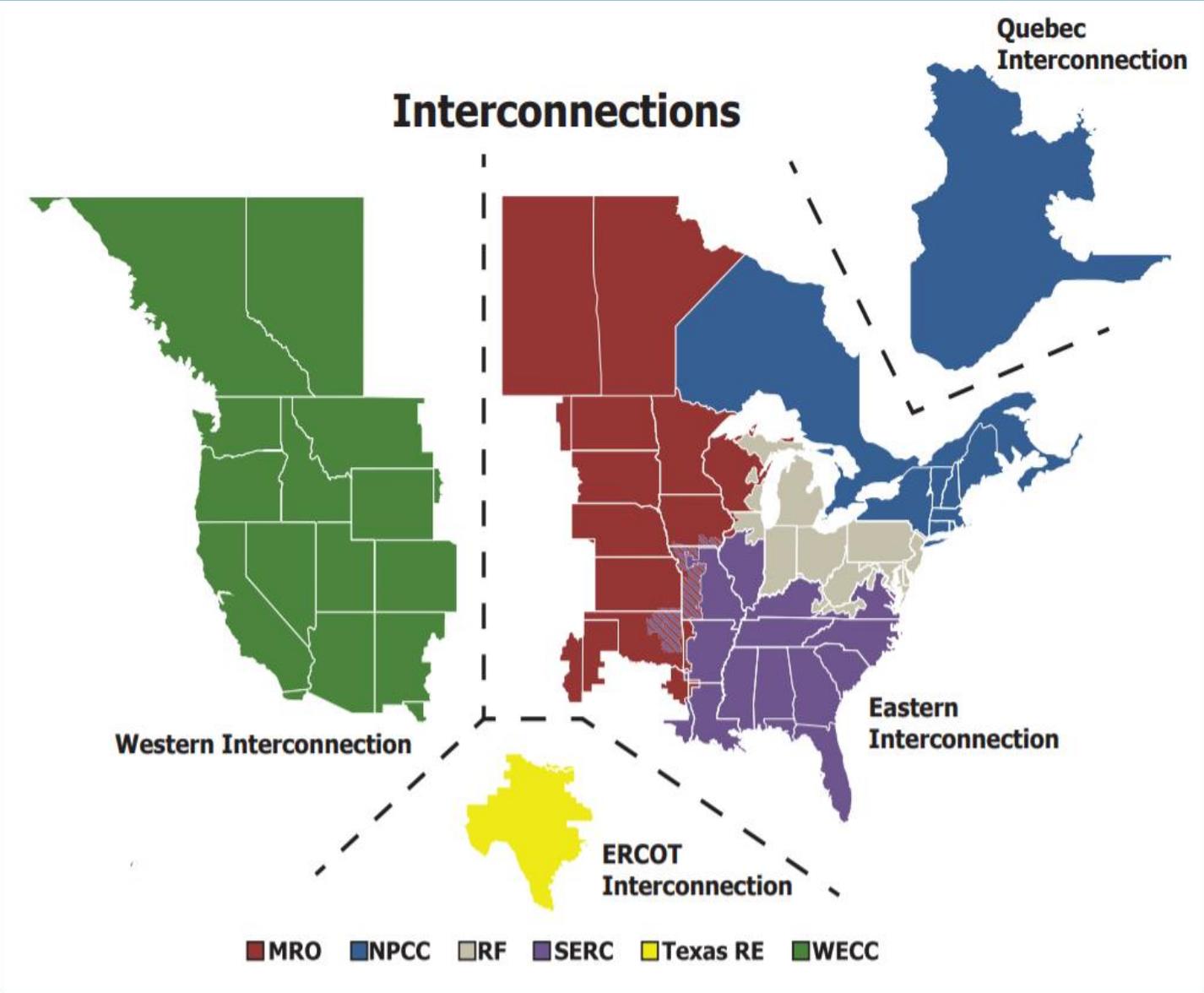


Regulators!!



