



Capitol Network News

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TASK FORCE DISCUSSES ELECTRIC UTILITY RESTRUCTURING BLUEPRINTS

By Shawn Ashley
Staff Writer

■(GIT) The legislature's Joint Interim Committee on Electric Utility Task Force turned its attention Thursday to possible blueprints for electric utility restructuring.

Such restructuring, which is expected to lead to electric retail wheeling, is expected to "ultimately occur," said task force chairman Sen. Kevin Easley, D-Broken Arrow. "The purpose of looking at these blueprints is to see how the state might go about implementing that."

The three blueprints offered Thursday varied in the degree of reform proposed, ranging from the slight to the sweeping.

Jim Wilson, manager of governmental affairs for OG&E, outlined the components he said that he and others with the company believed would be necessary to shape the move, a move he said his company did not endorse, but because it felt such a move was inevitable, believed it should play a role in shaping the move.

To be effective, Wilson told the task force, "The state of Oklahoma should enact customer choice in the selection of electric energy supply for all electric consumers when mandated by federal laws or when all surrounding states that touch Oklahoma borders have implemented retail wheeling or consumer choice."

If Oklahoma moves first, Wilson contended, it could allow out-of-state companies

to "cherry pick" certain areas, leaving Oklahoma-based firms with stranded or unrecoverable investments in certain areas. Additionally, Wilson noted, Congress has considered and is likely to consider again electric utility deregulation legislation. Many of those proposals, he added, left certain aspects of implementation of deregulation to the states because of the differences in the customer delivery of electricity from state-to-state.

Asked by Easley whether waiting to implement restructuring might hurt economic development efforts in the state as industries located in other states where deregulation had reduced electricity costs, Wilson said, "No," adding that Oklahoma's electric rates were low, even in comparison to some states that had experimented with deregulation, such as California.

Wilson's blueprint also called for universal or open access to electric distribution systems.

"No exemptions shall be allowed from the obligation to permit all customers to buy electricity from any supplier," Wilson said,

adding that such access would be required of all electric utilities, including those that are municipally-owned, cooperatively-owned, state-owned, federally-owned, and investor-owned.

Additionally, Wilson said, distribution access would be regulated by the Corporation Commission, having jurisdiction limited to establishing distribution fees which would include stranded costs, social costs, access fees and exit fees for all electricity customers. Under the proposal, the Federal Energy Regulatory Commission (FERC) would continue to regulate charges for transmission access, while the generation of electricity and its marketing would remain unregulated.

In order to determine the cost of distributing electricity, Wilson proposed unbundling of distribution facilities. The move, Wilson explained, would help to determine the costs of assets and operating expenses for their distribution facilities and to establish fees for access to those facilities.

An important component, Wilson said,
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GAS VALUE INFORMATION PROPOSAL GETS MIXED REVIEWS

By Shawn Ashley
Staff Writer

■(GIT) A proposal on the release of gas value information reported on natural gas production received mixed reviews Thursday during a meeting of the Commission on Natural Gas Policy.

The proposal, which would amend 68 O.S. Supp. 1996, Section 1024, is simple, according to House attorney Kim Bishop. "It adds the words 'and value' to the existing statute."

The existing statute, Bishop told the commission, allows the Oklahoma Tax Commission, which collects the information, to release to any person "the volume of production, during any specified available period of time, of any substance taxable pursuant to the provision of this article from any lease lawfully plugged, pursuant to the laws of this state after certification of said plugging

by the Oklahoma Corporation Commission."

Values information, Bishop added, is not available to the general public under the statute, but is limited to those who can show an interest in a specific well. Generally, Bishop and members of the commission said, that limits access to the information to royalty owners.

Commission member Rick Chamberlain, a proponent of the measure, said he saw such information as non-proprietary and reflective of the efficiency of the specific well.

Commission member Doug Jacobson, however, disagreed, saying some companies would consider such information proprietary.

"I don't know that it's appropriate that this information be made available to the general public."

A representative from Conoco also ex-
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