

# **PSE's Comments on 1<sup>st</sup> Formal Draft UG-990294 Gas Rulemaking Chapter 480-90 Gas Companies-Operations**

## **Chapter 480-90 WAC Gas Utilities - Operations Index**

### **I. General Rules:**

- 480-90-011 Application of rules.
- 480-90-xx1 Exemption from rules.
- 480-90-016 Saving clause.
- 480-90-xx2 Resolving disputes about the meaning of these rules.
- 480-90-021 Glossary.
- 480-90-026 Tariffs.
- 480-90-061 Contract for service.
- 480-90-066 Distribution line extension tariff.

### **II. Consumer Rules:**

- 480-90-041 Information to consumers.
- 480-90-046 Application for service.
- 480-90-051 Deposit requirements.
- 480-90-056 Refusal of service (combined with 121, Resp. for delinquent accounts).
- 480-90-071 Discontinuance of service.
- 480-90-xx3 Reconnecting service after disconnection.
- 480-90-072 Payment arrangements.
- 480-90-xx4 Winter low income payment program.
- 480-90-076 Service responsibilities.
- 480-90-086 Service entrance.
- 480-90-091 Access to premises.
- 480-90-096 Gas utility's responsibility for complaints and disputes.
- 480-90-106 Billing requirements and payment date.
- 480-90-161 Complaint meter test (comb. w/156 Disputes...meter accuracy, and 116 Refunds...metering).
- 480-90-211 Payment locations.
- 480-90-xx5 Customer notification Requirements

### **III. Records and Reporting Rules:**

- 480-90-031 Accounting system requirements.

- 480-90-xx6 Financial reporting requirements.
- 480-90-032 Accounting - political activities.
- 480-90-036 Securities, affiliated interest, and transfers of property.
- 480-90-043 Promotional advertising.
- 480-90-181 Retention of records and reports.
- 480-90-xx7 Purchased gas adjustment.
- 480-90-191 Least Cost Planning

#### **IV. Standards and Metering Rules:**

- 480-90-101 Heating value of gas.
- 480-90-126 Meter reading.
- 480-90-131 Meter charges (Installation of meter set assembly).
- 480-90-136 Meter set assembly location.
- 480-90-141 Meter identification.
- 480-90-146 Initial accuracy of meters.
- 480-90-151 Metering tolerance.
- 480-90-166 Statement of meter test procedures.
- 480-90-176 Meter history records.

## **I. General Rules:**

### **WAC 480-90-011 Application of rules.**

These rules apply to any gas utility (utility) that manufactures, transmits, distributes, sells, or furnishes gas and is subject to commission jurisdiction under RCW 80.04.010 and Chapter 80.28 RCW. These rules also contain provisions pertaining to customers and applicants of such gas utilities. ***(Comment: These rules include various requirements of customers and applicants, so it seems reasonable to mention it in this sections.)***

*Comments:*

*Revised based on water and other rule revisions.*

### **WAC 480-90-xx1 Exemptions from rules**

(1) The commission may grant an exemption of any rule in this chapter, if consistent with the public interest, the purposes underlying regulation, and applicable statutes.

(2) To request a rule exemption, a person must file with the commission a written request identifying the rule for which an exemption is sought and giving a full explanation of the reason the exemption is requested.

(3) The commission will assign the request a docket number, if needed, and schedule the request for consideration at one of its regularly scheduled open meetings or, if appropriate under chapter 34.05 RCW, in an adjudication. The commission will notify the person requesting the exemption, and other interested persons, of the date the commission will consider the request.

(4) The commission will enter an order granting or denying the request or setting it for hearing, pursuant to Chapter 480-09 WAC.

*Comments:*

*New rule adopted in other rulemakings. Utility or it's customer (therefore, "person") may request an exemption.*

**WAC 480-90-016 Saving clause.**

The commission may, after due notice and entering an order, impose additional or different requirements on any gas utility in response to a complaint or on its own motion. These rules do not relieve any utility from any of its duties and obligations under the laws of the state of Washington.

*Comments:*

*Rewritten for clarity and consistency with other rulemakings.*

**WAC 480-90-xx2 Resolving disputes about the meaning of these rules.**

Cases of erroneous or doubtful interpretation of these rules by a utility, customer, or applicant, are subject to appeal to the commission by any interested and proper party affected. ~~(1) Anyone who doubts, or believes they are harmed by, a gas utility's interpretation of these rules may ask the commission to decide whether the utility's interpretation is wrong. If the commission finds the utility's interpretation is wrong, the commission will order appropriate relief.~~

~~(2) Any gas utility that doubts, or believes it is harmed by, a customer's interpretation of these rules may ask the commission to decide whether the customer's interpretation is wrong. If the commission finds the customer's interpretation is wrong, the commission will order appropriate relief.~~ ***(Comment: PSE suggests the existing language is clearer and more concise, thus should be retained. Staff's proposed language is extremely loose. We have three main concerns with this language. First, opening appeal up to "Anyone" eliminates the current language that***

**basically requires the party to have standing. Second, allowing the word “harmed” as a reason for disputing the rules may not be advisable; for example, a customer could claim paying bills or properly installing wiring is harmful, thus creating unnecessary burden on the WUTC as well as utilities. Third, “wrong” introduces the possibility for applying value judgments, rather than finding if the rules are being interpreted and implemented accurately. Therefore, overall, PSE suggests the existing language is better.)**

Comments:

Extracted from 480-90-011 and revised.

### **WAC 480-90-021 Glossary.**

- (1) Applicant - any person who applies for service with a gas utility or who reapplies for service at a new or existing location after service has been discontinued.
- (2) British thermal unit (Btu) - the quantity of heat required to raise the temperature of one pound of water at 60° Fahrenheit and standard pressure, one degree Fahrenheit.
- (3) Commission - the Washington utilities and transportation commission.
- ~~(4)~~ ~~(4)~~ Customer - any person, cooperative organization, business entity, or government entity that applies for , has been accepted, and is currently receiving service.
- (1) Customer Complaint - to be defined a complaint, there must be some underlying rule, law, or tariff provision that has been violated. If no rule, law, or tariff provision has been violated, the action will be classified a customer inquiry.
- (2) Customer Inquiry - All communication with customers that might otherwise fall into the complaint category, except that no rule, law, or tariff provision is alleged or provides the foundation of the communication. Examples of inquiries include (but are not limited to) customers being upset with bills, disconnects, deposits, or outages that occur within the boundaries of rules, laws, and tariffs. **(Comment: These revisions were discussed in the workshop. PSE suggests that it is unfair to consider a utility’s reasonable and professional attempt to enforce rules, laws, and tariffs as complaints against the utility. Such complaints, in fact, are not against the utility, but against the rule, law, or approved tariff provision.)**
- (5) Cubic foot of gas - a volumetric unit of measure used in sales and testing.
  - (a) Sales -a cubic foot of gas for billing purposes is the amount of gas that occupies a volume of one cubic foot under the temperature and pressure conditions existing in the customer's meter. Temperature and/or pressure recording or compensating devices may be used to reflect temperature or

pressure base conditions for computing the volume sold. Temperature and/or pressure compensation factors may be used to compute the volume of gas sold as provided in the utility's tariff.

(b) Testing - a cubic foot of gas for testing purposes is the amount that occupies a volume of one cubic foot at a temperature of sixty degrees Fahrenheit and pressure of 14.73 pounds per square inch absolute.

(6) Gas - any fuel or process gas, whether liquid petroleum gas, manufactured gas, natural gas, or any mixture of these.