Federal Regulation

FERC





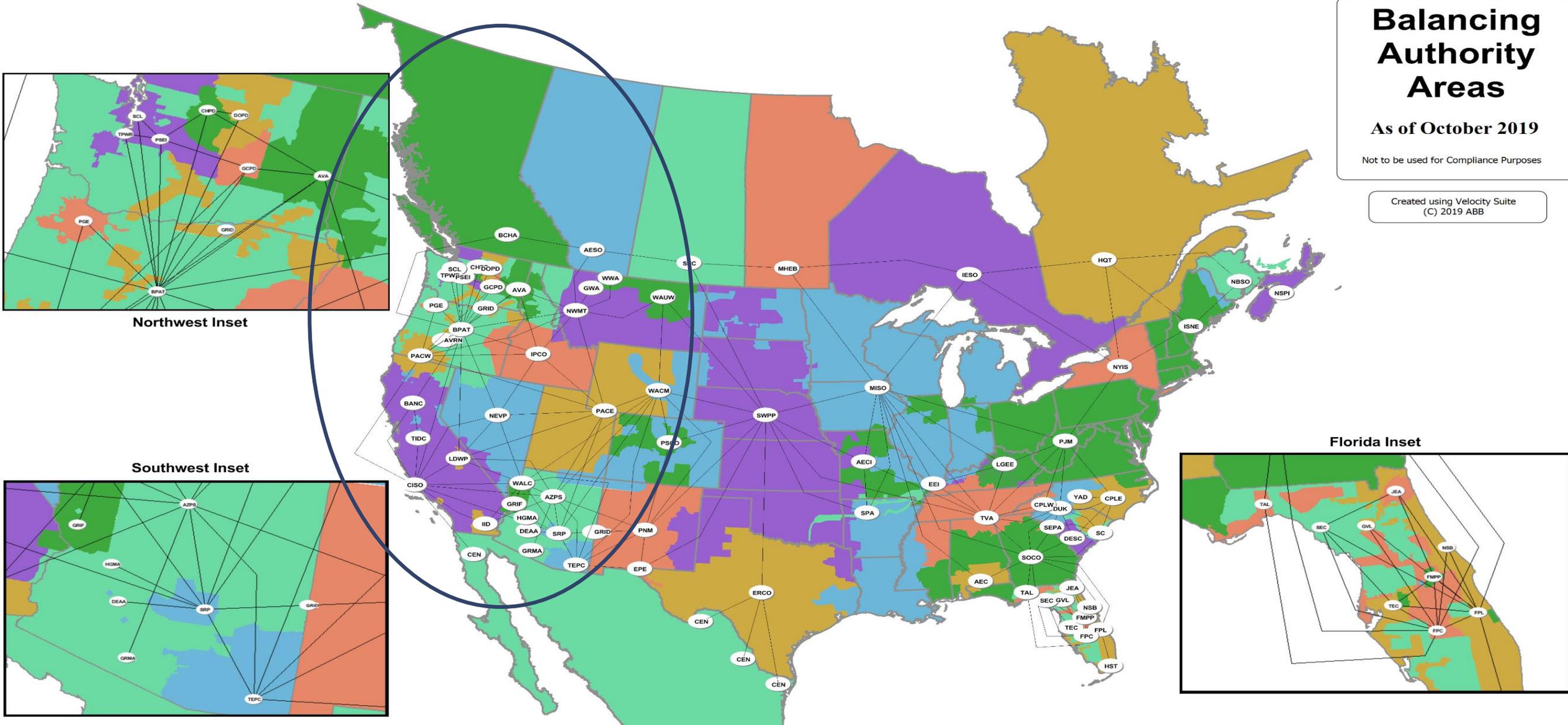
Regional Regulation

Balancing Authority Areas

As of October 2019

Not to be used for Compliance Purposes

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Northwest Inset

Southwest Inset

Florida Inset

Regional Regulation

Why are
Balancing
Authorities
needed?

