**2839-S.E AMS ERIC S5742.2 - NOT FOR FLOOR USE**

**ESHB 2839** - S AMD TO EENT COMM AMD (S-5407.2/18) **965**

By Senator Ericksen

Beginning on page 8, line 4 of the amendment, strike all of section 4 and insert the following:

"NEW SECTION. **Sec.**  (1) By December 31, 2018, the utilities and transportation commission must report to the appropriate committees of the legislature on alternative forms of regulation to traditional rate-based, rate of return regulation for electrical and gas companies. The report must provide recommendations for reasonable models for alternative forms of regulation, and address how an alternative is better suited to:

(a) Enable utility services designed to support optimal and efficient use of the electrical or natural gas system and utility operations and align utility regulatory incentives with the public interest;

(b) Maintain and enhance overall electrical or natural gas system reliability, resilience, and security;

(c) Allow electrical or natural gas companies to support and participate in market transformation for enabling technologies, without harming competition;

(d) Maximize the value of new business opportunities to utility customers, especially low-income customers and protect utility customers from short and long-term risk;

(e) Ensure an appropriate level of consumer protection; and

(f) Provide the opportunity to earn a reasonable rate of return on investment.

(2) This section expires July 1, 2019."

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On page 11, beginning on line 3 of the title amendment, after "80.28.010;" strike the remainder of the title amendment and insert "creating new sections; and providing an expiration date."

EFFECT: Strikes all of section 4. Requires the UTC to provide a report to the Legislature on alternative forms of regulation by December 31, 2018.