

Approved: MARCH 11, 1998
Date

MINUTES OF THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Pat Ranson at 1:30 p.m. on March 5, 1998 in Room 531-N of the Capitol.

All members were present except:
Sens. Hensley and Pugh were excused

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
Earnest Lehman, Western Resources

Others attending: See attached list

Sen. Ranson called the committee's attention to two Wall Street Journal articles which have been distributed to them: "(Cheap) Power to the People", dated January 2, 1998 and "Enron to Supply Power to Schools in California Deal", dated February 25, 1998. Sen. Ranson also asked for copies of another article to be distributed to members entitled, "Restructuring - Ballot Initiative to Repeal Mass. Restructuring Law Gets Go-Ahead", from Electric Utility Week, dated March 2, 1998. Copies were furnished by KEC and KEPCO.

She then called member's attention to Minutes of the Meeting, which were distributed to them last week. They are for the following dates: February 16, 17, 18, 19, 23 and 24. Sen. Clark made a motion the Minutes of those meetings be approved, and it was seconded by Sen. Lee; the Minutes were approved (Attachment 1).

Sen. Brownlee stated she has two articles which she wants to distribute to members of the committee, but she does not have copies with her. She stated she will distribute them to each individual member of the committee.

Sen. Ranson then called on Lynne Holt to review the status of Retail Wheeling in other states. Ms. Holt referred to two documents: One entitled "States with Restructuring Laws and Commission Orders" (Attachment 2) and the other is an article from the Public Utilities Fortnightly, "Enron's Battle with Peco", dated March 1, 1998. Ms. Holt stated there are two ways restructuring can be implemented, that is by legislation and by Commission Orders. She also stated that restructuring activity has appeared to slow down and some states have modified their policy on implementation. Ms. Holt then reviewed the status of the states with the committee and stated there are two other states, which are not listed in her document, that need to be looked at because of recent activity toward restructuring - they are Connecticut and Virginia. She briefly commented on the two states and discussed states listed in her matrix.

Sen. Barone asked Ms. Holt if she knew the economic impact of mandated divestiture, and Ms. Holt answered she hasn't researched that but could get the information for him. Sen. Ranson commented that some generation assets may be 2 1/2 to 5 times book value. The committee continued by discussing divestiture and how that comes into play on the value of assets and stranded costs. Sen. Steffes stated that control is worth a lot more: that owning 51% of all shares is worth more than owning 100 shares, because one is at the mercy of the marketplace. Ms. Holt stated she will look at reports dealing with divestiture and report to the committee.

Ms. Holt stated another area which needs to be monitored is litigation and where it is coming from. She gave statistics from several states and commented that consumer groups have filed suit in several states and in others, implementation and commission Orders as well as utilities are the basis for litigation.

Sen. Ranson introduced Earnest Lehman, who gave an update on the status of deregulation legislation in Missouri (Attachment 3). He stated that the Missouri legislature is set to adjourn in mid-May and that no action is expected on legislation this session. The committee discussed the pilot program with Utilicorp and McDonald's and who was solicited to bid and the number of bidders. Mr. Lehman stated that it required Missouri PSC approval, and it would also require Corporation Commission approval in Kansas.

Sen. Ranson went over the agenda for next week and stated it appears a House Resolution, relating to electrical deregulation, will be assigned to the committee soon.

Meeting adjourned at 2:30.

Next meeting will be March 9, 1998

Approved: MARCH 5, 1998
Date

MINUTES OF THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Pat Ranson at 1:30 p.m. on February 16, 1998 in Room 531-N of the Capitol.

All members were present except:
Sen. Pugh was excused

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
Don Schnacke, Kansas Independent Oil and Gas Association
Jamie Clover Adams, Governor's Office

Others attending: See attached list

Sen. Ranson announced the agenda for this week and reminded the committee that it will hold a hearing on Wednesday in Room 123-S. Sen. Clark introduced his pages who are assisting the committee today, as well as Sen. Brownlee's daughter.

Sen. Ranson then called attention to the Minutes of the Meeting of February 2, 4 and 5 and asked the committee to review them for a later vote.

Sen. Ranson then called attention to "Be a Smart Shopper, Consumer Guide" from Rhode Island (Attachment 1), which the committee had discussed earlier, copies of which have been distributed to committee members and have been supplied by Tom Day of the Corporation Commission. Also copies of Walker Hendrix's testimony from the hearing on SB 502 last Thursday (Attachment 2) was distributed to members.

Sen. Ranson then announced the committee will hold a hearing on:
SCR 1616-Urging Congress to enact legislation providing relief from the order of the Federal Energy Regulatory Commission requiring Kansas natural gas producers to pay penalties and interest on certain refunds to customers

Mary Torrence briefed the committee on the bill. The following appeared as proponents:

Donald Schnacke (Attachment 3)
Jamie Clover Adams (Attachment 4)

Members of the committee questioned Mr. Schnacke regarding the Resolution. Sen. Morris asked if the Order by FERC sets a precedent, and that could not be substantiated. He also asked if the money goes to consumers, and what happens if the consumer cannot be found. Mr. Schnacke stated that finding consumers could be a real problem and that notices are to be sent to individuals and that FERC has allowed company hardship cases to be filed. Sen. Barone asked the range of money owed, and Mr. Schnacke answered he did not know, but that there are 150 producers and they range from the largest, such as Mobile, Amoco and Oxy to the small producers, who may suffer financial losses and even bankruptcy. Many of them will be producers from the Hugoton field. In answer to a question from Sen. Hensley, Mr. Schnacke gave history of how this came about, which was with an Order in 1974 and the feeling that Kansas was being discriminated against. The Appeal was moved back five years, and the Supreme Court threw the case out. Lynne Holt furnished information regarding the 1974 Kansas tax rule and the fact that the original suit was filed by Northern Natural Gas Company, bringing about the 1983 Decision. It was also pointed out that the Order involves interstate pipeline sales only. Sen. Morris made a motion the committee report the Resolution favorably, and it was seconded by Sen. Barone. After a roll call vote, the Resolution passed unanimously.

Sen. Ranson referred members to the Minutes of the Meeting for February 2, 4 and 5 (Attachment 5). Sen.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON UTILITIES, Room 531- -N, Statehouse, at 1:30 p.m. on February 16, 1998.

