

# House Bill 1111

**Presented by:** Randy Christmann, Chair  
Public Service Commission

**Before:** House Energy and Natural Resources  
The Honorable Todd Porter

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## **TESTIMONY**

Chair Porter and committee members, I'm Randy Christmann, Chair of the Public Service Commission, here to testify on HB 1111.

HB 1111 introduces a provision allowing an electric utility to be exempt from certain regulations related to rates, contracts, services, facility adequacy, and operational rules. This exemption would only be granted if the commission determines that the exemption serves the public interest. The bill also gives the commission the authority to impose conditions on any exemption and maintain ongoing jurisdiction to reinstate rate regulation, if necessary.

Public utilities are among the most heavily regulated entities due to their franchise monopolies, the significant capital investments required to deliver reliable service, and the enormous consequences involved with failures. Rate regulation typically examines corporate structure, affiliations, capital investments, service quality, negotiated customer contracts, salaries, and expenses. While this level of economic regulation is both essential and valuable, it involves a time-intensive and resource-heavy review process for both the utility and the commission, particularly when investigating financial records and expenditures.

An electric utility engaged in generating and distributing light, heat, or power falls under the commission's jurisdiction. This broad definition can lead to situations where certain business arrangements, which may not align with typical public utility operations, inadvertently trigger economic regulation. Over the years, some businesses have adjusted their operations or avoided pursuing certain opportunities altogether to sidestep regulatory oversight.

To be clear, this bill is not about deregulation, which the commission strongly opposes. However, HB 1111 offers a practical tool for regulatory flexibility in unique, one-off cases that do not impact the service of other electric utilities. It allows the commission to address innovative business models that benefit unique customers while safeguarding traditional rate payers, and other service providers, from adverse impacts.

Under this bill, a company would need to present evidence demonstrating how the operations would align with the public interest. The commission, along with any relevant intervenors, cooperatives, utilities, or customers, would review the application to decide if the exemption is appropriate and what limitations should apply.

Chair Porter, this concludes my testimony. Thank you for your time and I will be happy to answer any questions.