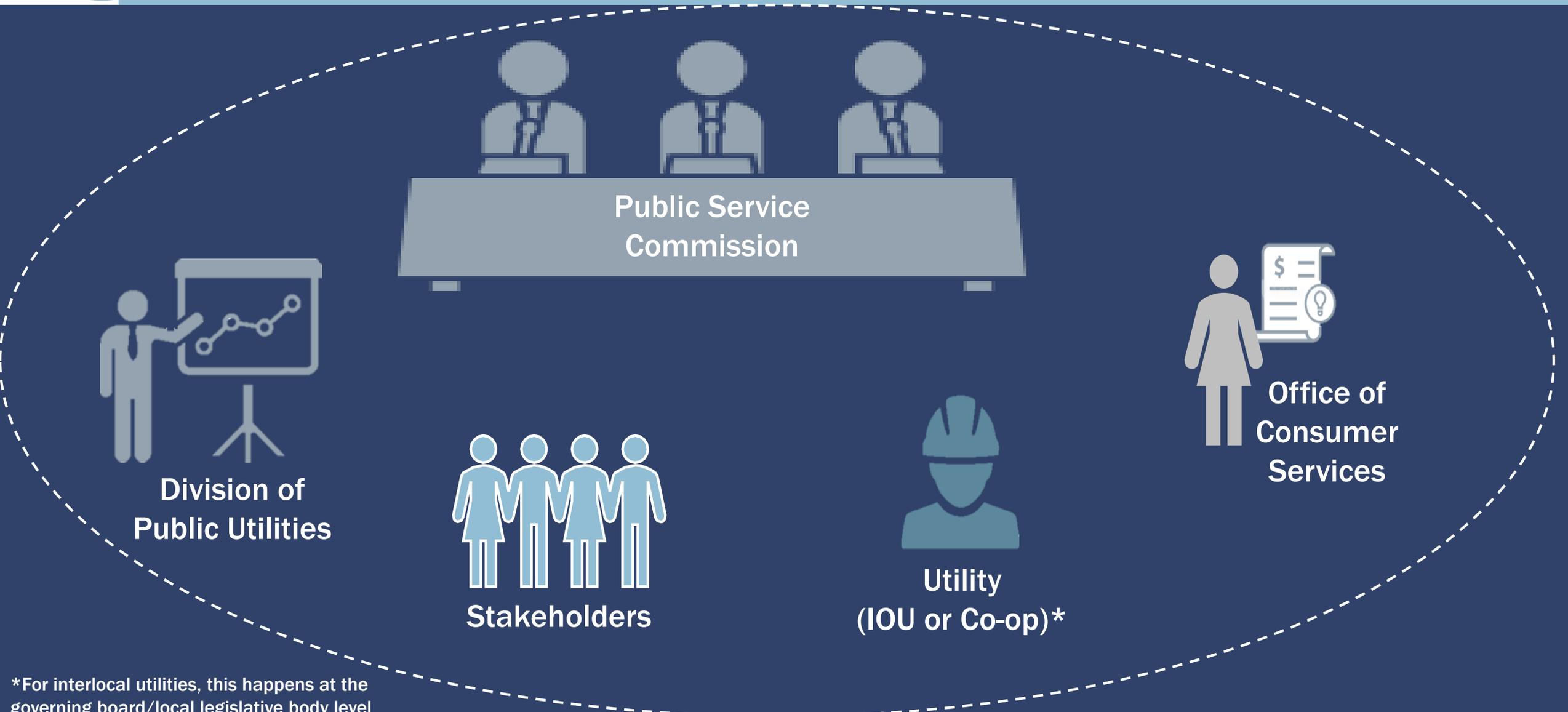


Western Interconnection Balancing Authorities (38)