(a) Liquefied petroleum gas - a gas consisting of vapors of one or more of the paraffin hydrocarbons, or a combination of one or more of these vapors with air.

(b) Manufactured gas - any gas produced artificially by any process in-

(c) Natural gas - a mixture of gaseous hydrocarbons (chiefly methane) and nonhydrocarbons that occur naturally in the earth.

(7) Therm - a unit of heat equal to 100,000 Btu's.

(8) Utility - any business entity (e.g., corporation, company, association, joint stock association, or partnership) or person, including a lessee, trustee, or court appointed receiver, that meets the three following conditions:

a. owns, controls, operates, or manages any gas plant in Washington State;

b. manufactures, transmits, distributes, sells, or furnishes gas service to the public for compensation; and

c. is subject to the commission's jurisdiction.

Terms used in this chapter and defined in the public service laws of Washington State (*i.e.*, principally Title 80 RCW) have the same meaning here as in the statutes. Terms not defined in these rules or the applicable statutes have the meaning generally accepted in the gas industry, or their ordinary meaning if there is no meaning generally accepted in the gas industry.

*Comments:*

*Rule rewritten for clarity and updating.*

### **WAC 480-90-026 Tariffs.**

(1) A gas utility must publish its rate schedules, and rules and regulations governing services in accordance with chapter 480-80 WAC Utilities general - tariffs.

*Comments:*

*Rule rewritten for clarity.*

**WAC 480-90-061 Contract for service.**

A gas utility may execute a contract whenever the classification of service under which the customer or applicant is to be served requires that such service be taken for a specified minimum period. The utility must submit to the Commission a sample copy of each typical contract form currently in use.

*Comments:  
Rewritten for clarity.*

**WAC 480-90-066 Distribution line extension tariff.**

Each gas utility must file, as a part of its tariff, a distribution line extension rule setting forth the conditions under which it will extend its facilities to make service available to an applicant.

*Comments:  
Rewritten for clarity.*

## **II. Consumer Rules:**

**WAC 480-90-041 Information to consumers.**

(1) Each gas utility must provide the information needed for its customers and applicants to obtain adequate and efficient service.

(2) Each utility must provide to each applicant relevant rate information and a consumer brochure detailing the rights and responsibilities of a utility customer. The consumer brochure must include information about the utility's regular business hours, the mailing address, the utility's toll-free number, the 24-hour emergency number(s) as well as an explanation of the utility's processes ~~the rules that relate to~~ establishing credit, deposits, billing, delinquent accounts, disconnection of service initiated by the utility, cancellation of service by the customers, the dispute process and if the customer is still dissatisfied, the commission's informal and formal complaint procedures. ***(Comment: The existing rule refers to process rather than rules. PSE suggests that the utility's policy/process that implements or complies with the rule is more relevant to customers/applicants than the actual WAC rules.)***

(3) At least once each year the utility must provide a bill insert advising its current customers how to obtain:

- (a) a copy of the consumer brochure described in Section 2;
- (b) a copy of the customer's applicable rate information;
- (c) a copy of the natural gas rules, chapter 480-90 WAC; and
- (d) a copy of the utility's current rates and regulations.

(4) The utility must provide an applicant, upon request, a clear summary of the high and low bills billing period usage for each quarter based on the actual consumption of the applicant's service premise during the prior year. ***(Comments: PSE, as well as all the other utilities, commented in the workshop that we give high and low bills to applicants. Staff's proposed language to expand that information to provide quarterly highs and lows would not be possible with bi-monthly billing—there are only 6 bimonthly bills, where this requirement would require 8 bill quotes. Additionally, even for monthly billed accounts, there appears to be little benefit to customers in requiring the additional information but will increase costs. If Staff has evidence that this additional information is necessary it would be helpful to share it with the other parties. Also, PSE suggests applicants are far more interested in high and low BILLS, not consumption.)***

(5) The utility must provide a customer, upon request, a detailed account of the customer's actual natural gas usage of the service premise.

(6) The utility must provide the commission copies of all pamphlets, brochures, and bill inserts provided to its customers ***(Comment: PSE is not aware of any problems Staff has had with utilities refusing to share billing inserts, etc., as Staff believes it necessary. PSE, however, is concerned with creating a rule that results in routine filings that are not necessary—which was expressed in the workshop. Perhaps it would be helpful if Staff could explain why this new reporting requirement would be practically used or useful in protecting the health, welfare, and safety of Washington's citizens, meets the Executive Order review criteria, and would otherwise be in the public interest.)***

*Comments:*

- 1) Reformatted the information companies should provide to customers and applicants and how to obtain this information.
- 2) Added that the companies must provide usage information to applicants and customers upon request.
- 3) Added that the utility must provide commission with copies of pamphlets, brochures and bill inserts it provides to customers.

**WAC 480-90-046 Application for service.**

(1) When an applicant orders service from the natural gas utility, the applicant will be responsible to conform to the rules and regulations that are in effect and on file with the

commission.

(2) The utility may require the following information when an applicant applies for service:

- (a) the applicant's name, address, and telephone number; and an alternative contact telephone number, if applicable, of the responsible party at the service premise;
- (b) the date the service is requested to be effective;
- (c) the type of service requested such as residential or commercial service and the type of equipment to be served at the service premise; and
- (d) proof of identification. ~~The customer may choose which form of identification to provide to the utility~~ ***(Comment: If Staff believes it is necessary, this rule could include a list of possible forms of identification that should be acceptable. However, allowing the customer to choose the form does not seem particularly helpful; for example, as written, this rule would allow a customer to show anything with their name on it, and state it adequately demonstrates identification.)***

~~(3)~~ (3) The utility must provide the following service dates to the applicant:

- (a) For service at a location where utility service facilities exist and will not have to be modified in any way to serve the applicant, the utility will provide a service date at the time of application. If the utility becomes aware that the service date cannot be met, it ~~they~~ must notify the customer on or prior to the service date.
- (b) For service at a location where utility service facilities do not exist or require modification, the utility will provide the following service dates:
  - (i) Upon request, prior to applicant signing a service agreement, the utility will provide a range of dates that service could be made available.
  - (ii) Upon signing a service agreement with applicant, the utility will provide a date by which service will be made available. If the utility becomes aware that the service date cannot be met, it must notify the applicant on or prior to the service date.

***{Comment: If the WUTC Staff believes a rule pertaining to service dates is necessary, it is important to acknowledge the difference between an application for service at a location where facilities exist and are adequate versus those that require new/modifying construction. Timing on new construction may be affected by many variables outside the utility's control, including the customer's construction schedule. Therefore, it seems reasonable to differentiate the rule in this manner. Second, for new/modifying construction, it would be reasonable to differentiate dates for applicants that are not making a commitment to take service, which would require less precise estimates than applicants that are making a commitment.}***

~~(4)~~ Under no circumstances will a customer resell natural gas service. ***{Comment: PSE recommends this rule be moved to 076, under customer service***



**responsibilities. This seems more like a responsibility of the customer than utility.**

}

Comments:

- 1) "Application" is not addressed in the proposed draft rule since companies do not always require applications. In most cases, the companies take orders by telephone.
- 2) Eliminated the sentence referring to flat rate service.
- 3) Moved the sentence referring to "customer using service prior to ordering" to the Disconnection of service rule, WAC 480-90-071 (2)(e).
- 4) Added that the utility must provide service date and if it cannot commit to that date it must advise the customer.