Clark made a motion the Minutes be approved, and it was seconded by Sen. Lee; the Minutes were approved.

Sen. Ranson then asked committee members to look at amendments drafted (Attachment 6) to:

SB 502-retail electric bills to consumers; providing for disclosure of certain components

The committee discussed customer service charges and looked at samples of bills from Midwest Energy and Kansas Power and Light. Sen. Ranson read from one of the bills the detail showing what is in the customer service charge, as an example. It appeared, after much discussion, that there is a different charge for urban customers than there is for rural customers. The committee also discussed elements in customer charges, and Ms. Hueter stated the intent of the amendment offered in her testimony. After input from the KCC staff and CURB, the committee concluded there is no uniform definition for customer service charges, that it varies from company to company, and is not defined by FERC.

Sen. Ranson stated that, under deregulation, there could be at least three companies involved-----one who supplies the power; one who is the distributor, and the third company could be the company who furnishes the meter and is involved with the meter reading. She pointed out the testimony regarding smart meters and added that some of the larger companies use sophisticated meter reading.

Sen. Ranson asked the committee at what point do you separate and define the functions and how? Mr. Dittmore suggested the committee study ratemaking in more detail and that a member of the KCC staff could explain what is involved in ratemaking. He stated that Joe Williams would be able to explain ratemaking to the committee, and Sen. Ranson requested he appear before the committee tomorrow.

The committee also discussed "transactional taxes", which Ms. Torrence defined as sales, use and franchise taxes, from the utility to the consumer. Consensus was that "Transactional taxes" should be defined in the bill. Sen. Ranson also raised the question if those taxes also apply to distribution. Mr. Lehman responded that they (Western Resources) are required to break out all taxes, and that all sales and franchise fees are itemized on their bills.

Meeting adjourned at 2:30.

The next meeting is scheduled for February 17, 1998.

Approved: MARCH 5, 1998
Date

MINUTES OF THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Pat Ranson at 1:30 p.m. on February 17, 1998 in Room 531-N of the Capitol

All members were present except:
Sen. Hensley was excused

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
Joe Williams, Kansas Corporation Commission

Others attending: See attached list

Sen. Ranson made the announcement that the committee will meet tomorrow in Room 123-S at 1:30 for a hearing on
SB 589-electric cooperative public utilities; jurisdiction of corporation commission.

Sen. Ranson asked the committee to review Minutes of the Meeting of February 9 (Attachment 1). Sen. Barone made the motion the Minutes be approved, and it was seconded by Sen. Morris; the Minutes were approved.

Sen. Ranson also announced the distribution of "Integrating Metering & Information Systems", an article which appeared in the Public Utilities Fortnightly, February 1, 1998, to members of the committee.

Sen. Ranson then referred to:
SB 502-retail electric bills to consumers; providing for disclosure of certain components

and suggested amendments (Attachment 2). She also referred to examples of utility bills - one from Midwest Energy, Inc. (Coop) and a residential, commercial and industrial bill from the Board of Public Utilities (Attachment 3) - as discussed in committee yesterday.

Sen. Ranson then introduced Joe Williams, who referred to a document outlining suggested language for **SB 502**, Components of metering and billing cost (Attachment 4). Sen. Barone asked what the maximum allowable charge would be for a residential customer. Mr. Williams explained the maximum allowable charge, which includes the service drop and the transformer charges, will be approximately \$8.00 to \$10.00 for residential customers; in a rate hearing, the utilities will request \$11.00-\$14.00. Mr. Williams went over the components with the committee and stated that of those utilities the commission regulates, the commission stays close to a standard of what is included to a maximum justifiable charge.

Sen. Ranson referred the committee back to the question of what to include in the customer service charges, and asked the committee to look at a proposed amendment (Attachment 5), which defines customer service charges. Sen. Barone stated it is clear the Commission has decided it cannot charge the maximum allowable charge, then if it is going to be a competitive service, that amount will have to be made up someplace. Mr. Williams continued by explaining that there is a difference in comparing customer charges in a regulated vs. an unregulated market - that the charges are designed for other purposes - there are items included in the service charge shown on the bills now that are not included in the list of things that will be broken out as a part of competitive service. He believes the customer service charge will not be that far off. He referred to the definition of customer service charges being discussed, and added that they have been designed for other purposes in the past - as fixed costs to individual customers; once the industry is not regulated and is competitive, the costs will be based on the companies' ability to participate.

Sen. Morris then asked if a decision is made to unbundle and require items to be itemized, will the consumer's bill be higher? Mr. Williams answered that the committee is considering a small part of the total service and it is hard to calculate, one of those questions being stranded costs. The committee continued by discussing advantages of unbundling only a portion of the total cost, others being generation and transmission. Sen. Lee stated it is important to consider how this would affect consumers, not the industry. She stated her belief that there are advantages of unbundling and defining customer service charges first, while the industry is regulated; the companies would then have to go to the Corporation Commission to request an increase in rates. Sen.

Approved: MARCH 5, 1998
Date

MINUTES OF THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Pat Ranson at 1:30 p.m. on February 18, 1998 in Room 123-S of the Capitol.

All members were present

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
Earl Watkins, General Counsel, Sunflower Electric Power Corporation
Neil Norman, General Manager, Wheatland Electric
Jack Clinkscale, General Manager, Lane-Scott Electric Coop
Vernon Newberry, City Administrator, Dighton
Allan Miller, General Manager, Prairieland Electric Coop

Others attending: See attached list

Sen. Ranson announced the committee will hear testimony on the following bill:

SB 589 -electric cooperative public utilities; jurisdiction of corporation commission

She stated that, due to the long list of conferees and short period of time for a hearing, questions be held until later. The following appeared as proponents:

Earl Watkins, (Attachment 1)
Neil Norman, (Attachment 2)
Jack Clinkscale, (Attachment 3)
Vernon Newberry (Attachment 4)
Allan Miller, (Attachment 5)

Written testimony submitted by:

David Schneider, General Manager, Western Cooperative Electric Association, Inc., (Attachment 6)
Ronald Radcliffe, Mayor, City of Hill City, (Attachment 7)

There was some time remaining, so questions were allowed. Sen. Ranson asked Mr. Watkins if he brought draft copies of the two amendments proposed in his testimony, and he answered he could provide those to the committee. Sen. Lee questioned Mr. Miller regarding his coop voting out (deregulating), and he answered they are still under Corporation Commission regulations if they buy wholesale for re-sale purposes. He explained they have contracts with Sunflower and KEPCO, and he believes this legislation will allow them to make the necessary changes to keep their rates down.