- AESO - Alberta Electric System Operator
- AVA - Avista Corporation
- AZPS - Arizona Public Service Company
- BANC - Balancing Authority of Northern California
- BCHA - British Columbia Hydro Authority
- BPAT - Bonneville Power Administration - Transmission
- CFE - Comision Federal de Electricidad
- CHPD - PUD No. 1 of Chelan County
- CISO - California Independent System Operator
- DEAA - Arlington Valley, LLC
- DOPD - PUD No. 1 of Douglas County
- EPE - El Paso Electric Company
- GCPD - PUD No. 2 of Grant County
- GRID - Gridforce
- GRIF - Griffith Energy, LLC
- GRMA - Sun Devil Power Holdings, LLC
- GWA - NaturEner Power Watch, LLC
- HGMA - New Harquahala Generating Company, LLC
- IID - Imperial Irrigation District
- IPCO - Idaho Power Company
- LDWP - Los Angeles Department of Water and Power
- NEVP - Nevada Power Company
- NWMT - NorthWestern Energy
- PACE - PacifiCorp East
- PACW - PacifiCorp West
- PGE - Portland General Electric Company
- PNM - Public Service Company of New Mexico
- PSCo - Public Service Company of Colorado
- PSEI - Puget Sound Energy
- SCL - Seattle City Light
- SRP - Salt River Project
- TEPC - Tucson Electric Power Company
- TIDC - Turlock Irrigation District
- TPWR - City of Tacoma, Department of Public Utilities
- WACM - Western Area Power Administration, Colorado-Missouri Region
- WALC - Western Area Power Administration, Lower Colorado Region
- WAUW - Western Area Power Administration, Upper Great Plains West
- WWA - NaturEner Wind Watch, LLC



State Regulation



Public Service
Commission



Division of
Public Utilities



Stakeholders



Utility
(IOU or Co-op)*



Office of
Consumer
Services

*For interlocal utilities, this happens at the governing board/local legislative body level

TELECOMMUNICATIONS



Telecom Utility Sectors



THE "BELL" YEARS

1877 Bell Telephone Co. is formed by Alexander Graham Bell, the inventor of the telephone, and two other men.

1882 The company, now called American Bell Telephone Co., acquires a controlling interest in Western Electric Co., which becomes its manufacturing unit. The entity is known as the Bell System.

1885 AT&T is incorporated as a subsidiary of American Bell, and is chartered to build and operate a long-distance telephone network.

1899 AT&T becomes the parent company of the Bell System.

1939 AT&T controls 83 percent of all U.S. telephones, 98 percent of all long-distance phone lines and makes 90 percent of all U.S. phone equipment.

1949 Justice Department brings suit against AT&T under the Sherman Antitrust Act.

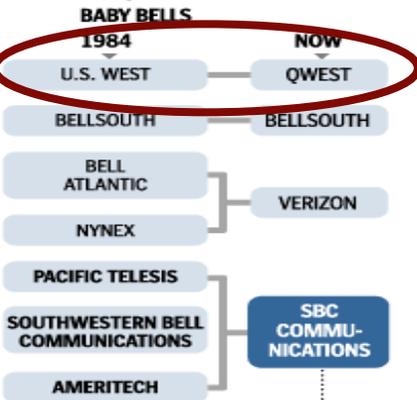
1974 U.S. government files an antitrust suit against AT&T to break up the Bell System.



DEREGULATION

1984 A new, post-Bell System AT&T emerges as the company divests itself of 22 of its regional companies, which become seven phone companies known as the Baby Bells.

AT&T



AFTERMATH

1994 AT&T agrees to acquire McCaw Cellular Communications, establishing a foothold in wireless telecommunications.

1995 AT&T says it will split into three publicly traded companies—Lucent Technologies, NCR and AT&T.

2000 Chief executive C. Michael Armstrong announces plans to restructure the organization into four publicly held companies AT&T Broadband, AT&T Wireless, AT&T Business and AT&T Consumer.

2001 AT&T Wireless Group to become an independent company.

2001 Comcast Corp. agrees to buy AT&T's cable systems, AT&T Broadband, for \$72 billion.

2004 AT&T is removed from the Dow Jones industrial average and replaced by Verizon Communications Inc.

January 2005 SBC Communications Inc. in talks to buy AT&T.



CenturyLink®



Telecom Utility Sectors

Incumbent Local Exchange
Carriers (ILECs)