### **WAC 480-90-051 Deposit requirements.**

(1) Security Deposit Criteria for Residential Applicants and Customers - A natural gas utility may not collect a security deposit if an applicant or customer for residential service:

(a) has had service with the utility within the prior twelve months, unless during this time period ~~any six consecutive months~~: **(Comment: PSE suggests it would be helpful for Staff to explain why loosening these requirements as proposed is necessary and more appropriate than current requirements.)**

- (i) the applicant or customer received two or more delinquency notices, or
- (ii) the applicant's or customer's service for a similar class was disconnected for nonpayment;

(b) can furnish a satisfactory guarantor that has established credit with the utility as outlined in this section. If the customer has been disconnected, the guarantor is responsible for the closing bill amount stated on the disconnect notice, not to exceed the amount of the deposit as defined in section (4); or **(Comment: PSE's recommended language is consistent with the existing rule and provides utilities with a proper degree of flexibility. If Staff is aware of practical problems created by the existing language, it would be helpful to share it with other parties. Please note that combining Staff's proposed language here with proposed language in (a) would allow customers that have 3 disconnect notices in the past year to guarantee the deposit of another customer; however, under existing rules, Staff's proposed guarantor would not be credit worthy, and might have to pay a deposit him/herself. PSE also suggests changing the amount stated on the disconnect notice to the closing bill—customers (or the guarantor, in this case) should clearly be held responsible to pay for service taken after the disconnect notice is issued but before service is actually disconnected.)**

(c) has notified the utility of the inability to pay a deposit as provided in WAC 480-90-xx3 Winter low-income payment program.

~~(2) Other Requirements - Additionally, the utility may not collect a security deposit from an applicant who:~~ **(Comment: This break does not appear necessary**

(a) can demonstrate (1a) above with another electric or natural gas utility. The satisfactory credit reference must be quickly and easily checked. The utility may request that the reference be in writing;

~~(b) (b) can demonstrate full-time consecutive employment during the prior twelve months with no more than two employers, and the applicant is currently employed or has a regular source of income;~~

(a) Demonstration that applicant is a satisfactory risk through a satisfactory credit report that may be quickly and easily checked by the utility. A fee for such credit check, if any, will be included in the company's tariff approved by the commission. **(Comment: PSE recommends that replacing credit cards with a more direct, efficient means of checking customer credit supports the goals of the Executive Order. Avista's proposal to use a credit scoring system probably adequately addresses Staff's concern of properly balancing different kinds of credit history. Furthermore, it is important to note that if the other criteria that establish credit remain (as modified above) a customer would not be required to pay for a credit check—it would be an option available to the customer.)** or

(c) owns or is purchasing the premises to be served.

(3) Security Deposit Collection - The utility may collect a security deposit from any applicant or customer where:

(a) there is a prior customer living at the residence who owes a past due bill to the utility at the same address, or

(b) there is an unpaid, overdue balance owing to any electric or gas utility for a similar class of service.

(4) Security Deposit Criteria for Non-Residential Applicants and Customers - A non-residential applicant or customer for natural gas service may be required to demonstrate that it is a satisfactory credit risk by reasonable means appropriate under the circumstances.

(5) Security Deposit Amount - Required security deposits for an applicant or customer may not exceed:

(a) two-twelfths of estimated annual billings for monthly billing the service location's most previous 12 month billings for utilities billing monthly or an estimated amount if actual service did not exist; or

(b) three-twelfths estimated annual billings for bimonthly of the service location's most previous 12 month billings for utilities billing bi-monthly or an estimated amount if actual service did not exist. **(Comment: PSE's recommended language is consistent with the existing rule, thus preserves the inherent flexibility. If Staff has some evidence that this flexibility is or could reasonably become a problem, it would be helpful to share it with other parties.)**

(6) Security Deposit Payment Arrangements - When an applicant or customer is

required to pay a security deposit but is unable to pay the entire deposit in advance of connection or continuation of service, the utility must allow the applicant or customer to pay fifty percent of the deposit prior to service. The customer must pay the remaining balance in equal amounts over the next two months on the dates mutually agreed upon between the applicant or customer and the utility. Alternatively, the applicant/customer and utility may make other mutually agreeable arrangements. ***(Comment: PSE's proposed language is to reflect the current flexibility afforded in the rules. If Staff intended to eliminate this flexibility, it would be helpful to understand why.)***

(7) Alternative to Security Deposit - The utility must allow any customer or applicant who is required to pay a deposit but who is unable to pay the deposit, to prepay any installation charges and reasonably estimated regular service charges or budget billings. The utility must allow the customer or applicant to make payment at periods corresponding to the utility's regular billing period for the length of time during which a deposit would ordinarily have been required. The utility must then bill the customer in a normal fashion.

(8) Transfer of Security Deposit - When a customer moves to a new address within the utility's service territory the deposit, plus accrued interest and less any outstanding past-due balance owing from the old address, must be transferred ~~or refunded~~. ***(Comment: PSE suggests it is inefficient to refund a deposit then collect it again.)***

(9) Additional Security Deposit - If a deposit or additional deposit amount is required after establishment of service the reasons must be specified in writing to the customer and guarantor, if applicable. ~~Any request for a deposit or additional deposit amount must comply with the standards outlined in this rule. If the guarantor does not agree to be responsible for the additional deposit amount t~~The customer will be held responsible for paying the additional deposit. ***(Comment: It does not seem appropriate for the utility to initiate communication with the original guarantor. This could create privacy issues for the customer. The customer should be responsible for the additional deposit, though having the original guarantor cover the higher amount would be acceptable.)***

(10) Security Deposit Payment Date - Any security deposit or additional deposit amount required after service is established is due and payable no sooner than 5:00 p.m. of the sixth business day after notice of the deposit requirement is mailed from within the state of Washington or the ninth business day if mailed from outside the state of Washington. If the utility delivers the notice in person to the customer, the deposit or additional deposit amount is due and payable no sooner than 5:00 p.m. of the sixth business day from the date of delivery.

(11) Interest on Security Deposits - Interest on security deposits collected from applicants or customers must:

(a) accrue at the rate calculated as a simple average of the effective interest rate for new issues of one-year treasury bills, computed from December 1 of each year through November 30 of the following year. The commission will advise the utility each year of the specific rate;

(b) earn the calculated interest rate during January 1 through December 31 of the

subsequent year;

(c) be computed from the time of deposit to the time of refund or when applied directly to the customer's account; and

(d) be compounded or paid annually.

(12) Refund of Security Deposit - Deposits plus accrued interest must be refunded when there has been satisfactory payment or upon termination of service.

(a) Satisfactory payment is established when the customer has paid for service 12 consecutive months in a prompt and satisfactory manner as evidenced by the following:

(i) the utility has not initiated disconnection proceedings against the customer; and

(ii) the utility has sent no more than two notices of delinquency to the customer.

(b) Termination of service - Upon termination of service, the utility must return to the customer the amount on deposit plus accrued interest, less any amounts due the utility by the customer.

