

Citizens' Utility Ratepayer Board

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HOUSE UTILITIES COMMITTEE

H.B. 2934

Testimony on Behalf of the Citizens' Utility Ratepayer Board

By David Springe, Consumer Counsel

February 20, 2006

Chairman Holmes and members of the committee:

Thank you for this opportunity to offer testimony on H.B. 2934. The Citizens' Utility Ratepayer Board is opposed to this bill for the following reasons:

This bill places a new tax on electric and natural gas customers in the state to fund the state weatherization fund and the energy efficiency technical assistance fund. While the tax is small at this point, a maximum of \$550,000 annually, CURB is concerned that it will not stay small. Realistically, \$550,000 to fund these two programs, one of which is dealing with weatherization across the state, is not an adequate. CURB is concerned that this is the proverbial camel's nose under the tent. Once the funds are created, it will simply be an annual legislative exercise to seek to increase the tax or the reach of the programs funded by the tax.

While the tax is to be a uniform charge to all electric and natural gas customers in the state, including all cooperative and municipal utilities across the state, CURB is concerned that it will cost more across the state to implement a process to collect this tax than the tax will actually generate in revenues. Also, the bill makes the state corporation commission the entity that is to collect this tax. The corporation commission has no jurisdiction over many of these entities, which may make collection of the tax difficult. If the committee believes that these two funds are in need of \$550,000, it would be most efficient to draw this money from the state general fund.

The bill also requires the corporation commission calculate the amount of the charge based on the following: utility, class of utility, number of bundled ultimate customers, revenues, sales and average retail price for all classes of customer. However the bill is unclear how these disparate factors are to be used. This appears to suggest that different charges could be made based on these factors, which would be inconsistent with the requirement that a "uniform charge" be imposed. Some clarity should be provided if this bill moves forward.

CURB is not against weatherization or energy efficiency. However, CURB is concerned that programs like this not be created and funded without certain restrictions which are not present in this bill. CURB is willing to work towards finding appropriate methods to implement cost effective and equitable programs, but does not believe this bill accomplishes this task. CURB urges the committee to not pass this bill.