

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, January 23, 2013

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman McKenzie, Senators Fulcher, Hill, Winder, Lodge, Siddoway, Stennett and Werk

ABSENT/ EXCUSED: Senator Davis

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman McKenzie** called the Senate State Affairs Committee (Committee) meeting to order at 8:02 a.m. with a quorum present.

VOTE ON GUBERNATORIAL APPOINTMENT: **Chairman McKenzie** announced that the Committee was ready to take action on the appointment of Kevin Settles to the Idaho Commission on Human Rights.

MOTION: **Senator Winder** moved to send the gubernatorial appointment of Kevin Settles to the floor with the recommendation that it be confirmed by the Senate. **Senator Werk** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT: **Chairman McKenzie** introduced Mack A. Redford who was appearing before the Committee for approval of his reappointment as commissioner to the Public Utilities Commission (PUC). **Mr. Redford** stated that the PUC is a quasi-judicial branch and derives its authority from the legislature. It employs 49 full-time employees and five lawyers from the Attorney General's Office.

The PUC hears cases on applications for certificates of public need and convenience along with compliance contracts, demand sight management, energy saving programs, low income utility issues, and oversight for pipeline and railroad safety.

Presently the PUC is working on 100 open cases. Their most challenging cases are rate cases which have a long learning curve because of the accounting system. Last year the PUC's consumer division processed 1,877 utility and low income complaints, which saved customers approximately \$114,000.

Other issues that face the PUC are renewable resources and credits, curtailment of resources when utilities are at capacity, integration costs, and water company compliance. Emerging issues concerning the Federal Energy Regulatory Commission (FERC) and Environmental Protection Agency (EPA) concerning application of laws for coal fired plants, shale gas extraction and the telecommunication industry.

Senator Siddoway asked for clarification on the 300 megawatts that the utilities are having trouble distributing. Are they having trouble collecting the watts or are they having trouble selling that extra power or with the system to distribute the power? **Mr. Redford** said the 300 megawatts that will come online will have nowhere to go because Idaho Power is at capacity.

Senator Werk asked if there is a rate negotiation organization to represent the regular rate payer. **Mr. Redford** answered that most of the rate complaints from customers are fielded by their consumer division along with some community action partnerships who represent the low income groups at rate hearings.

Senator Werk asked if a state authority could be appointed to expedite the process for placement of transmission lines. **Mr. Redford** answered that the siting authority should remain with the counties, local communities and cities. **Senator Werk** asked how the electric utilities get from not having enough power and building Langley Gulch to not having enough transmission ability for the power generated. **Mr. Redford** responded that when Idaho Power brought the Langley Gulch plan to the PUC, there was a deficiency in power. There was no indication that the current transmission resources would be inadequate. **Senator Werk** asked if the PUC is looking to the future to shape a long term energy policy for ten to twenty years down the road when energy needs and conditions might change. **Mr. Redford** stated that all the utilities must file an annual report which includes their long-term plans.

Chairman McKenzie thanked **Mr. Redford** for his attendance and advised him that the Committee would vote on the confirmation at the next meeting.

**GUBERNATORIAL
APPOINTMENT:**

Chairman McKenzie welcomed **Representative Gibbs** who introduced W. Craig Corbett, the gubernatorial appointment to the Idaho Lottery Commission (Commission). **Representative Gibbs** explained that a year ago Director Anderson asked him to recommend some names of candidates for an Idaho Lottery Commission position. He submitted Craig Corbett's name who, he felt, would serve our State well with responsibility and enthusiasm.

Mr. Corbett stated that he has been a farmer all of his life, but also has been involved in community affairs. He was appointed to the Idaho Barley Commission and served for six years. While in that capacity he was elected president by the National Barley Growers. He has served on the Grace School Board for eleven years in the area of school finance and is currently on the Risk Management Council. When Representative Gibbs suggested he consider a position on the Commission, he researched the lottery and the responsibilities of this appointment and decided he would pursue this opportunity.

Senator Stennett asked how often the Commission evaluates the percentage distribution of the contributions for education. **Mr. Corbett** answered that the Commission looks closely at income, expenses and what is to be allotted back. The commissioners take a conservative view in the distribution of funds to make sure that all the proceeds get distributed to the intended allotments.

Chairman McKenzie thanked **Mr. Corbett** for his attendance and advised him that the Committee would vote on the confirmation at their next meeting.

RS 21701

Relating to Codifier and Technical Corrections

Katharine Gerrity, Legislative Services Office (LSO), stated that **RS 21701** is LSO's annual codifier correction bill. There are seventeen sections of the code included in this bill. The revisions that are proposed include codifier suggested corrections which involve changes in names of programs and entities. Other requested changes were where multiple amendments have occurred to a code section during the year as well as the clean-up of some duplicated wording. Technical corrections were made that involve simple grammatical or punctuation changes to match LSO's standard writing style for legislation.

MOTION:

Senator Siddoway moved to send **RS 21701** to print. **Senator Lodge** seconded the motion. The motion carried by **voice vote**.

RS 21707

Relating to the Board of County Commissions

Senator Durst stated that the intent of **RS 21707** is to elect county commissioners by zone. It has been difficult to find out what the fiscal impact will be within counties because county clerks do not post records of elections publicly.

This legislation concerns more rural counties where population centers may have undue influence on commissioners that may not reside within that particular population center. The goal is to make these zones that do not reside within this population center self-sufficient so there can be a fair representation.

Senator Werk asked if a potential commissioner stands for election in a county zone, when the election occurs, does the entire county vote on the full slate of commissioners? **Senator Durst** responded that was the current process. **Senator Werk** clarified that the division lines for the zones within the county (three per county) are drawn for equal population representation. What is being proposed in this legislation is that each member of a board of county commissioners shall be elected from the district in which he resides. **Senator Durst** answered that these districts will now elect a commissioner who resides in their district. This bill will provide more precision and better representation for those constituents in the zones. They will have the opportunity to directly elect legislators outside of the zone.

Senator Lodge questioned the problems it might cause the county election officials concerning consolidated elections with so many different city zones. The zones would have to be separated out. **Senator Durst** stated that he had checked into the impact and for most counties, it will have a very low impact for their election process. The zones already exist within the precincts, so it would just be a matter of when they print the ballot. Instead of having two commissioners the ballot would only have one. **Senator Lodge** asked Senator Durst to check, as part of his research, with the clerks of some of the smaller counties to see what the cost will be for them and Canyon County.

MOTION:

Senator Hill moved to send **RS 21707** to print. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.

ADJOURNED:

There being no further business, **Chairman McKenzie** adjourned the meeting at 9:02 a.m.

Senator McKenzie
Chairman

Twyla Melton
Secretary