(13) How Security Deposits are Refunded - Any security deposit plus accrued interest must be refunded according to the following to the customer no later than fifteen calendar days following completion of twelve months of satisfactory payment in the form of a check issued and mailed to the customer or, if the customer requests:

(a) For continuing customers under (12) (a), above, the deposit will be applied to the customers account prior to issuance of the first bill after completing requirements under (12) (a); available to the customer at the utility's local business office; or

(b) (b) For customers that will no longer be receiving service from the utility under (12) (b), above, the utility will apply the deposit plus interest to the customer's final bill. If the customer's final bill exceeds the deposit plus interest, the utility will mail a refund check for the difference to an address requested by the customer. applied to the customer's account for service beginning in the 13th month. ***(Comments: First, PSE suggests that changing the default from crediting accounts to mailing checks for deposit refunds may be an expensive and unnecessary change. It is much more cost effective and simpler for both customers and utilities to credit refunds to accounts rather than issue checks. Therefore, PSE recommends that the option to mail refund checks to customers continuing service should be dropped. Alternatively, if customers want refund checks, there should be an associated service charge (as approved in tariffs) to cover these additional costs to ensure other customers are not forced to bear them.***

***Second, for customers leaving the utility's service, PSE recommends that customers provide a forwarding address, to which utilities will send refund checks for deposits, if there is credit balance remaining after applying the deposit to final bills. In the workshop, utilities indicated the option for***

**customers to pick up checks at local business offices is not utilized by customers.)**

*Comments:*

- 1) Reformatted Sections (1) and (3)*
- 2) Changed the requirement of delinquent notices*
- 3) Changed employment requirement to “full-time” consecutive employment*
- 4) Clarified qualifications and responsibilities of the guarantor*
- 5) Clarified how deposits are calculated*
- 6) Eliminated the option of the customer providing credit cards as a means of establishing credit*

**WAC 480-90-056 Refusal of service (comb. w /121 Resp. for del. accts).**

(1) The utility may refuse to provide service if doing so will cause an adverse affect to other customers or if the service does not comply with government regulations or with accepted natural gas industry standards.

(2) The utility may refuse to provide service if, in the utility’s judgement, there are hazardous conditions at the site, or if the applicant’s or customer’s piping or gas burning equipment is hazardous, or of such nature that safe and satisfactory service cannot be provided.

(3) The utility may refuse to provide service if the applicant or customer does not comply with the utility’s request to provide protective devices to protect the utility’s or other customers’ properties from theft or damage.

(4) The utility may refuse to provide service if the utility is unable to obtain all necessary rights-of-way, easements, approvals, and permits.

(5) The utility may refuse to provide service if it is not economically feasible to do so.

(6) The utility may refuse to provide service to a customer that is known by the utility to have fraudulently obtained service as described in WAC 480-90-071, Discontinuance of service.

(7) The utility may not refuse to provide service to an applicant or customer because ~~when~~ there are outstanding amounts due from a prior customer at the same premises unless the utility can determine, based on objective evidence, that a fraudulent act is being committed, such that the applicant or customer is acting on behalf of the prior customer with the intent to avoid payment.

*\*(8) Prior obligation relief:* The utility may not refuse service to an applicant or customer because of a prior obligation to the utility if the customer is currently receiving or has received within the last six months, home energy assistance under WAC 480-100-xx4- Winter low income payment program. A prior obligation is the dollar amount that is owed by the customer but left unpaid at the time service is disconnected. Customers

that do not meet the home energy assistance requirements under WAC 480-100-xx4 will be required to pay the following before service will be reconnected:

- (a) pay a security deposit;
- (b) pay reconnection charge in accordance with the utility's tariff approved by the commission, if applicable;
- (c) pay 25% of the net outstanding balance up to the time service was disconnected. Net balance means amount owed minus a prior security deposit, if applicable; and,
- (d) Make mutually agreeable payment arrangements with the utility for remainder of the amount owed.. A prior obligation is the dollar amount that has been billed to the customer but left unpaid at the time of disconnection of service for nonpayment.

***(Comments: The Commission's current "prior obligation" policy is far broader than necessary—it can be improved. This policy, in effect, allows any customer that does not care about their credit to obtain utility service for rates that are far below compensatory—customers simply have to occasionally pay 50% of a security deposit. Thus, this policy extends far beyond providing protection and relief to poor households. PSE's suggestion to use home energy assistance as a reasonable means of identifying customers that should be eligible for the benefits of prior obligation relief is efficient, as it utilizes existing societal infrastructure. There may be other reasonable ways—PSE is open to exploring those alternatives with all the parties in this process. With all the parties participating in this process, PSE believes we should be able to create a more focused and reasonable policy. )***

\* Note: Some stakeholders commented that prior obligation should be changed or limited in some way. Other stakeholders argue that the prior obligation rule has been in effect for about twenty years, and that there is no compelling evidence or reason to change it. Staff is open to discussion about how to limit or change prior obligation to prevent repeat abuse of this rule, if such abuse occurs and if it significantly affects the companies or other customers adversely. In order to determine if that is the case, staff needs evidence from the companies that would compel such a change (e.g., the actual number of cases and actual circumstances under which abuse occurs, total uncollectible amounts for gas/electric companies with prior obligation as compared to those without it, the adverse affect it has on the utility or other customers supported by evidence provided by the companies).

*Comments:*

*Combined with WAC 480-90-121 Responsibility for Delinquent Accounts.*

#### **WAC 480-90-071 Discontinuance of service.**

(1) Customer-directed - Customers who request service to be discontinued must notify the utility of the date service is to be discontinued. The customer is not responsible for usage after the requested date for disconnection. If the customer moves from the service address and fails to request that service be discontinued, the customer will be responsible to pay for service taken at that service address until the utility can either confirm that the customer has vacated the premise or that a new responsible party has moved in.

(2) Utility-directed without notice or without further notice - The utility may discontinue service without notice or without further notice when:

(a) After conducting a thorough investigation, it determines the customer has tampered with, or stolen, its property or has used service through an illegal connection;

~~(a)~~ (b) After conducting a thorough investigation, it determines the customer has vacated the premises;

(b) If the utility identifies a hazardous condition in the customer's facilities or in the utility's facilities serving the customer. ***(Comment: PSE appreciates Staff's language in the following section. However, the language proposed here is directed at a situation where the customer had not been previously informed of a potential safety issue, whereas the language directly below assumes the customer has already been notified. Gas utilities must have the ability to disconnect service with no notice if an unsafe situation is identified—this policy is supported by the Executive Order and is otherwise in the public interest.)***

(c) The customer has not eliminated any hazardous condition found to exist in the customer's facilities (i.e., piping, venting, appliances, etc.);

(d) A customer pays a delinquent account with a check or electronic payment the bank or other financial institution has dishonored after the utility has issued appropriate notice as described in subsection (6) of this rule;

(e) The customer has not kept any agreed upon payment plan for payment of a delinquent balance after a notice was mailed or delivered in person;

(f) The utility has determined a customer has used service prior to applying for service. The utility must charge the customer for service used in accordance with the utility's tariffed rate schedule(s); or

(g) After conducting a thorough investigation, the utility discovers that a customer has obtained service fraudulently. The utility has the burden of proving that fraud occurred. For the purpose of this section a nonsufficient fund check or electronic payment will not be considered fraud.

(i) First offense: The utility may disconnect service without notice when it discovers fraud, unless the customer immediately pays:

(a) The tariffed rate for service that the utility estimates was taken fraudulently; plus

(b) All utility costs resulting from the fraudulent use; plus

(c) Any applicable required deposit.

(ii) Second offense: The utility may disconnect service without notice when it discovers further fraud. The utility may refuse to reconnect service to a customer who has been twice disconnected for fraud subject to appeal to the commission.

This rule should not be interpreted as relieving the customer or other person of civil or criminal responsibility.

