

# SENATE BILL REPORT

## SB 6105

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As of January 18, 2000

**Title:** An act relating to the provision of telecommunication facilities and services by public utility districts.

**Brief Description:** Allowing public utility districts to develop telecommunication facilities.

**Sponsors:** Senators Brown and Hochstatter.

**Brief History:**

**Committee Activity:** Energy, Technology & Telecommunications: 1/20/2000.

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### SENATE COMMITTEE ON ENERGY, TECHNOLOGY & TELECOMMUNICATIONS

**Staff:** Andrea McNamara (786-7483)

**Background:** Under Washington law, the authority of Public Utility Districts (PUDs) is limited to the powers they are granted by statute. PUDs are authorized to provide electricity, water, and/or sewer service within and outside their boundaries. Additionally, among other things, PUDs are authorized to levy and collect property taxes, issue bonds, and acquire facilities by the power of eminent domain.

Many Public Utility Districts, like other utilities, utilize extensive telecommunications networks for their internal operations, including such purposes as remote monitoring of their distribution lines, demand side management, electronic billing, and customer relations. Some PUDs have upgraded, and others are planning to upgrade their telecommunications networks to fiber optic systems.

A November 1998 Attorney General Opinion requested by the State Auditor states that, under current law, a PUD may sell or lease excess capacity on its fiber optic cable system assuming that the excess capacity was acquired to serve the district's future needs and not for the purposes of resale to others. The opinion further states that a PUD lacks the statutory authority to offer and provide Internet access, home security services, telephone services, cell phone and paging services, or to install telephone or cable equipment for the public.

Two recent lawsuits have been filed in state superior court challenging different Washington PUDs' activities in the area of telecommunications service.

**Summary of Bill:** Legislative declarations are made that, among other things, Public Utility Districts are well positioned to provide cost-effective telecommunications facilities and services, and that allowing PUDs to provide such facilities and services stimulates competition among telecommunications providers to the benefit of all customers and users.

PUDs are authorized to acquire and operate telecommunications facilities inside or outside their district boundaries for any purposes. PUDs are granted exclusive authority to regulate and control the use and price of such facilities and are not under the jurisdiction of the Washington Utilities and Transportation Commission (WUTC). They must provide reasonable and nondiscriminatory access to any person or entity seeking to sell telecommunications services and may not acquire any facilities through the power of eminent domain.

PUDs are further authorized, if such activity is approved by a majority of the district's affected voters, to provide any telecommunications services and related equipment to any entity inside or outside their district boundaries. PUDs are granted exclusive authority to regulate and control the prices of such services outside the jurisdiction of the WUTC.

Conditions and requirements for submitting the issue to a PUD's voters are specified.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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