Sen. Barone then asked if any of the proponents objected to the amendment offered by Mr. Watkins, which would require the utilities to go to the Corporation Commission to raise rates. There was no objections from the proponents. Sen. Steffes then questioned Mr. Watkins regarding the loss of \$200,000 and who suffers the loss. Mr. Watkins answered the Board of Directors decided the loss was warranted, in order to maintain the customer. The committee continued to question Mr. Watkins regarding the indebtedness of Sunflower and who the debt is owed to. They also discussed special contracts and if they are renewable and the Nebraska pool. Mr. Watkins stated the cities, through their local coops, can negotiate contracts; and the REC's have contracts pledged to the federal government.

Sen. Ranson discussed tomorrow's meeting with members, and it was decided to meet at 1:00, due to the number of conferees left to testify on the bill.

Meeting adjourned at 2:30.

MINUTES OF THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Pat Ranson at 1:00 p.m. on February 19, 1998 in Room 123-S of the Capitol.

All members were present except:
Sen. Hensley was excused

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
Gilbert Hanson, Special Consultant, Kansas Municipal Utilities
Jon Miles, Kansas Electric Cooperatives
Bruce Graham, Vice-President, Kansas Electric Power Cooperative, Inc.
Charlie Reese, Midwest Energy, Inc.
Pete Loux
Larry Holloway, Chief of Electric Operation, Corporation Commission

Others attending: See attached list

Sen. Ranson announced the committee will continue hearing testimony on:

SB 589-electric cooperative public utilities; jurisdiction of corporation commission

The following appeared as proponents:
Jon Miles, (Attachment 1)
Gilbert Hanson, (Attachment 2)
Bruce Graham, (Attachment 3)

The committee questioned proponents, including Mr. Watkins, who testified yesterday. Sen. Barone questioned Mr. Miles regarding the number of coops and if they are regulated, and if Mr. Miles would agree with the same provision he has endorsed today regarding retail wheeling - that the rates can only be lowered - the rates cannot be raised. Sen. Brownlee also questioned him regarding member lists and the fact that in discussions while serving on the Retail Wheeling Task Force, coop member lists are guarded, and her concern was if the members of the coop can be contacted and remarked that the consumers need access.

Sen. Clark referred to page 2 of the bill and questioned Mr. Watkins as to how many board members are in Sunflower, and how many board members would be involved to petition a rate case. Mr. Watkins responded that Sunflower has six board members, KEPCO has 20. At that time, Sen. Clark referred to a rate schedule (Attachment 4) and asked Mr. Watkins to make a distinction between a member and a customer. They also discussed the requirement of a ten day notice to change rates, and Mr. Watkins stated they are required to give public notice and they also publish an announcement in local papers. Sen. Clark continued by questioning Mr. Watkins regarding rates, special contracts and who is notified regarding a change of rates. Mr. Watkins replied that the Board of Directors make such decisions, after study of the rate structure. Sen. Clark then asked Mr. Watkins who made the decision to make a contribution to a Senate leadership campaign fund. Mr. Watkins replied he did not know of the contribution, but could furnish information to the committee. He stated that he assumed the contribution had been made in keeping with company policies and that such policies are set and approved by the Board of Directors.

Sen. Lee asked why the coops are asking for deregulation now and stated she considered deregulating the coops is quite different than the deregulation issue being discussed relating to retail wheeling. Mr. Watkins stated his company has additional costs in Kansas and that the surrounding states do not regulate G and Ts and gave the status of financial obligations in surrounding states. Sen. Lee questioned Mr. Watkins in detail regarding Sunflower's default on debt in 1985 and its restructuring in 1988. Mr. Watkins gave the history of the restructuring and stated the reason for this bill is to remove a regulatory hurdle and lower the cost of the requirement for KCC approval once the federal government and members approve of the plan. They also discussed contracts and the Sunflower 1996 annual report, and Sen. Lee expressed concern with Sunflower

Approved: MARCH 5, 1998
Date

MINUTES OF THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Pat Ranson at 1:30 p.m. on February 23, 1998 in Room 123-S of the Capitol.

All members were present

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
none

Others attending: See attached list

Sen. Ranson called the committees' attention to:

SB 589-electric cooperative public utilities; jurisdiction of corporation commission

She referred to hearings for the bill held on February 18 and 19 and stated that the committee was unable to hear testimony from the following opponents: Walker Hendrix, Don Schnacke and Sen. Clark. Their testimony will be accepted as written testimony and copies were distributed to the committee on February 19. If additional copies are needed, they are available from the secretary. Sen. Ranson also referred to questions from Sen. Lee during the hearing regarding an Attorney General's Opinion, copies of which have been made available for the committee (Attachment 1).

Sen. Ranson stated the committee has not been briefed on the above bill and asked Lynne Holt to do so. Copies of her briefing were distributed to committee members (Attachment 2). Committee members questioned Ms. Holt regarding issues covered in her review and in the bill itself. Sen. Lee asked questions regarding contracts and if the bill deregulates wholesale activities. She also questioned the status of a lawsuit in Graham County, and clarification of the specific issues regarding the fact that the KCC has limited jurisdiction over Sunflower. Sen. Ranson asked if IOU wholesale contracts are under KCC regulation, and Ms. Holt indicated they are. She then asked if wholesale contracts between the coops and the municipals are subject to FERC, if this bill passes. Mr. Dittmore replied, no, not without Congressional action.

Sen. Ranson referred to another bill previously discussed:

SB 502-retail electric bills to consumers; disclosure of certain components

She announced distribution of the following:

Humorous sample of unbundled bill from Kansas Electric Power Cooperatives (Attachment 3)
Consumer guide from Rhode Island's "Be a Smart Shopper" (Attachment 4) - previously distributed
Rhode Island bill (Attachment 5)
Option 1 and 2 from Kansas Municipal Utilities (Attachment 6)
Letter from Colin Whitley, Director of Electric Utility, Winfield (Attachment 7)

Committee members discussed entries in the sample bills, and Sen. Ranson read the letter from Mr. Whitley of Winfield. She announced the committee will discuss **SB 502** again tomorrow.