(3) Utility-directed with notice - After properly notifying the customer, as explained in subsection (5) of this section, the utility may discontinue service for any one of the following conditions:

- (a) Delinquent regulated charges as billed under WAC 480-90-096, Natural gas utility responsibility for complaints and disputes, including any required deposit, except that the utility cannot disconnect service when the customer has met the requirements of subsection (4) of this rule for medical emergency or has agreed to or maintains agreed upon payment arrangements with the utility as described in WAC 480-90-xx4 Winter low-income payment program;
- (b) Natural gas energy use for purposes or properties other than those specified in the customer's service application;
- (c) Under flat rate service for non-metered load, for increased natural gas use without the utility's approval;
- (d) Willful waste of natural gas through improper or imperfect piping, equipment, or otherwise;
- (e) Refusing to allow access to the customer's premise as required in WAC 480-90-091, Access to premise;
- (f) Violating rules, service agreements, or filed tariff(s); or
- (g) Use of equipment that detrimentally affects the utility's service to its other customers.

(4) Combination utilities - Natural gas service may not be disconnected for any amount owing associated with regulated electric service.

(5) Medical emergencies - When the utility has cause to disconnect or has disconnected a residential service, it must postpone disconnection of service or must reinstate service as soon as practical ~~within four hours~~ for a grace period of five business days after receiving either verbal or written notification of the existence of a medical emergency. When service is reinstated the utility will not require payment of a reconnection charge and/or deposit prior to reinstating service but will bill at a later date.

***(Comment: PSE is not sure why Staff choose four hours or sees the need to have a requirement. If Staff is aware of any problems in this area, it would be helpful to share those with other parties.)***

(a) The utility may require that the customer, within five business days, submit written certification from a qualified medical professional stating that the disconnection of natural gas service would aggravate an existing medical condition of a resident of the household. "Qualified medical professional" means a licensed physician, nurse practitioner, or physician's assistant authorized to diagnose and treat the medical condition without supervision of a physician. Nothing in this section precludes a utility from accepting other forms of certification, but the maximum the utility can require is written certification. If the utility requires written certification, it may require not more than the following information:

- (i) Residence location;
- (ii) An explanation of how the current medical condition will be aggravated by



disconnection of service;

(iii) A statement of how long the condition is expected to last; and

(iv) The title, signature, and telephone number of the person certifying the condition;

(b) The medical certification is valid only for the length of time the health endangerment is certified to exist but no longer than 60 days unless renewed;

(c) A medical emergency does not excuse a customer from paying delinquent and ongoing charges. The utility may require the customer to do the following within the five-business-day grace period:

(i) pay a minimum of ten percent of the delinquent balance;

(ii) enter into an agreement to pay the remaining delinquent balance within 120 days; and

(iii) agree to pay subsequent bills when due.

Nothing in this section precludes the utility from agreeing to an alternate payment plan, but the utility may not require the customer to pay more than this subsection prescribes. The utility must send a notice to the customer confirming the payment arrangements within two business days;

(d) If within the five-day grace period the customer fails to provide an acceptable medical certificate or ten percent of the delinquent balance, the utility may not disconnect service without first mailing a written notice providing a disconnection date not before 5:00 p.m. of the third business day after the date of mailing if mailed from within the state of Washington or six business days if mailed from outside the state of Washington or delivering a notice providing a disconnection date of not before 5:00 p.m. of the second business day following the date of delivery;

(e) If the customer fails to abide by the terms of the payment agreement the utility may not disconnect service without first mailing a written notice providing a disconnection date not before 5:00 p.m. of the third business day after the date of mailing if mailed from within the state of Washington or six (6) business days if mailed from outside the state of Washington or delivering a notice providing a disconnection date of not before 5:00 p.m. of the second business day following the date of delivery;

(f) A customer may claim medical emergency and be entitled to the benefits described in this subsection only twice within any 120-day period.

(6) Disconnection notification requirements - The utility must notify customers before disconnecting their service except as described in subsection (2). Notification consists of the following requirements:

(a) The utility must serve a written disconnection notice on the customer either by mail or by personal delivery to the customer's address with notice attached to the primary door. If the disconnection notice is for nonpayment during the winter months the utility must advise the customer of the payment plan described in WAC 480-100-072 Payment arrangements and WAC 480-90-xx4 Winter low-income payment program. Each disconnection notice must include:

- (i) A disconnection date that is not less than eight business days after the date of personal delivery or mailing if mailed from inside the state of Washington or a disconnection date that is not less than eleven business days if mailed from outside the state of Washington;
  - (ii) All relevant information about the disconnection action including the amount owing and how to correct the problem;
  - (iii) All relevant information about any charges that may be assessed; and
  - (iv) The utility's name, address, and toll-free telephone number by which a customer may contact the utility to discuss the pending disconnection of service.
- (b) If the utility discovers the notice information is inaccurate, the utility must issue another notice to the customer as described in section (5) (a).
- (c) In addition to (a) of this subsection, a second notice must be provided by one of the three options listed below:
- (i) Delivered notice - The utility must deliver a second notice to the customer service premise and attach it to the customer's primary door. The notice must state a scheduled disconnection date that is not earlier than 5:00 p.m. of the second business day after the date of delivery; or
  - (ii) Mailed notice - The utility must mail a second notice which must include a scheduled disconnection date that is not earlier than 5:00 p.m. of the third business day after the date of mailing if mailed from within the state of Washington or six business days if mailed from outside the state of Washington. The date of mailing will not be considered the first day of the notice period; or
  - (iii) Telephone notice - The utility must attempt at least two times to contact the customer at its residence during regular business hours. If the utility is unable to reach the customer, the utility will attempt to contact the customer using any business or message number provided. A log or record of the calls must be kept for a minimum of ninety (90) calendar days showing the telephone number called, the time of the call, and details of the results of each attempted call. When the utility has been unable to reach the customer by telephone, a written notice must be mailed to the customer providing a disconnection date not before 5:00 p.m. of the third business day after the date of mailing if mailed from within the state of Washington or six (6) business days if mailed from outside the state of Washington or delivering a notice providing a disconnection date of not before 5:00 p.m. of the second business day following the date of delivery.
- (d) If the utility has not disconnected service within ten (10) business days of the disconnection date stated in subsection (5)(a)(i), the disconnection notice will be considered void unless the customer and the utility have agreed upon a payment arrangement. Upon a void notice, the utility must provide a new disconnection notice to the customer as provided in section (5).

(e) When the service address is different from the billing address, the utility must determine if the customer of record and the service user are the same party. If not, the utility must notice the service user as described in (a) of this subsection prior to disconnecting service.

(f) Except in case of danger to life or property, utilities may not disconnect service on Saturdays, Sundays, legal holidays, or on any other day on which the utility cannot reestablish service on the same or following day.

(g) A utility representative dispatched to disconnect service must accept payment of a delinquent account at the service address if paid in cash, but will not be required to give change for cash paid in excess of the amount due and owing. The utility must credit any over-payment to the customer's account. When disconnection does not take place due to payment or payment arrangements made by the customer with the utility representative, the utility may assess a fee for the disconnection visit to the service address if provided for in the utility's tariff.

(h) When service is provided through a master meter, or when the utility has reasonable grounds to believe service is to other than the customer of record, the utility must undertake reasonable efforts to inform occupants of the service address of the impending disconnection. Upon request of one or more service users, where service is to other than the customer of record, the utility must allow five days past the original disconnection date to permit the service users to arrange for continued service.

(i) Medical facilities - When service is provided to:

(i) a hospital, medical clinic, ambulatory surgery center, renal dialysis facility, chemical dependency residential treatment facility, or other medical care facility licensed or certified by the department of health, notice of pending disconnection will be provided to the secretary of the department of health and to the customer. The department of health secretary or designee may request a delay of disconnection for five business days past the original disconnection date to allow the department to take the necessary steps to protect the interests of the patients residing at the facility; or

(ii) a nursing home, boarding home, adult family home, group care facility, intermediate care facility for the mentally retard (ICF/MR), intensive tenant support residential property, chemical dependency residential treatment facility, crisis residential center for children or other group home or residential care facility licensed or certified by the department of social and health service, notice of pending disconnection will be provided to the secretary of the department of social and health services and to the customer. The department of social and health services secretary or designee may request a delay of disconnection for five business days past the original disconnection date to allow the department to take the necessary steps to protect the interests of the patients residing at the facility.

