

HOUSE BILL REPORT

HB 1241

As Reported By House Committee On:

Energy & Utilities

Title: An act relating to waivers of electric and gas utility connection charges.

Brief Description: Providing waivers of electric and gas utility connection charges.

Sponsors: Representatives Crouse, Casada, Dellwo, Chappell, Schoesler, Honeyford, Hymes, Sherstad, Backlund, Mastin, Benton, Campbell and Kremen.

Brief History:

Committee Activity:

Energy & Utilities: 1/25/95, 2/8/95 [DPS].

HOUSE COMMITTEE ON ENERGY & UTILITIES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Casada, Chairman; Crouse, Vice Chairman; Hankins, Vice Chairman; Kessler, Ranking Minority Member; Kremen, Assistant Ranking Minority Member; Chandler; Huff; Mitchell and Patterson.

Staff: Margaret Allen (786-7110).

Background: Some charitable organizations make housing available for purchase, interest free, by low-income persons who would otherwise be unable to purchase homes.

However, persons purchasing the homes often must pay utility connection charges, because the authority of public utilities to waive such charges is unclear.

While rates and charges by a particular utility generally must be uniform for the same class of service, connection charges imposed by different utilities vary widely. For example, one utility may charge nothing, while another utility may charge over \$1,000 to connect a new house.

Summary of Substitute Bill: Public utility districts and municipal electric and gas utilities may waive, but are not required to waive, connection charges for properties being purchased from organizations that are tax-exempt under section 501(c)(3) of the Internal Revenue Code.

Waivers of connection charges for the same class of electric or gas utility service must be uniformly applied to all qualified property.

Substitute Bill Compared to Original Bill: The substitute removes investor-owned utilities from the bill.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: (Original bill) This is an important bill for non-profit organizations attempting to provide affordable housing to low-income families. The discretionary nature of the bill is helpful to utilities. A clear distinction between connection charges and line extension charges is needed, however.

Testimony Against: None.

Testified: (Pro) Representative Crouse, prime sponsor; Collins Sprague, Washington Water Power; Ron Newbry, PacifiCorp; Dave Arbaugh, Washington PUD Association; Mike Tracy, Puget Power; Nicky Allison, Habitat for Humanity; and Victoria Lincoln, Association of Washington Cities.