TO:



HOUSE OF REPRESENTATIVES

MEMO

September 7, 1976

SUBJECT: Analysis of HB 1392 (PN 1630)

Rusty Cowan

FROM: Marvin J. Mundel, Research Counsel Consumer Protection Committee

> This bill amends the PUC by prohibiting consideration of advertising expenses other than advertising required by this act (such as posting of rates) in the establishing, changing, or approving or rates. This bill applies to the following types of utilities: those producing, generating, distributing, transmitting or furnishing natural or artificial gas, electricity, or steam for the production of light, heat or power.

Pipeline transportation of natural or artificial gas, crude oil, gasoline or petroleum products, materials for refrigeration, or oxygen or nitrogen or other fluid substances.

This bill is justified in an era of ever increasing energy scarcity. Promotional advertising which attempts to encourage unnecessary and wasteful usage of energy is a violation of the philosophy of conservation.

Furthermore, the PUC has really not acted sufficiently in this field to put a curb on promotional advertising.