(j) Any customer may designate a third party to receive a disconnection notice or

other matters affecting the customer's service. The utility will offer all customers the opportunity to make such a designation. If the utility believes that a customer is not able to understand the effect of the disconnection, the utility will consider a social agency to be the third party. In either case, the utility must delay service disconnection for five business days past the original disconnection date after issuing a disconnection notice to the third party. The utility will determine which social agencies are appropriate and willing to receive the disconnection notice, the name and/or title of the person able to deal with the disconnection, and provide that information to the customer.

(7) Remedy and appeals - Service may not be disconnected while the customer is pursuing any remedy or appeal provided by these rules or while engaged in discussions with the utility's representatives or with the commission. However, any amounts not in dispute must be paid when due and any conditions posing a danger to health, safety, or property must be corrected. The utility will inform the customer of these provisions when the customer is referred to a utility's supervisor or to the commission.

(8) Payments at a payment agency - Payment of any past-due amounts to a designated payment agency of the utility constitutes payment when the customer informs the utility of the payment and the utility has verified the payment.

*Comments:*

1) *The requirement that the bills be paid within a minimum of 15 days has been moved to WAC 480-90-106, Billing requirements and payment date (Form of Bills).*

Utility disconnecting service without notice:

2) *Reformatted text addressing reasons when the utility can disconnect with and without notice to customers.*

a. *Clarifies companies are not required to provide disconnect notice if, after a thorough investigation, it has determined the customer has tampered with or vacated the property.*

b. *Allows companies to disconnect without notice if a person is using service prior to ordering service.*

Utility disconnecting service without further notice:

3) *Added "electronic payment" to 2c, when a customer pays with a check or electronic payment that has been dishonored by a financial institution.*

Customer disconnecting service:

3) *Customers must provide the date service is to be disconnected.*

4) *Customers are not responsible for service after the requested date for disconnection.*

5) *If the customer moves without notifying the utility to disconnect service, the customer will be responsible to pay for service until the utility can either confirm the customer has vacated the premise or that a new responsible party has moved in.*

Medical Emergency:

6) *Moved the section for medical emergencies (section 2h of existing rule) to follow reasons for disconnection.*

- 7) Requires companies to restore disconnected service within four hours after being notified of medical emergency situation.
  - 8) Lengthened time of medical certificate from 30 days to 60 days.
  - 9) Restricted customers who delay disconnection of service via for medical emergencies from no limited amount of times to two times within 60 days.
  - 10) If utility does not receive medical certificate or ten percent payment of delinquent balance within 5 business days, the utility can disconnect service upon mailed a 3-day notice or personally delivering a notice allowing one business prior to disconnecting service.
  - 11) If the customer fails to abide by the payment agreement of the medical emergency, the utility can disconnect service upon mailed a 3-day notice or personally delivering a notice allowing one business prior to disconnecting service.
- Notice procedures:
- 12) When the utility mails a notice of disconnect from outside of the Washington State, it must add three business days to the notice due date.
  - 13) Reformatted the procedures for disconnection.
  - 14) Utility is no longer required to mail notices; personal delivery is now another option with same due date as if mailed.
  - 15) Utility is allowed the option of mailing an additional notice or personally delivering a notice if it cannot reach the customer by telephone prior to disconnecting service.
  - 16) Updated information as to when and how the companies should provide notice to medical facilities and relevant state offices.

**WAC 480-90-xx3 Reconnecting service after disconnection.**

A gas utility must restore a disconnected service within one business day after the customer has paid, or at the time the utility has agreed to bill, any reconnection charge when:

- (1) the causes for disconnection not related to a delinquent account are removed;
- (2) the customer pays all regulated charges, including any required deposit;
- (3) the customer has entered into an agreed upon payment arrangement for a delinquent account, and any required deposit; or
- (4) the delinquent account has been designated a prior obligation account as defined in WAC 480-90-056 Refusal of service, and the customer has paid or made arrangements for a deposit.

*Comments:*

*Required companies to restore service, after causes of disconnection have been removed, in one business day.*

## WAC 480-90-072 Payment arrangements.

(1) If a customer is billed for both gas and electric service and pays a portion of the total amount billed, the gas utility must allow the customer the option of applying the payment to the service of their choice. If the customer makes a partial payment and does not choose which service the payment will apply to, the utility must apply the payment to both services on a prorated basis according to the amounts billed for each service. ***(Comment: This requirement does not reflect the reality of modern accounting systems in combination utilities. While it is possible to accommodate special customer requests to allocate payments to different services, establishing this allocation as the default action would be quite costly. While this requirement would be costly, it is not clear customers—even those making partial payments—would derive any benefit from this cost. Therefore, PSE suggests this requirement is probably not in the public interest.)***

(2) If due to utility error the utility is delayed in billing the customer, the utility must offer payment arrangements that are equal to the length of time the customer waited for the bill. ***(Comment: There seems little reason to limit this issue to billing delays caused by “utility error.”)***

(3) The utility must offer all residential customers the option of an equal payment plan.

(a) In general, an equal payment plan allows the customer to pay the same amount each billing cycle month, based on historical usage. If historical information is not available, the utility will base the amount on projected usage.

(b) Equal payment plans must be addressed in the utility's tariff. The utility may refuse to offer the equal payment plan to customers who have been removed from the equal payment plan for nonpayment within the past six (6) months or have more than a two month balance on their current account. However, the utility may offer the equal payment plan to any customer when it believes this would be in the best interest of all parties concerned. ***(Comment: The revisions above are necessary to retain the operational flexibility in the current rules. Please note this operational flexibility has been approved by the Commission in both of PSE's tariffs. If Staff is aware of problems caused by this flexibility, it would be helpful to share it with other parties.)***

(4) When a customer contacts the utility regarding a delinquent account or to avoid a delinquent account, the utility must offer extended payment arrangements appropriate for both the customer and the utility.

(a) The customer may enter into a six month payment arrangement on a delinquent account one time prior to disconnection of service.

(b) If the customer does not choose to enter into a six-month payment arrangement, then the customer and utility may make arrangements appropriate to both the customer and utility. If the customer does not propose payment arrangements acceptable to the utility, the utility will advise the customer of the payment plan

described in WAC 480-90-xx4, Winter low-income payment program, if appropriate. ***(Comment: This one time six month payment plan is unclear. One time could mean once in a customer's lifetime or it could mean once on an account that goes "prior" under current rules. The recommended deletions above will preserve the flexibility in the current rules, allowing utilities to work out mutually agreeable terms with customers. If the flexibility in the current rule creates real problems, it would be helpful for Staff to share those with the other parties.)***

(5) The utility will provide a receipt to customers for all payments made in cash.

