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**SUBSTITUTE HOUSE BILL 1013**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** House Committee on Technology, Telecommunications & Energy  
(originally sponsored by Representatives Morris, Miloscia, Eickmeyer,  
Linville, Chase, Anderson, Ruderman, Mielke, Conway, Bush, Haigh and  
Sullivan)

READ FIRST TIME 02/24/03.

1 AN ACT Relating to the utilities and transportation commission;  
2 creating new sections; providing an effective date; and declaring an  
3 emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) It is the intent of the legislature to  
6 encourage congruency among energy policy, technology policy, and  
7 economic development policy in order to better serve the citizens of  
8 Washington and to improve the economic climate and opportunities  
9 throughout the state. This includes policies that support the  
10 deployment of current and emerging technologies.

11 (2) It is further the intent of the legislature that the state  
12 continue to support policies that produce affordable energy.

13 (3) It is further the intent of the legislature to work with the  
14 utilities and transportation commission to identify performance  
15 measures in the areas of energy and telecommunications regulation.

16 (4) It is further the intent of the legislature that energy and  
17 telecommunications regulation reflect a less costly regulatory process  
18 that can ultimately benefit the consumer, eliminate duplication of  
19 functions, and improve government efficiency.

1        NEW SECTION.    **Sec. 2.**    (1) The joint legislative audit and review  
2 committee will conduct a performance audit of the utilities and  
3 transportation commission focused on its responsibilities regarding  
4 telecommunications, energy, and natural gas. The performance audit  
5 will include, but not be limited to:

6            (a) An analysis of the roles and responsibilities of the commission  
7 as outlined and prescribed in statute, regulations, and commission  
8 rules and procedures. The joint committee may recommend changes that  
9 should be made in the roles and responsibilities of the commission;

10           (b) An analysis of the commission's organizational structure and  
11 functions and the effect of that organizational structure on the  
12 ability of the commission to perform its duties and responsibilities.  
13 The analysis will include information on the costs of regulatory  
14 activities, the effects of the commission's structures and procedures  
15 on its decision timeliness, and how the commission seeks efficiencies  
16 in its regulatory activities. The analysis will also include a  
17 comparison of other state commissions' organizations, structures, and  
18 operating principles.

19           (2) The joint committee may contract for consulting services in  
20 conducting this performance audit.

21           (3) The joint legislative audit and review committee shall modify  
22 the scope of the audit in this section, to the extent necessary, to  
23 limit the costs of the audit to conform to the level of funding  
24 provided in section 3 of this act.

25           (4) In conducting the performance audit, the joint committee may  
26 consult with representatives of regulated entities, with customers of  
27 those regulated entities, and with other interested parties.

28           (5) A preliminary report of the performance audit must be submitted  
29 to the appropriate legislative policy and fiscal committees by December  
30 31, 2003, and must include the analysis of the commission's structure  
31 and functions and a work plan for the remaining activities of the  
32 performance audit. A final report must be submitted to the appropriate  
33 legislative policy and fiscal committees by December 1, 2004. The  
34 joint legislative audit and review committee may extend the report  
35 deadlines up to one year subject to the committee's biennial work plan.

36        NEW SECTION.    **Sec. 3.**    Beginning July 1, 2003, through December 31,  
37 2004, every electrical, gas, and telecommunications company subject to

1 a fee under RCW 80.24.010 will pay to the commission a surcharge for  
2 the purpose of conducting a performance audit of the utilities and  
3 transportation commission by the joint legislative audit and review  
4 committee under section 2 of this act and calculated as a percentage of  
5 the fee paid by each company under RCW 80.24.010. The surcharge  
6 percentage will be the same for all companies. The amount recovered by  
7 the surcharge imposed under this section will be sufficient to cover  
8 the cost of the performance audit conducted under section 2 of this act  
9 but the total amount that may be recovered by the surcharge must not  
10 exceed two hundred thousand dollars.

11 NEW SECTION. **Sec. 4.** Section 3 of this act is necessary for the  
12 immediate preservation of the public peace, health, or safety, or  
13 support of the state government and its existing public institutions,  
14 and takes effect July 1, 2003.

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