CenturyLink®



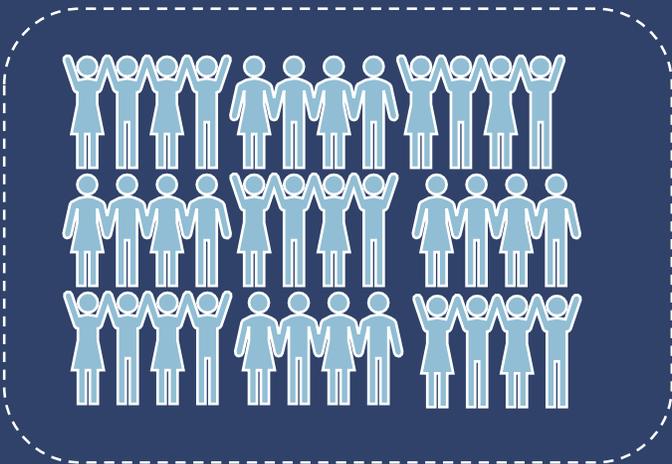
URTA

Utah Rural Telecom Association



Telecom Utility Sectors

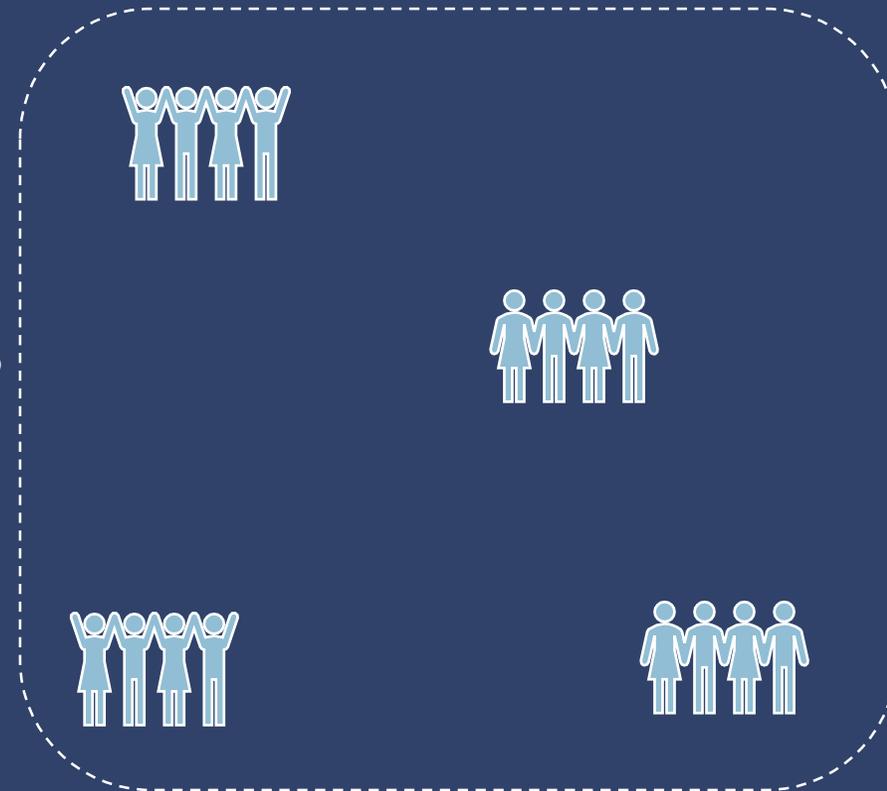
cost distribution in a
dense, urban area



\$

cost distribution in a rural,
sparsely populated area

\$\$\$





Telecom Utility Sectors

Competitive Local Exchange Carriers (CLECs)

