

SENATE BILL REPORT

HB 2663

As Reported By Senate Committee On:
Energy & Utilities, February 24, 1998

Title: An act relating to filing of affiliated transactions with the utilities and transportation commission.

Brief Description: Requiring companies that seek to contract with an affiliated interest to file with the utilities and transportation commission.

Sponsors: Representative Crouse; by request of Utilities & Transportation Commission.

Brief History:

Committee Activity: Energy & Utilities: 2/24/98 [DP].

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: Do pass.

Signed by Senators Finkbeiner, Chair; Hochstatter, Vice Chair; Brown, Jacobsen, Rossi, T. Sheldon and Strannigan.

Staff: Karen Kirkpatrick (786-7403)

Background: Current law requires every public service company regulated by the Washington Utilities and Transportation Commission (WUTC) to receive prior approval from the commission on every affiliated interest transaction. An affiliated interest transaction involves any business arrangement, contract or modification between a company regulated by the WUTC and a related entity such as a parent company, a subsidiary, a division, an officer or director of the company, a shareholder with at least 5 percent of the voting shares of the company, or an officer or director of a corporate shareholder with at least 5 percent of the voting shares of the public service company.

The commission is requesting this legislation to relieve the burdens on industry resulting from delay and the commission's corresponding workload.

Summary of Bill: The requirement for prior commission approval of affiliated interest transactions is eliminated. Companies must continue to file verified copies of contracts with any affiliated interest prior to the effective date of the contract or modification.

The commission is authorized to initiate an investigation and disapprove or amend the contract if it finds the company has failed to prove its reasonableness and consistency with the public interest.

Other clarifying and technical changes are made.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This legislation is important to streamline the regulatory process and bring the process in line with existing practice.

Testimony Against: None.

Testified: Collins Sprague, Washington Water Power Co. (pro); Teresa Osinski, WUTC (pro).