Meeting adjourned at 2:30.

Next meeting will be February 24, 1998

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Approved: MARCH 5, 1998
Date

MINUTES OF THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Pat Ranson at 1:30 p.m. on February 24, 1998 in Room 123-S of the Capitol.

All members were present except:
Sens. Hensley and Lee were excused

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
none

Others attending: See attached list

Sen. Ranson called the committee's attention to an article which has been distributed to them entitled, "PUCs in 1997, Managing the Competition?", which appeared in the Public Utilities Fortnightly, January 1, 1998. Also distributed is a matrix of Retail Wheeling and competition activities in the states (Attachment 1). She asked the committee to look over Minutes of the Meeting for February 11 and 12 (Attachment 2). Sen. Clark made a motion the Minutes be approved, and it was seconded by Sen. Barone; the Minutes were approved.

Sen. Ranson then asked the committee to refer to:

SB 502-retail electric bills to consumers; providing for disclosure of certain components

A copy of the bill shows proposed amendments (Attachment 3). She stated she had spoken with Rep. Don Myers, Chair of the House Utilities, regarding the status of:

HB 2679-retail electric bills to consumers; providing for disclosure of certain components

The house bill has passed out of committee with amendments and is on General Orders in the House, where it floats near the bottom. She asked the committee for a discussion regarding the committee's wishes for continued work on the bill. She asked them where they want to go with unbundling and which direction to take regarding Retail Wheeling.

Sen. Brownlee stated it is her understanding the federal congress will consider Retail Wheeling in April. Sen. Steffes asked what happens if we do nothing? What do we accomplish? He stated he understands that the purpose of unbundling is to identify cost, and stated he cannot see the push to do anything yet. He stated his feeling is to wait for other states to move along on the subject and learn from their experience. Sen. Pugh stated that he agreed and thinks that is a reasonable conclusion.

Sen. Barone stated he would like the committee to proceed with unbundling and thinks it would be a positive step. He asked if the Corporation Commission has authority to implement some of this. Dave Dittmore responded that they do have authority to implement this; however, the Commission would require more evidence, would conduct more hearings and ask for more input, and it would take longer than if you pass this bill. He confirmed that he appeared before the committee in favor of the bill. Sen. Barone confirmed with Mr. Dittmore that if something would have to be done after the Legislature adjourns, others would have authority to act.

Sen. Morris stated at this time, he is opposed to Retail Wheeling, as he believes the result will be that consumers will have higher bills. He favors studying other states' activities in Retail Wheeling. Sen. Clark

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CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON UTILITIES, Room ¹²³⁻⁵~~531-X~~, Statehouse, at 1:30 p.m. on February 24, 1998.

also confirmed with Mr. Dittmore, that if unbundling were accomplished through an Order from the Corporation Commission, the regulation would affect only utilities they have authority to regulate. This means some utilities would be regulated and some unregulated (coops, municipals). He stated the impact would not be good, and that it does not have to be complicated; that he would like for the committee to start the process.

Sen. Jones stated the customers in his district are pleased with utilities, and he believes that adding anything will result in a cost factor. Sen. Salisbury stated she does not know if she is for or against retail wheeling, but that she believes the tax impact is a major part of the issue. She stated that her constituents have not shown an interest in Retail Wheeling. She further stated it is her understanding that the earliest year for federal legislation is the year 2001. She does not believe it is necessary to address the issue this session.

Sen. Ranson stated it appears the cost centers are more troublesome than before, but that she believes the education process is very important and that the committee needs to continue to be prepared for Retail Wheeling. Sen. Brownlee asked how much lead time do we need? Sen. Ranson stated that according to testimony, a lot of lead time is needed.

Sen. Ranson stated we will keep the bill alive and watch the house bill as it proceeds through general orders, but that we need to be prepared to continue our deliberations on this issue. She added that it appears the activity on Retail Wheeling is bogging down in other states; that it is not the intent of this committee to back away from the issue, but that more study should be done, particularly of the costs involved.

Meeting adjourned at 2:00.

The next meeting is scheduled for March 5, 1998.

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Senate Bill
3-5-98
2-1

STATES WITH RESTRUCTURING LAWS AND COMMISSION ORDERS

State	Legislation/ Order	Implementation Date	Rate Reduction	Competitive Non-Generation	Divestiture	Securitization	ISO	Pilot Program	Other Issues
California	AB 1890— September 23, 1996; S.B. 477— August 15, 1997	Delayed to March 31, 1998; all customers to have access.	10 percent beginning January 1, 1998. The Commission also ordered PG&E to refund \$61 million to electricity customers as a one-time credit on their February electric bills.	Competitive billing and metering became effective January 1, 1998.	The investor-owned utilities are in the process of divesting their fossil generating facilities. In addition, San Diego Gas & Electric announced plans to auction 20 percent interest in the San Onofre Nuclear Generating Station.	Allowed. The Commission authorized three investor-owned utilities to issue up to \$7.3 billion in transition bonds. On September 8, 1997, the IRS ruled that bond proceeds will not be taxable to the utilities when received.	On October 29, 1997, FERC gave conditional interim approval for the operation of the ISO and power exchange. FERC also approved, on an interim basis, the transfer of operation control of three investor-owned utilities to the ISO. On January 21, 1998, the California Commission likewise approved this transfer. Delays in the final testing of these systems has pushed back the implementation date of retail access to March 31, 1998.		PG&E has received switching requests from at least 33,000 consumers and businesses. The total number of requests with errors was: 1,700 in November, 8,100 in December, and 3,300 in January. PG&E had to return 3,960 requests with errors to customers during that time period.

