

HOUSE BILL REPORT

HB 2130

As Reported by House Committee On:
Technology, Telecommunications & Energy

Title: An act relating to reducing the duplication of electric facilities.

Brief Description: Reducing the duplication of electric facilities.

Sponsors: Representatives Morris, Delvin, Sullivan, Chandler, Wallace and Anderson.

Brief History:

Committee Activity:

Technology, Telecommunications & Energy: 3/3/03, 3/4/03 [DPS].

Brief Summary of Substitute Bill

- Authorizes cities, towns, or counties to require an agreement between two or more utilities that discourages and reduces duplication of transmission lines.

HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Morris, Chair; Ruderman, Vice Chair; Sullivan, Vice Chair; Blake, Hudgins, Kirby, Romero, Wallace and Wood.

Minority Report: Do not pass. Signed by 7 members: Representatives Crouse, Ranking Minority Member; Nixon, Assistant Ranking Minority Member; Anderson, Bush, Delvin, McMahan and Tom.

Staff: Pam Madson (786-7166).

Background:

Cities, towns, and counties may grant authority to place electric transmission lines along public streets. The local government can prescribe the terms and conditions of the construction, maintenance, and operation of the transmission lines within the public right of way. The location of the transmission lines must be placed so as to cause the least interference with other uses of the street or road.

Electric utility service is provided to electricity users by private investor-owned utilities, public utility districts, municipal utilities, rural electric cooperatives, mutual corporations, irrigation districts, and port districts. Washington, unlike most other states, does not have certified electric distribution service territories. Areas of service for utilities can overlap.

Given the lack of state certified defined distribution service territories, the Legislature has addressed the issue of potential duplication of lines and facilities. Utilities are authorized to enter into service area agreements that divide adjoining territory. These agreements may cover a period up to 25 years. If the agreement involves an investor-owned utility, the agreement must be approved by the Washington Utilities and Transportation Commission. The policy for these agreements declares that the duplication of the electric lines and service is "uneconomical, may create unnecessary hazards to the public safety, discourages investment in permanent underground facilities, and is unattractive." It further declares it is in the public interest for utilities to enter into agreements to avoid or eliminate this type of duplication.

Summary of Substitute Bill:

A city, town, or county may require two or more electric utilities operating in contiguous or overlapping areas to enter into an agreement to discourage and reduce duplication of transmission lines. An agreement required by a city, town, or county must be filed and approved by the city, town, or county. The requirement allowing for an agreement does not apply to an electric utility's existing transmission lines but would apply to additions or extensions of the lines and appurtenances.

Electric utility is a consumer-owned or investor-owned utility that services more than one retail customer in the state.

Substitute Bill Compared to Original Bill:

The substitute bill requires that any agreement be filed and approved by the city, town, or county, and specifies that the requirement for an agreement does not apply to an electric utility's existing transmission lines but would apply to additions or extensions of the lines.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill relates to safety and service issues that have been created due to the lack of state statutes providing for allocated service areas in Washington. Washington doesn't provide for service territories. This presents significant challenges to utilities. The issue before this committee is safety and service continuity in a specific area of the state. A neighboring utility has duplicated facilities in a manner that causes safety issues and service continuity issues. The result is congested lines, increase risk to workers and residents, confusion in emergencies over which utility to contact, and confusion when trying to locate underground lines. Attempts have been made to resolve these issues but that has not been successful to date. After a city and county grants a franchise, they don't have a lot of control over these issues. The focus is on the safety issues that arise from duplication. Work is continuing on the specifics of the bill.

(With concerns) It is a concern that this bill could create a situation where a privately owned utility is regulated by both the Washington Utilities and Transportation Commission and cities on the same issue.

Testimony Against: Negotiation is a better way to handle this. This is about two utilities in a particular area. We should support negotiations in these cases. A problem with the bill is that it does not distinguish cities who also operate utilities. This creates a conflict of interest. This bill will result in needless litigation over cities authority to compel agreements. This bill is designed to prevent competition between two utilities. This bill goes well beyond this dispute and safety issues. Competition is a good thing. It helps keeps prices down. This bill works against this end. The bill as structured raises many questions and requires long and careful thought before passage.

Testified: (In Support) Kathleen Collins, Carol Hunter and Len Conlee, PacifiCorp.

(With concerns) Beth Redfield, Washington Utilities and Transportation Commission.

(Opposed) Dave Clinton, Washington Rural Electric Co-op Association; Stu Trefry, Washington Public Utility District Association; and Tim Boyd, Industrial Customers of Northwest Utilities.