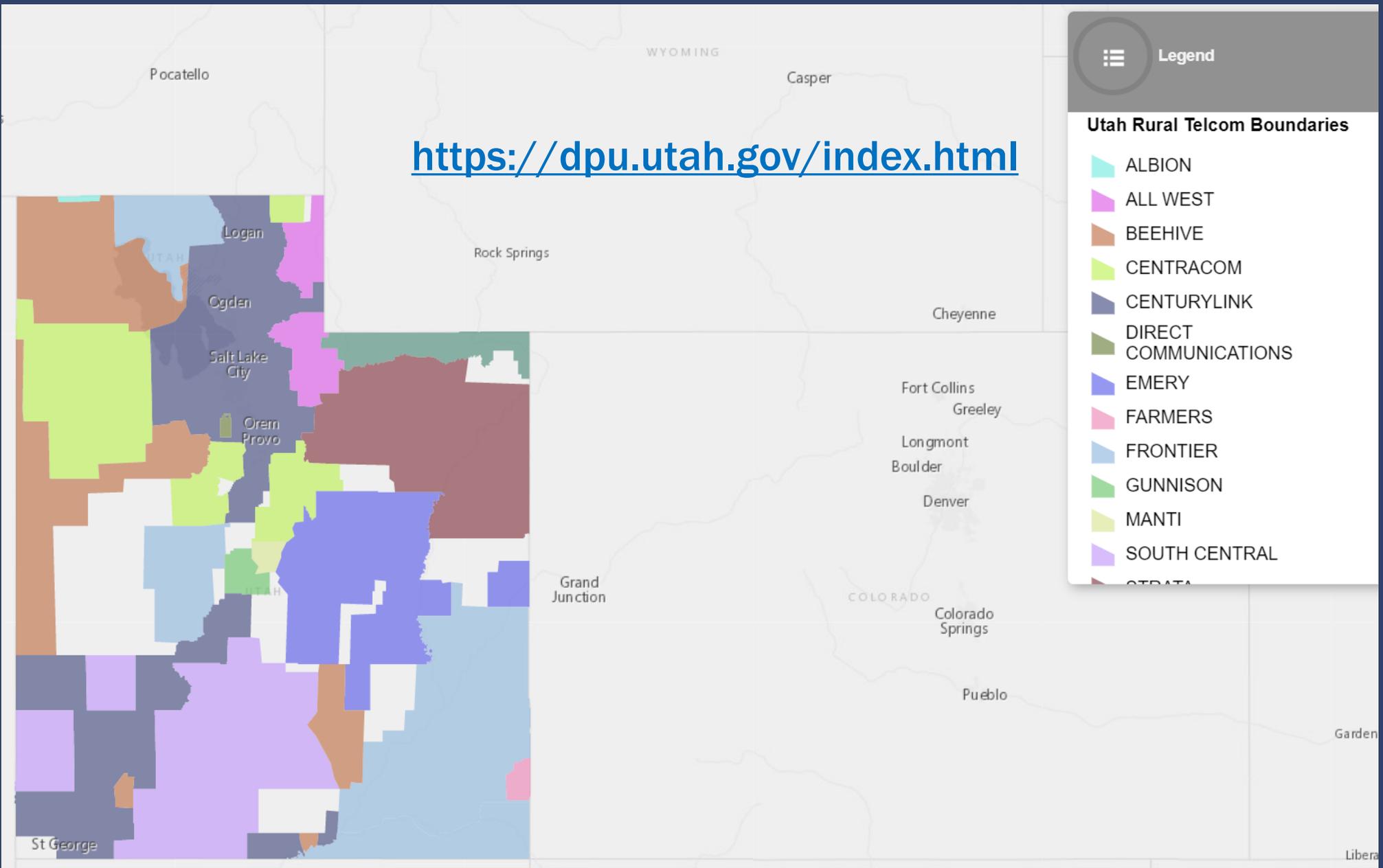


<https://dpu.utah.gov/index.html>

Legend

Utah Rural Telcom Boundaries

- ALBION
- ALL WEST
- BEEHIVE
- CENTRACOM
- CENTURYLINK
- DIRECT COMMUNICATIONS
- EMERY
- FARMERS
- FRONTIER
- GUNNISON
- MANTI
- SOUTH CENTRAL
- STRATA