State	Legislation/ Order	Implementation Date	Rate Reduction	Competitive Non-Generation	Divestiture	Securitization	ISO	Pilot Program	Other Issues
Illinois	H.B. 362—December 16, 1997	Phase in from October 1, 1999, beginning with large industrial customers and ending with residential customers on May 1, 2002.	For all utilities with residential rates above the Midwest average, a reduction of 15 percent will become effective August 1, 1998, and an additional 5 percent will become effective May 1, 2000. Lower percentage reductions are scheduled for utilities with residential rates not above the Midwest average.	Billing and metering are not required to be furnished on a competitive basis. Regarding metering, utilities must file tariffs with the Commission to provide real-time pricing for non-residential customers by October 1, 1998, and for residential customers, by October 1, 2000.	Not required. The Commission is authorized to require functional separation of generation and delivery services and has initiated rulemaking proceedings to address that issue.	Allowed but may not occur prior to August 1, 1998. From August 1, 1998-August 1, 1999, securitization is limited to 25 percent of each utility's Illinois-jurisdictional capitalization as of December 31, 1996, and 50 percent of such capitalization thereafter.	Each utility owning or controlling transmission facilities is required to file for FERC approval to join or establish an ISO.	The Commission approved pilot programs in March 1996 for Illinois Power and CILCO. Approximately 75 percent of customers eligible to participate in Illinois Power's program are receiving power from alternative providers. Approximately half of the customers eligible to participate in CILCO's industrial pilot program have contracted with alternative suppliers and approximately 35 percent of customers in CILCO's residential/commercial pilot program have done so.	The Citizens Utility Board reached a settlement with Commonwealth Edison (ComEd) to terminate that company's marketing programs which were designed to give ComEd's affiliates an edge in the competitive market. The Citizens Utility Board had filed a complaint with the Commission requesting that ComEd discontinue its program in which confidential account information on its customers, such as energy use patterns, was requested by the utility and its affiliates.
Maine	L.D. 1804—May 29, 1997	Retail access is to begin for all customers in March 2000.			With the exception of Maine Public Service, the investor-owned utilities are required to divest non-nuclear generation assets by March 1, 2000. Maine Public Service is in the process of auctioning off its generation assets. For \$846 million, Central Maine Power plans to sell to the FLP Group a bulk of its generation assets. Bangor Hydro Electric filed a plan with the Commission to divest its power generation assets.		Recently, ISO New England announced plans to open the region's wholesale market by the fourth quarter of 1998. Although some findings remain for FERC approval, this evolved NEPOOL should be ready to handle retail access.		

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State	Legislation/ Order	Implementation Date	Rate Reduction	Competitive Non-Generation	Divestiture	Securitization	ISO	Pilot Program	Other Issues
Massachusetts	H.B. 5137 — November 25, 1997	Retail access is to begin March 1, 1998 for all customers.	10 percent for customers who purchase standard offer packages by March 1, 1998, and an additional 5 percent by September 1, 1999.		Divestiture of non-nuclear generation facilities is not required but recovery of stranded costs and securitization are based upon divestiture and other actions. Several utilities have entered into agreements to divest their fossil generation assets. New England Electric System sold 5,000 MW to U.S. Generating for \$1.59 billion, which is \$500 million over book value. This sale covered 18 power plants, in addition to power purchase contracts and other agreements. Boston Edison struck a deal to sell 2,000 MW to Sithe Energies for \$536 million, \$116 million more than the book value for its generating assets. Eastern Utilities Associates plans to hold a second auction for the bulk of its 1,065 MW in generating assets because the bids submitted in the first auction proved to be disappointing. Subsidiaries of Northeast Utilities (Western Massachusetts Electric) and Unitil Corp. (Fitchburg Gas & Electric) recently unveiled plans to sell	Authorized for utilities that fully mitigate stranded costs, including divestiture.	The Department of Public Utilities was directed to work with NEPOOL, FERC, and state commissions to adopt policy initiatives and statutory reforms to ensure independent operation of a regional transmission system. Recently, ISO New England announced plans to open the region's wholesale market by the fourth quarter of 1998. Although some findings remain for FERC approval, this evolved NEPOOL should be ready to handle retail access.	The Commission approved two pilot programs in April 1996. Mass Electric's program offered retail access to up to 10,000 customers in four communities. Commercial and industrial participation was strong; residential participation was weak. The pilot program terminated on December 31, 1997. Another pilot program provides retail access to members of the Massachusetts High Technology Council, not to exceed an aggregate of 200 million kwh.	<i>Repeal</i> A Massachusetts coalition—the Campaign for Fair Electric Rates—has amassed over 60,000 signatures for a ballot initiative in November 1998 to repeal the state's electric industry restructuring bill. The coalition contends that consumer benefits could be strengthened and that the 10 percent rate reduction authorized in the law is too small, given the provisions of full stranded cost recovery. Utilities have expressed opposition to the coalition's initiative.

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State	Legislation/ Order	Implementation Date	Rate Reduction	Competitive Non-Generation	Divestiture	Securitization	ISO	Pilot Program	Other Issues
					their non-nuclear generating assets totaling over 620 MW. Western Massachusetts Electric plans to buy its own assets and securitize its debt. COM/Electric is in the process of auctioning off 2,000 MW in generating assets.				
Montana	S.B. 390—May 2, 1997	Larger users to have retail choice by July 1, 1998 and all other customers to be phased in by July 1, 2002. MDU may defer compliance with the law until retail competition is offered in its primary service area, North Dakota, or until July 1, 2006.	Investor-owned utilities must institute rate moratoriums during the transition period.		Not required, although Montana Power plans to divest its electric generating facilities in Montana, its leased interest in a coal-fired plant, and its purchased power contracts.	Allowed.		Beginning July 1, 1998, utilities must operate pilot programs offering choice to residential and small commercial customers.	
Nevada	A.B. 366—July 16, 1997	Retail access to all customers by December 31, 1999, unless the Commission determines that a different date is necessary to protect the public interest.		To be decided by the Commission. The Commission plans to issue an order following comment and hearing on potentially competitive services. A schedule for this proceeding has been set.	To be decided by the Commission.	Not required. However, the Commission may limit ownership or control of transmission facilities and of any generation facilities that are necessary to maintain grid reliability.			

