

HOUSE BILL ANALYSIS

HB 1857

Title: *An act relating to the nonregulated activities of public service companies.*

Brief Description: *Implementing public service companies nonregulated activities.*

Sponsors: *Representatives Mastin, Hankins, Kessler, DeBolt, Morris, B. Thomas, Mielke, Delvin, Grant, Honeyford and Chandler.*

HOUSE COMMITTEE ON ENERGY & UTILITIES

Meeting Date: *February 19, 1997.*

Bill Analysis Prepared by: *Margaret Allen (786-7110).*

Background: A public service company is a gas, electrical, telecommunications, or water company.

Public service companies selling merchandise, appliances, or equipment, must keep separate accounts for their sales businesses. For rate making purposes, the capital employed in a sales business is not considered part of the fair value of the company's property; similarly, the revenues from, and the operating expenses of, a sales business are not considered part of the company's operating revenues and expenses.

The law does not specifically address sales of advertising.

When the court-ordered break-up of the Bell System took effect January 1, 1984, the newly created regional bell operating companies were given control of telephone book yellow pages.

Summary of Bill: The law requiring public service companies engaging in sales to keep separate accounts is extended to the affiliates of such companies, and to nonregulated services such as, but not limited to, advertising. In addition, an affiliate of a public service company may not be required to pay a royalty to, or share its revenues with, the public service company.

Appropriation: *None.*

Fiscal Note: *Requested February 11, 1997.*

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