

SENATE BILL REPORT

SSB 5628

As Passed Senate, March 12, 1997

Title: An act relating to the regulation of securities issuances by electrical and natural gas companies.

Brief Description: Authorizing the utilities and transportation commission to exempt electrical and natural gas companies from securities regulation.

Sponsors: Senate Committee on Energy & Utilities (originally sponsored by Senators Hochstatter, Deccio, Brown and Strannigan).

Brief History:

Committee Activity: Energy & Utilities: 2/18/97, 2/20/97 [DPS].
Passed Senate, 3/12/97, 48-0.

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: That Substitute Senate Bill No. 5628 be substituted therefor, and the substitute bill do pass.

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

Staff: Diane Smith (786-7410)

Background: The Washington Utilities and Transportation Commission (WUTC) is charged with the statutory duty to regulate in the public interest the rates, services, facilities and practices of all persons engaged in Washington in the business of supplying any utility service or commodity to the public for compensation. This includes electrical, gas and telecommunications companies, among others.

Part of this regulatory mandate includes the regulation and enforcement of statutory provisions regarding securities issued by regulated companies. The only companies exempt from the statutory regulation of securities are local telephone exchange companies that serve less than 2 percent of the state's access lines.

Summary of Bill: The WUTC is given the authority to exempt conditionally or unconditionally any security or class of securities and any electrical or natural gas company or class of electrical or natural gas companies from the statutory regulation of securities if it finds that regulation under the securities statutes is not required by the public interest.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Passage of this bill will result in administrative savings for both the WUTC and the utility; permit the utility to move quickly enough take advantage of fluctuations in the financial markets; retain WUTC's full authority to act in the public interest.

Testimony Against: None.

Testified: PRO: Ron Newbry, Bill Peressini, Pacificorp; Teresa Osinski, WUTC.

House Amendment(s): The amendment strikes the underlying bill and replaces it with a grant of authority to the WUTC to approve banded rates for natural gas or electricity provided to residential customers.