2-4

State	Legislation/ Order	Implementation Date	Rate Reduction	Competitive Non-Generation	Divestiture	Securitization	ISO	Pilot Program	Other Issues
New Hampshire	H.B. 1392—May 1996	Originally scheduled for January 1, 1998, but now postponed until July 1998 because of litigation concerning Public Service New Hampshire. A recent federal Court of Appeals decision has the effect of continuing to block retail competition for Public Service New Hampshire's 410,000 customers. The decision will allow the utility to take the case to state court.	A plan by New England Electric System, with concurrence from the state and several consumer groups, would allow customers to receive an immediate 10 percent cut below current bundled rates with an increase to a 17 percent cut if New England Electric System is able to complete its sale to U.S. Generating. The plan must still be approved by the Commission.	Metering for customers with maximum demands over 100 kW and billing will be competitive.	Required for all generation and supply services (including transfer of rights under purchased power contracts) within two years after direct access implementation.	A bill is being considered to authorize securitization for buy-downs that have been negotiated between six plants.	Recently, ISO New England announced plans to open the region's wholesale market by the fourth quarter of 1998. Although some findings remain for FERC approval, this evolved NEPOOL should be ready to handle retail access.	A statewide pilot program started May 28, 1996 for 3 percent of load of all utilities. Approximately one-third of the customers eligible to participate continue to receive service from their franchised utilities. The pilot is scheduled to expire in May 1998.	
Oklahoma	S.B. 500—April 25, 1997	Retail competition will be offered to all customers by July 1, 2002, unless a uniform tax policy is not in effect by that date.	Rates for all customers may not increase above current levels throughout the transition period.				The Commission began its study of ISO issues on July 1, 1997 and reported its findings to the Joint Electric Utility Task Force by February 1, 1998.		The Oklahoma Tax Commission is required by December 31, 1998 to evaluate the impact of restructuring on state and local tax revenues and assess the feasibility of setting a uniform consumption tax or similar tax.

2-5

State	Legislation/ Order	Implementation Date	Rate Reduction	Competitive Non-Generation	Divestiture	Securitization	ISO	Pilot Program	Other Issues
Pennsylvania	H.B. 1509 — Decem- ber 1996	Beginning January 1, 1999, retail access is to be phased in for all electric customers by January 1, 2001. PECO Energy's re- structuring plan in- cludes an accelerated schedule for the im- plementation of full retail access, to be completed by Janu- ary 1, 2000.	Transmission and distribution rates are capped for 4.5 years. Separate energy rate caps apply for nine years to customers who elect to be served by the local distribution company or until the CTC is collected (whichever is shorter). Rate caps can be ex- ceeded under specific circumstances, such as changes in laws, ISO funding, in- creases in fuel and purchased power, taxes, etc.		Divestiture is op- tional. GPU Energy announced its inten- tion to sell its gener- ating assets.	Authorized in law which requires any savings resulting from securitization to go to rate reductions. PECO was autho- rized to securitize \$1.1 billion of stranded costs and may submit an appli- cation for further se- curitization.	In November 1997, FERC approved a proposal submitted by the Pennsylvania- New Jersey-Maryland (PJM) interconnection for an ISO. This new ISO also will run the associated power exchange and will use single, non- pancaked transmis- sion rates assessed on costs at the deliv- ery point.	Pilot programs are mandated by law. They began Novem- ber 1, 1997, pertain to 5 percent of each utility's peak load, and are fully sub- scribed. Revenue shortfalls from these programs will be treated as regulatory assets.	On January 22, 1998, PECO Energy sued the state commission in state court, claim- ing that the stranded cost determination was not just and rea- sonable. PECO will pursue the state suit first and proceed to the federal court, if the issues cannot be resolved in state court.
Rhode Island	H-8124 Sub. B — Au- gust 7, 1996; H-7003 —July 1997 (securiti- zation bill); H-6288-A —July 1997 (amend- ments to Restructur- ing Act)	Retail access began for new commercial and industrial cus- tomers with average minimum demand of 1,500 kW; manufac- turers with an aver- age annual demand of 200 kW were au- thorized retail access on January 1, 1998. New England Electric System's subsidiary, Narragansett Electric, and Eastern Utilities Associates' subsidiar- ies, Blackstone Valley Electric and Newport, began offering all re- tail customers com- petitive access in January 1998, six months earlier than required by law.	On January 1, 1998, Narragansett Electric began offering its customers rate reduc- tions averaging 17 percent.		Utilities are required to divest 15 percent of non-nuclear gener- ation to recover stranded costs. De- spite that require- ment, New England Electric System and Eastern Utilities As- sociates elected to divest all their gener- ating assets (see Massachu- setts—divestiture). If another state requires a wholesale supplier that is subject to Rhode Island's law to fully divest, the same requirement will apply in Rhode Island.	Securitization is per- mitted through a bill enacted in 1997, pro- vided that the savings from securitization are credited to cus- tomers through the transition charge.	Recently, ISO New England announced plans to open the re- gion's wholesale mar- ket by the fourth quarter of 1998. Al- though some findings remain for FERC ap- proval, this evolved NEPOOL should be ready to handle retail access.		

9-2

State	Legislation/ Order	Implementation Date	Rate Reduction	Competitive Non-Generation	Divestiture	Securitization	ISO	Pilot Program	Other Issues
Arizona	AZ CC D,U-0000-94-165—December 26, 1996	January 1, 1999 for 20 percent of each utility's peak load (15 percent must be residential); January 1, 2001 for 50 percent of peak load (30 percent must be residential); and full retail access by January 1, 2003.	Hearings were scheduled for February 9, 1998 to address whether a rate freeze should be imposed as part of stranded cost recovery.	Metering and billing may be offered competitively. Electric service providers supplying metering or meter reading service must provide meter readings to other electric service providers serving the same customer. Protocols must be developed and reviewed in workshops.	There is no requirement for divestiture.		The Commission will conduct an inquiry into creation of a power pool and ISO.		The Commission required all electric utilities and cooperatives to file their competitive plans by December 31, 1997. As of early February, a unit of Arizona Public Service failed to do so, arguing that "additional substance" was needed in the Commission's competition rules before the utility would file its plans. The Commission scheduled hearings for March 12, 1998 to investigate Arizona Public Services' non-compliance. The cooperatives appealed the Commission's authority to promulgate rules on restructuring and their appeal was denied.

