

***Resolution on Legislation to Preempt State Regulation of Electric Utility Services
Provided by Non-Utility Federal Entities***

WHEREAS, Electric utilities provide electric services to retail consumers within franchised service territories pursuant to State laws and regulations intended to implement policies that ensure non-discriminatory services to all customer classes at just and reasonable prices and conditions of service; *and*

WHEREAS, The enactment of the Energy Policy Act of 1992 (EPAct) and the Federal Energy Regulatory Commission's policies to create an open-access wholesale power transmission regime have resulted in greater competition in bulk power markets; *and*

WHEREAS, A majority of State commissions are actively addressing policies for greater competition in retail markets; *and*

WHEREAS, Congress is now considering legislative proposals that would allow two Federal entities -- the U.S. Department of Defense (DOD) and Amtrak -- to operate electric systems and provide retail electric services, including sales, transmission and distribution, free from regulation by the State commissions in which such services will be provided; *and*

WHEREAS, The Congressional committees responsible for establishing Federal policy on energy and utility issues have held no hearings on these proposals to determine their effect on ratepayers, utilities, and the environment; *and*

WHEREAS, The provision of electric services by Defense facilities and Amtrak could strand costs incurred by utilities to meet DOD and Amtrak loads, could provide DOD and Amtrak with unfair competitive advantages in both wholesale and retail power markets, and would undermine the provisions of EPAct which reserve the regulation of retail transmission access to the States; *now, therefore, be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners (NARUC) convened at its 107th Annual Convention in New Orleans, Louisiana, opposes these or similar legislative proposals authorizing the provision of unregulated retail electric utility services by DOD, Amtrak or other Federal entity not traditionally involved in providing utility services in the absence of effectively competitive retail electric markets, and authority for non-discriminatory oversight of those markets under State law; *and be it further*

RESOLVED, That the NARUC urges the appropriate Congressional committees to conduct hearings on these issues before acting on legislative proposals that affect retail utility markets.

*Sponsored by the Committee on Electricity
Adopted November 15, 1995*