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Testimony on AB 319 before the Assembly Committee on Energy and Utilities, October 22, 2015

Mr. Chairman and members of the committee, thank you for holding this hearing on AB 319.

Current law provides a way for electric public utilities to obtain an easement on publicly owned land in order to build a high transmission line. The process involves receiving a certificate of public convenience and necessity from the Public Service Commission. The utility would then pay the fair market value for the easement, determined by either an agreement between the parties, or an arbitrator if no agreement was reached.

The bill adds gas utilities to the current electrical utility process for obtaining an easement on public lands. Utilities would still have to pay fair market value for any such easement.

It is important to note what this bill does not do. This bill would only allow natural gas lines, not oil pipelines. Companies that use oil pipelines are not public utilities, and an oil pipeline is a different type of pipe than the type used to send natural gas into residential homes. It also only affects public land owners such as counties, cities, or local commissions. Private land owners are not impacted at all by this bill.

This bill is needed because there is currently the potential for some public entities to block natural gas lines, and force the public utility to either pay far more than market value for an easement, or utilize an expensive alternative route. Since the extra costs that would result end up being passed along to all rate payers, this is not a purely local issue.

Requiring the utility to pay the market value for an easement ensures a fair price for the public land owner, while preventing high acquisition costs or expensive alternate routes for the utility keeps the cost low for ratepayers. Both parties are protected and the public comes out ahead under this bill.

Thank you again for holding this hearing on AB 319.