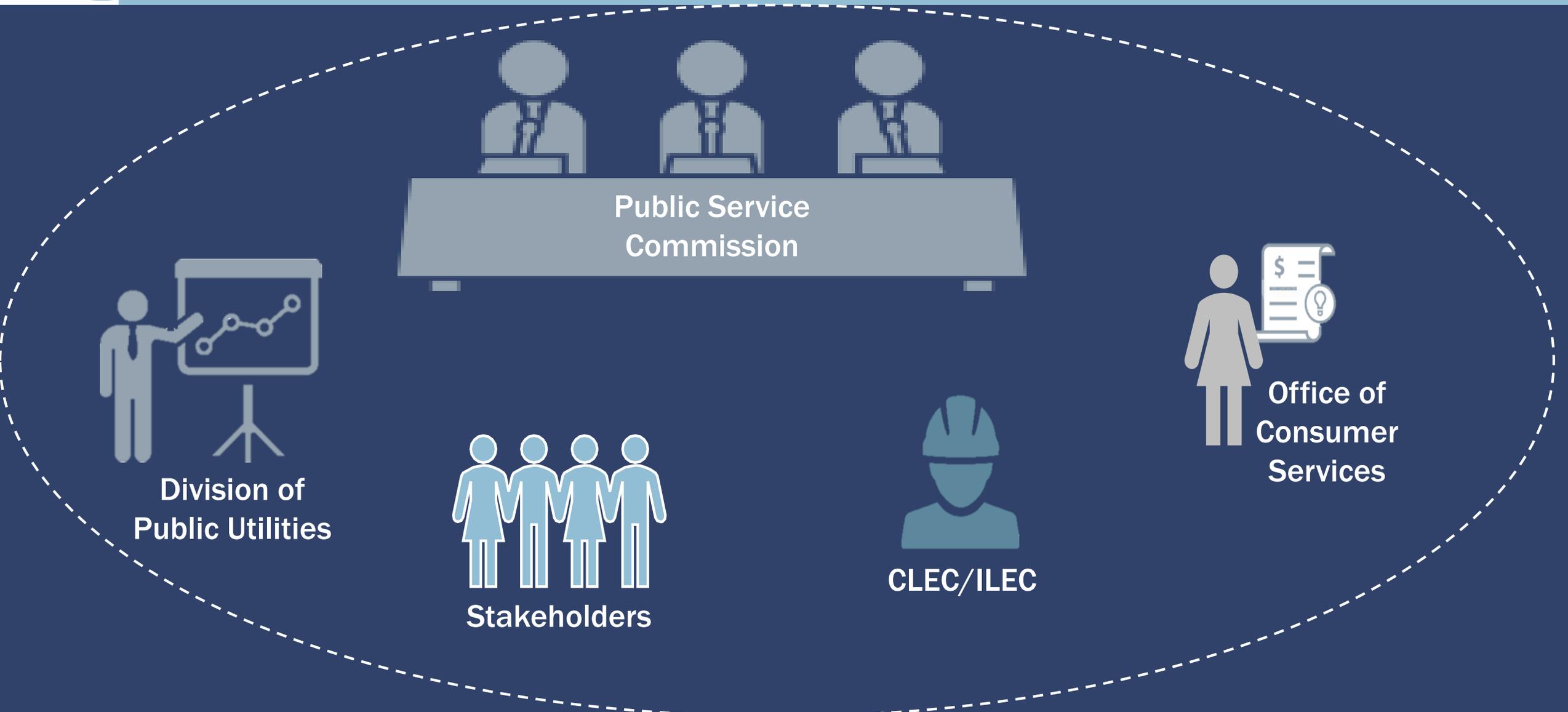


Regulators!!