*Comments:*

- 1) Moved Section 3 and 4 of existing rule to separate new rule.*
- 2) Added that if the utility delayed billing to the customer, it must allow the customer to make payment arrangements equal to the length of time the customer waited for the bill.*
- 3) Added that companies who provide both electric and gas service, must prorate payments to each service if the customer has not designated which service should be paid.*
- 4) Added that the utility must provide receipts for all cash payments.*
- 5) Added that the customer may enter into a six month payment arrangement on a delinquent account one time prior to disconnection of service.*
- 6) Clarified how budget payment plans are calculated.*

**WAC 480-90-xx4 Winter low-income payment program.**

(1) During the winter months, between November 15 and March 15, the natural gas utility may not discontinue residential space heating service if the customer:

(a) Notifies the company of the inability to pay the bill, including a security deposit. This notice should be provided within five business days of receiving a delinquent notice unless there are extenuating circumstances. If the customer does not notify the company within five business days and service is disconnected, the customer can, by paying reconnection charges, if any, and upon fulfilling the requirements of this section, receive the protections of this chapter.

(b) Provides self-certification of household income for the prior twelve months to a grantee of the Department of Community, Trade, and Economic Development. For the purposes of this section, the grantee is a contractor operating low income energy assistance programs for the Department of Community, Trade, and Economic Development. The grantee will, within thirty days, determine that the household income is not higher than the maximum allowed for eligibility under the state's plan for low-income energy assistance. The grantee will also within thirty days provide a dollar figure to the company that is seven percent of the household income within thirty days of the date the company was notified of the inability to pay as in (a) of this subsection. For the purposes of this section household income is

defined as the total income of all household members as determined by the grantee. The utility may require grantee to ~~may~~ verify information provided in the self-certification; ***(Comment: The existing rule explains that certification (the self-certification) may be subject to verification by the grantee. Since the Commission does not regulate grantees, the most reasonable interpretation of the existing rule is that the utility may require the grantee to verify the self-certification, though the grantee may be able to verify income for its own reasons. PSE recommends this requirement should be retained in the proposed language, to ensure utilities have some oversight of this process.)***

(c) Applies for home energy assistance from appropriate government and/or private sector organizations and certifies that any assistance received will be applied to their current and future utility bills;

(d) Applies to the utility or other appropriate agencies for low income weatherization assistance if such assistance is available for the dwelling;

(e) Agrees to and maintains the following:

(i) pay all amounts owed to the utility by the following October 15 and to pay for continued service;

(ii) pay a monthly payment during the winter period of at least seven percent of the monthly household income during the winter months. In addition, the customer must pay one-twelfth of any billings from the date application is made through March 15. A customer may agree to pay a higher percentage of income during this period, but the customer's account will not be considered past due unless payment during this period is less than the amount that was calculated using the formula above. If the customer does not pay the past due bill by the following October 15, the customer will not be eligible for protections under this section, until the past due bill is paid.

(f) Notifies and provides documentation, if requested, to the utility that the customer has received any home heating assistance payment from government and/or private sector organizations after being approved for the plan. When the utility receives this information it must recalculate the payments for the customer; and

(g) Pay all amounts owed even if the customer moves.

(2) The utility will:

(a) Assist the customer in fulfilling the requirements under this section;

(b) Be required to transfer an account to a new residence when a customer who has established a plan under this section moves from one residence to another within the same utility's service area. The utility may, however, update the payment plan as appropriate, due to changes in expected billing at the new address; ***(Comment: This is a completely new requirement. If it is appropriate for such payment plan to migrate with the customer—PSE is not supporting or contesting it at this time—it is important to recall the payment plan is designed to allow the customer to pay for past service as well as current service. To the extent that bills at the new address are expected to be different from the old address, the***



***utility should have the flexibility to revise the payment plan accordingly.)***

- (c) Be allowed to discontinue service if the customer has not kept the payment arrangements in Section 1 above, as directed in WAC 480-100-071, Discontinuance of service. The utility will include in the customer's disconnect notice:
- (i) a description of the customer's duties outlined in section (1) above, and
  - (ii) an explanation that it will restore service if the customer contacts the utility and satisfies the other requirements in this section.
- (d) Be allowed to disconnect service for practices authorized by law other than for nonpayment as stated in this section;
- (e) Allow customers who qualified under Section (1) above and who default on their payment plan and are disconnected in accordance with WAC 480-100-071, disconnection of service, to reconnect and maintain the protection afforded under this chapter when they:
- (i) pay any reconnection charges; and
  - (ii) pay all amounts that would have been due and owing on the date the service is reconnected;
- (f) Provide a written copy of the extended payment plan to the customer.
- (3) Any customer who has a past due amount owing under this payment plan will not be eligible to reapply for a new extended payment plan unless authorized by the utility.

*Comments:*

- 1) This rule is moved from 480-90/100-072, *Payment Arrangements, Section 3 and 4.*
- 2) Reformatted rule to more closely parallel with 80.28.010(4) and (5) RCW.
- 3) Moved definitions of energy assistance grantee and household income from WAC 480-100-021 (5) and (6) to section (1)(b) of this rule.

**WAC 480-100-076 Service responsibilities.**

- ~~(1)~~ ~~(1) Customer responsibilities~~ In addition to responsibilities listed in the utility's tariff approved by the commission and listed in other rules and laws, customers will have the following additional responsibilities:—
- (a) the customer will notify the gas utility in writing, in advance, of all changes in their equipment or usage, which will materially affect the service to be rendered.
- (i) The customer will give such notice within a reasonable time to permit the utility to provide the necessary facilities and to acquire additional gas supply if required.
  - (ii) The cost of necessary facilities, if any, will be equitably adjusted between the gas utility and the customer unless otherwise provided for in the utility's filed tariff(s).
  - (iii) If a customer makes modifications to its system prior to or without

providing the utility notice to permit the utility to make necessary adjustments to its system will be held responsible for cost impacts on the utility's system and damages to the utility or other customers' {Comment: This provision is necessary to protect other customers

(b) Under no circumstances will a customer resell natural gas service. **{Comment: moved from 046, application of service—this seems like a more logical fit}**

(c) Any customer that makes modifications to its facilities that create a master meter operation must notify the utility as soon as possible prior to making such modifications. **{Comment: Master meter operators may create safety concerns, so it is important to be able to readily identify such customers. Since it may be impossible for the utility to determine when a customer becomes a master meter operator, it seems necessary for the customer to notify the utility.}**

(d)

(2) Gas utility responsibility - each gas utility will install and maintain at appropriate locations within its system such equipment as may be necessary to determine the operating characteristics of the system. The commission may require additional equipment in connection with performing special investigations if economically feasible.

In case any substantial change is made by the gas utility in the character of service rendered, which change would affect the efficiency of operation or the adjustment of the equipment of customers, the utility will promptly notify all customers who may be affected. Where adjustments of such equipment need to be made to permit use under such changed conditions, such adjustments will be made, and the cost will be equitably split between the utility and the customer. When the customer has been advised of such contemplated change prior to taking service, or when such change is required by law, the customer will bear all costs in connection with making changes to the customer's own equipment.

(3) Maintenance - each gas utility will maintain its plant in such a condition as will enable it to furnish adequate service and meet applicable state and federal standards.

(4) Interruptions of service - the term "interruptions" as used in this rule refers to the temporary discontinuance of gas flow to any customer or customers due to accident, required repairs or replacement, or to the actions of municipal or other agencies. It does not refer to the discontinuance of gas flow to those customers receiving service under an interruptible service schedule. Interruption of service to customers receiving service under interruptible service schedules will be addressed in the utility's tariff, as approved by the commission. **{Comment: The first sentence is language that exists in the current rule. This language is necessary to differentiate firm from interruptible service. The second added sentence is to clarify how service to interruptible customers should be addressed.}** Each gas utility will make all reasonable efforts to avoid interruptions of service and, when such interruptions occur, will endeavor to reestablish service with the shortest possible delay.