1-2

State	Legislation/ Order	Implementation Date	Rate Reduction	Competitive Non-Generation	Divestiture	Securitization	ISO	Pilot Program	Other Issues
Maryland	Case No. 8738 — December 3, 1997; revised, December 31, 1997	Phase-in of retail access from July 1, 2000 to July 1, 2002, in equal annual increments.	Price cap regulation is required during the interim but initial rate reductions are not specified.	Billing will be competitive at the start of the phase-in, whereas competition in metering will be deferred until after the full phase-in and roundtable discussions addressing this issue have concluded.	Divestiture is not mandated but may be considered to mitigate stranded costs or market power.	The Commission recommended legislation be introduced to authorize securitization of stranded costs.	In November 1997, FERC approved a proposal submitted by the Pennsylvania-New Jersey-Maryland (PJM) interconnection for an ISO. This new ISO also will run the associated power exchange and will use single, non-pancaked transmission rates assessed on costs at the delivery point.		After the order was issued, the Commission submitted a report on tax implications to the legislative task force. Proposed changes include: expanding franchise tax to cover all suppliers; replace franchise tax with a per-kWh consumption tax, to be collected by all suppliers; or let the distribution utilities collect the consumption tax since they will deliver all power regardless of supplier. Utilities are concerned about the timing of resolving tax issues because they pay 2 percent of gross receipts tax compared to 7 percent income tax on profits paid by marketers. Also, utilities pay property tax at 100 percent of assessed value, compared to marketers' payment at 40 percent of assessed value.

8-18

State	Legislation/ Order	Implementation Date	Rate Reduction	Competitive Non-Generation	Divestiture	Securitization	ISO	Pilot Program	Other Issues
Michigan	Case No. U-11290— June 5, 1997	To be phased in beginning in mid-1998, with 5 percent of Consumers Energy's and Detroit Edison's loads, followed by annual increments of 2.5 percent over the ensuing three years. By January 1, 2002, all consumers should have direct access.	No rate freeze was authorized in the restructuring docket.			The Commission had indicated support of securitization if tax issues were resolved, legislation was passed authorizing securitization, and securitization reduced customer rates on a net present value basis over the life of the assets. To date, the tax issues have been resolved but the securitization legislation has not been enacted.	The Commission staff is in the process of developing a methodology for implementing a state or regional ISO and exploring other methods of addressing market power. Staff will file a final report on a proposed ISO.	Two pilot programs were initiated in 1994 for Consumers Energy and Detroit Edison, which may be superceded by the Commission's restructuring efforts. The utilities had contested the Commission's statutory authority to direct implementation of the pilot programs. The Michigan Court of Appeals rejected the utilities' contentions. There is still debate about the Commission's statutory authority to require retail competition on a non-experimental basis.	
New Jersey	Docket No. EX94120585Y (Energy Master Plan)— April 30, 1997	Phase-in of retail competition beginning in October 1998, with full choice available by July 2000. The proposed phase-in schedule is: 20 percent on January 1, 1999, 35 percent on April 1, 1999, 50 percent on October 1, 1999, and 75 percent on April 1, 2000.	A reduction of 5 to 10 percent must come from rates in effect at the time the order was issued (April 30, 1997).	The Board of Public Utilities (BPU) has ordered continued utility responsibility for billing and metering during the transition. However, utilities may file proposals to allow third party metering and billing on a voluntary basis. The Consumer Services Working Group of the BPU is reviewing those issues.	The BPU will address divestiture following a review of market power studies filed with each utility's restructuring plan. Each utility has filed such a plan and the BPU must make a decision by October 1998.	The BPU supports securitization as a means of reducing stranded costs. Securitization has been proposed in Public Service Electric & Gas' restructuring plan.	In November 1997, FERC approved a proposal submitted by the Pennsylvania-New Jersey-Maryland (PJM) interconnection for an ISO. This new ISO also will run the associated power exchange and will use single, non-pancaked transmission rates assessed on costs at the delivery point.	GPU Energy offers a pilot program for 12,000 customers in Monroe Township. Each customer may elect to remain with GPU Energy or choose to purchase energy from a subsidiary of Delmarva Power & Light. The one-year pilot program began in October 1997.	Tax legislation was enacted in 1997 that will phase out utility gross receipts and franchise taxes over a five-year period.

2-9

State	Legislation/ Order	Implementation Date	Rate Reduction	Competitive Non-Generation	Divestiture	Securitization	ISO	Pilot Program	Other Issues
New York	Case 94-E-0952— May 19, 1997	The Commission approved several different company settlements for retail competition to be phased in over a period of years, beginning in 1998 or 1999.	Case-by-case basis. For example, New York State Electric & Gas plans to divest itself of all major fossil plants over a five-year period and provide \$725 million in rate cuts, including a 5 percent annual reduction for large industrial companies. For commercial and residential customers, the company also plans to forgo two previously-approved rate hikes and will cut rates 5 percent in the fifth year of the plan. For Rochester Gas & Electric's small customers, rates will decrease by 7.5 percent and for its large customers, by 10-11 percent.	Affected parties must address competitive billing and metering.	Not required but encouraged. The Commission is addressing divestiture incentives in each utility's restructuring case.	The 1997 Legislature failed to act on securitization legislation introduced last year.	On December 19, 1997, New York's ISO design was restructured to include a ten-member, fully independent ISO and a newly-established New York State Reliability Council. The ISO proposal is being addressed by FERC.	The Commission favors and will approve pilot programs that do not delay competition. The Commission authorized two pilot programs—Power Pick through Orange&Rockland Utilities which is not fully subscribed and a multi-utility retail access program for commercial farms and food processors.	
Vermont	Docket 5854 — December 30, 1996	The Public Service Board (PSB) concluded that retail competition should be phased in for all customers during 1998 but implementation is expected to be delayed in the absence of enabling legislation. During the 1997 Legislature, the Senate approved restructuring legislation but the House did not.	The bill approved by the Senate in 1997 called for a transition tariff that would lower rates by 5 percent from utility rates in effect on January 1, 1997.		Full divestiture was not required.	Would be authorized. The PSB order supports a substantial portion of the final stranded cost recovery amount to be financed through specially-authorized utility revenue bonds, secured through the assignment of competitive transition cost receipts.	The PSB order supports a short-term spot market and permits bilateral transactions. Recently, ISO New England announced plans to open the region's wholesale market by the fourth quarter of 1998. Although some findings remain for FERC approval, this evolved NEPOOL should be ready to handle retail access.		