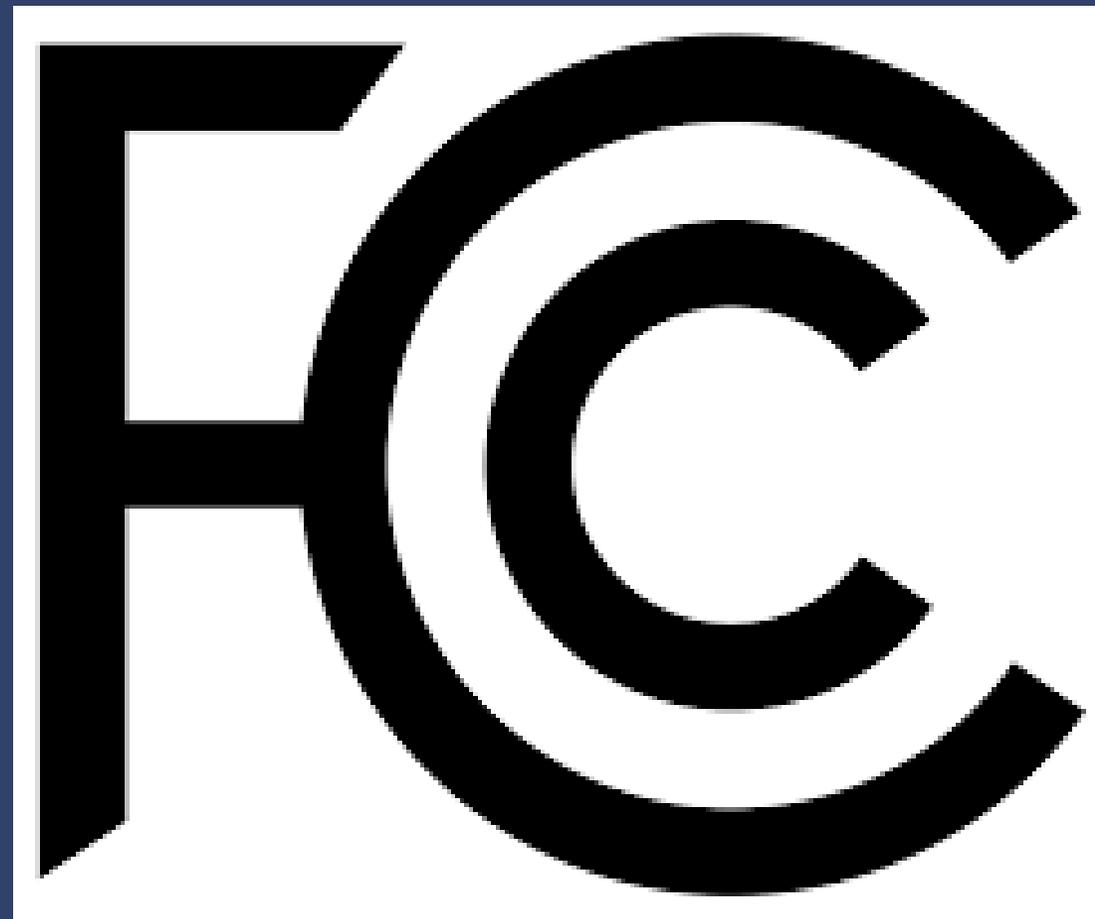
State Regulation





Federal Regulation

Cable, Voice over Internet Protocol (VoIP), and Wireless providers *are not* regulated by the state of Utah. The Federal Communications Commission (FCC) has some regulatory authority, including overseeing complaints.



WATER/SEWER





Water/Sewer: Key Points



Title 54

Public Service
Commission

23 water
corporations

1 sewer
corporation

Title 73
Department of Natural
Resources; Department of
Environmental Quality

Water Rights, Water Quality,
Irrigation

Title 17 and Title 11
Governing Body
(board, legislative body of
creating county or
municipality)

Local Districts, Special
Service Districts

RAILROADS





Railroads: High Points

Utah Code Sections 54-4-14 and 54-4-15 give the Public Service Commission regulatory authority for *safety and the establishment of grade crossings.*



PIPELINES





Pipelines: High Points

PHMSA

Pipeline and Hazardous Materials
Safety Administration

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[REGULATIONS AND COMPLIANCE](#)

[RESOURCES](#)

Safety Initiatives



Protecting Underground Pipelines



Hazardous Materials Training



Safe Transport of Energy Products



Pipeline Stakeholder Communication





Recent Legislation & Policy

➤ Pipeline:

- “Damage to Underground Utilities Facilities” legislation

➤ Energy:

- STEP Legislation: 2016 enabling statute; 2019 HB107 for natural gas
- 2019 HB411, Community Renewable Energy Act

➤ Telecom:

- Revenues decline due to “cord-cutting”
- Maintaining the Lifeline/911 backbone: 2017 SB130; 2019 SB129



Thank You

Public Utilities, Energy, & Technology Team,
2020 General Session

Sarah J. Balland, Policy Analyst

Robert (Bob) Rees, Associate General Counsel



OFFICE OF LEGISLATIVE RESEARCH AND GENERAL COUNSEL

Utah State Capitol Complex | W210 House Building | P.O. Box 145210 | Salt Lake City, Utah 84114 - 5210 | O: (801) 538-1032 | F: (801) 538-1712