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A-3

MISSOURI AND FEDERAL RETAIL WHEELING DEVELOPMENTS

Presented to the Senate Utilities Committee
by Earnest A. Lehman, Director of Rates
Western Resources, Inc.
March 5, 1998

MISSOURI

Pending Legislation

Retail wheeling legislation is not expected to pass in 1998. However, two senate bills and one house bill have been the subject of committee hearings. A second house bill is also expected to receive a committee hearing.

SB 728 - would deregulate electric generation by January 1, 2000. Bill is backed by large industrials. Rates may not exceed August 28, 1998 levels during the transition period. Five year recovery for stranded costs. 50% stranded cost recovery for most items unless greater recovery is needed to maintain investment grade bond ratings. Muni's and coops may opt in. Forbids power exchanges or "poolcos". **Status: Hearing held February 24 before the Senate Commerce and Consumer Protection Committee. No votes taken.**

SB 923 - would establish a statewide power exchange into which all generators would sell, and electric distribution utilities would buy, all energy required to serve retail customers. The legislation would become effective within 540 days after incorporation of the power exchange or December 31, 2003, whichever date is earlier. Bill is backed by Ameren (formerly Union Electric). Considered a "transition to competition" bill. Performance-based ratemaking allowed pursuant to certain tests. Stranded costs to be determined and recovered in accordance with later, undefined legislation. Muni's and coops may opt in. **Status: Hearing held February 24 before the Senate Commerce and Consumer Protection Committee. No votes taken.**

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HB 1617 - Began as a near-carbon copy of the Kansas Retail Wheeling Task Force draft legislation and still very similar. **Would deregulate electric generation July 1, 2001.** Stranded costs to be determined by the Public Service Commission (PSC) and recovered within 5 years. Muni's may opt in. Coops may opt out. **Status: Awaiting action by the House Utilities Committee.**

HB 1848 - same sponsor as HB 1617. **Encourages single issue filings and application of excess utility earnings to mitigation of competitive transition costs before retail wheeling commences.** Similar to Kansas SB 661. **Status: Hearing was held by the House Utilities Committee this morning, March 5. No votes taken.**

Joint Legislative Committee

Established by 1997 legislature. Seven members from each house. Chair of Senate Commerce and Consumer Protection Committee is Chair of Joint Committee. Chair of House Utilities Committee is Vice Chair of Joint Committee. Committee met several times in 1997, but is awaiting Missouri PSC Retail Wheeling Task Force report (see below) and completion of the 1998 legislature before drafting legislation for consideration by the 1999 legislature.

Retail Wheeling Task Force

Created by Missouri PSC in May 1997. Has 38 members, including Chair and Vice Chair of Joint Legislative Committee, and representatives of unions, low-income customers, large and small business, IOU's, coops, muni's, etc. Established five working groups with approximately 14 members each.

- Public interest protection
- Market power/market structure
- Stranded costs
- Reliability
- Legal

Working group reports will be filed tomorrow, March 6. Task Force final report will be filed by May 1, 1998.

Pilot Projects

UtiliCorp allowed McDonald's to aggregate 23 restaurants in its Missouri Public Service delivery area. Enron is the supplier. A grocery store chain is also seeking the right to participate.

Ameren agreed to a 100 MW retail wheeling pilot project as a condition of a recent merger. This was part of a settlement reached with a large industrial customer group. The PSC has yet to act on the proposed project.

FEDERAL

Pending Legislation

No retail wheeling bill is expected to become law in 1998.

Five retail wheeling bills have been introduced in the Senate. Sen. Frank Murkowski, Chairman of the Energy and Natural Resources Committee, plans to hold consensus building workshops but is not expected to hold hearings until the Clinton administration presents its position. He has requested the Administration present its electric restructuring proposals by late March and submit written comments on the five bills.

There are also five retail wheeling bills in the House. Rep. Schaefer, Chair of the House Subcommittee on Energy and Power, is the sponsor of the leading bill, H.R. 655. The subcommittee is expected to markup H.R. 655 next week. While the bill has the support of the House Commerce Committee Chairman, Thomas Bliley, and the House Majority Leader, Richard Armey, there is not believed to be enough support to get the bill out of the Commerce Committee, and perhaps not enough to get it out of the subcommittee.

No Kansas or Missouri senator or representative is a co-sponsor of any retail wheeling bill.

Administration Position

President Clinton has expressed support for electric restructuring legislation as a way to reduce greenhouse gas emissions and clean the environment. However, the Department of Energy has not yet defined a position for the Administration. Also, the Internal Revenue Service is grappling with the implications of retail wheeling for tax-exempt bonds issued by municipal and cooperative electric suppliers who may be competing for customers outside their traditional service territory.

Federal Energy Regulatory Commission (FERC)

The Energy Policy Act of 1992 (EPACT) empowered the FERC to implement full wholesale competition over the utilities it regulates (mostly IOU's) and forbade the FERC from requiring retail wheeling. EPACT reserved retail wheeling decisions to the states. FERC is anxious to facilitate retail wheeling, just as it facilitated the natural gas equivalent of retail wheeling. It is doing so primarily through pushing the formation of Independent System Operators (ISO's) for utility transmission lines.

Electricity Daily

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Bliley Moves to Form Congressional Electricity Caucus

House Commerce Committee Chairman **Thomas Bliley** (R-Va.) is pushing for creation of a new registered caucus, the **Congressional Electricity Caucus**. In a letter this week, Bliley asked **House Oversight Committee** Chairman **William Thomas** (R-Calif.) to register the new group of House lawmakers. The new caucus, said Bliley in a written statement, "will spearhead efforts to reach consensus on comprehensive legislation to give all consumers a choice of electricity providers." Bliley will be co-chairman of the new electricity caucus, along with Reps. **Joe Kennedy** (D-Mass.) and **Charles "Chip" Pickering** (R-Miss.).

At a **Consumer Energy Council of America Research Foundation** press conference yesterday, Rep. **Dan Schaefer** (R-Colo.), the outgoing chairman of the Commerce Committee's energy and power subcommittee, said he plans to move his comprehensive electric restructuring legislation to markup this month and expects House floor action in April. That is a schedule that many view as wildly optimistic. There is no action pending in the Senate.