When it is necessary for a gas utility to make repairs to or change its facilities, the utility may, without incurring any liability, suspend service for such periods as may be reasonably necessary and in such manner as to minimize the inconvenience to customers. The utility will individually notify police and fire departments affected by such suspension. All customers affected by a scheduled interruption will be given notification through newspapers, radio announcements, or other means at least one day in advance:

(5) Record of interruptions - each gas utility must keep a record of all interruptions of service affecting 25 or more a substantial number of customers, including in such record the location, the date and time, the duration, and, as accurately as possible, the cause of each interruption. Utilities must submit copies of such records to the commission upon request. ***{Comment: This is language from the existing rule. The proposed language introduces ambiguity relative to the existing language. Additionally, the existing language is coordinated with the reporting requirements in 480-93.}***

**Comments:**

*Rule rewritten for clarity.*

**WAC 480-90-086 Service entrance facilities.**

The gas utility may require customers to:

- (1) provide entrance facilities at the easiest access point to its distribution system and;
- (2) comply with reasonable requirements to keep those facilities free from tampering or interference.

**Comments:**

*Rewritten for clarity.*

**WAC 480-90-091 Access to premises.**

(1) Authorized representatives of a gas utility have the right to enter a customer's property during reasonable hours to perform meter reading, maintenance, testing, installation, or removal of the utility's property. Customers may ask to see the identification of the gas utility representatives.

(2) When performing maintenance or installing or removing the utility's property, the utility must make reasonable efforts to restore the customer's property as close as possible to the condition prior to the utility's action or other such arrangements as agreed to with the customer or as provided in the utility's tariff on file and approved at the commission. ***(Comments: Overall, it would be most helpful if Staff could share information that supports the need for a restoration of property rule; i.e., are***

***there significant, reasonable customer complaints that would justify creating such a rule or some reasonable expectation that this issue could become a problem? Turning to the specific language, when installing utility service to a customer's property, it is far more cost effective for the customer to be responsible for restoring the property. Second, it is important to have some balance of reasonableness to restoring property. Occasionally, customers place extensive landscaping, unique driveways, etc., in the public right of way, then demand not only restoration of the property affected, but adjacent property as well. Thus, again, there should be some reasonableness language in this rule. The last section beginning "...or as provided..." may be desirable, as it would allow utilities to incorporate restoration of property rules in tariffs and have them approved by the Commission)***

*Comments:*

*Revised per water rules and stakeholders' comments.*

#### **WAC 480-90-096 Gas utility's responsibility for complaints and disputes.**

(1) When a natural gas utility receives a complaint in any form from a customer or an applicant for service it must acknowledge receipt of the complaint and

(a) provide the name of the utility's contact to the complainant;

(b) investigate the complaint promptly;

(c) report the results of the investigation to the complainant;

(d) take corrective action, if warranted, as soon as possible under the circumstances;

(e) inform the complainant that the decision may be appealed to a supervisor at the utility; and

(f) inform the complainant, if still dissatisfied after speaking with the supervisor, of the customer's right to file a complaint with the commission and provide the commission's address and toll-free telephone number.

(2) Applicants, customers, or their representatives may file with the commission:

(a) an informal complaint as described in WAC 480-09-150 Informal complaints or

(b) a formal complaint against the utility as described in WAC 480-09-500 Brief adjudicative proceedings.

(3) When the commission refers an informal complaint to the utility, the utility

must:

(a) investigate and report the results to the commission within two business days. The commission may grant an extension of time for responding to the complaint if requested and warranted;

(b) keep the commission informed of progress toward the solution and the final

result; and

(c) respond to the commission's request for additional informal complaint information within three business days of the request or at a date specified.

(4) Each gas utility must keep a record of all complaints for at least three years and, on request, make them readily available for commission review. The record must contain:

- (a) the complainant's name and address;
- (b) the date and nature of the complaint;
- (c) the action taken; and
- (d) the final result.

*Comments:*

1) added requirement (a) to section 1

2) added requirement (c) to section 3

3) changed record keeping requirement for all complaints from one to three years

#### **WAC 480-90-106 Billing requirements and payment date.**

(1) Customer bills must:

(a) Be regularly scheduled for issued at intervals not to exceed two months;

(b) Show the total amount due; ***(Comment: Please refer to PSE's initial comments, PSE's comments on Staff's Initial Draft, and discussion during the first set of workshops. Unless the rule is revised, utilities will not have any time to follow-up on questionable bimonthly bills. This will lead to one of three results: 1) Utilities will routinely be out of compliance with some billings in order to ensure bills are accurate, which means this rule will be practically ineffective, thus counter to the Executive Order; 2) Utilities will be forced to send out bills that it believes could be inaccurate and make possibly significant adjustments to the customer's account in the next bill, which suggests the benefits (if any) of this rule would be less than costs; 3) Utilities will be forced out of bimonthly billing, which the Commission has already indicated is a cost effective policy. Therefore, while PSE is open to discussing other ways of modifying this rule, some modification is necessary.)***

(c) Show the date the bill becomes delinquent if not paid;

(d) Include the utility's business address, business hours, telephone number and emergency telephone number by which a customer may contact the utility;

(e) Include the current and previous meter reading, the current read date, and the total amount of therms used and the rate per therm;

(f) Show energy usage comparison for the same billing month of the previous year for the following:

- (i) number of days in billing period;
- (ii) therms used;
- (iii) average therms used per day;
- (iv) average temperature per day;

(g) Show taxes and any tax percentage rate that the taxes are computed from. Taxes must also be totaled to show a total tax amount; **(Comment: Without further clarification, PSE is not sure what total tax amount Staff refers to here. Perhaps some clarification as to what Staff is referring to would be helpful.)**

(h) Clearly identify when a bill has been prorated. A prorated bill will be issued when service is provided for a fraction of the billing period or when a rate change has occurred during the billing period. Unless otherwise specified in the utility's tariff, the charge will be prorated in the following manner:

- (i) flat rate service will be prorated on the basis of the proportionate part of the period service that was rendered.
- (ii) metered service will be billed for the amount metered, except the minimum charges will be the applicable minimum as shown in the tariff.

(i) Clearly identify when a bill is based on an estimation.

(i) a utility must detail its method(s) for estimating customer bills in its tariff on file with the commission.

~~(ii) the utility may not estimate for more than two consecutive billing cycles.~~

**(Comment: This rule, as written, is not practical. There may be situations outside the utility's control that do not allow meters to be read, including customer imposed hazards—unintentional or otherwise. As meter reading becomes more automated over time, this rule will be less of a problem, but then the rule will not be necessary. If this rule is adopted, it is not clear what Staff expects utilities do when reading a meter is impossible for a third or more cycle. Presumably, utilities would not be allowed to send a bill at all, until the meter is finally able to be read. This outcome, however, does not seem to protect customers at all, and would probably create the need to make additional billing arrangements with customers. Thus, this rule would not benefit customers but would needlessly increase billing costs. It seems that from nearly every perspective, this rule falls short of the criteria in the Executive Order and would otherwise not support the public interest.)**

(j) Clearly identify determination of maximum demand. Utilities providing service to any customer on a demand basis must detail in their filed tariff the method of applying charges and of ascertaining the demand.

(2) The minimum time allowed for payment after the bill's mailing date must be fifteen (15) days, if mailed within the state of Washington, or eighteen (18) days if mailed outside the state of Washington.

(3) A customer may request to pay by a certain date that is not the normally designated payment date when showing good cause. Good cause may include, but is

not limited to, adjustment of a billing cycle to parallel receipt of income. The preferred payment date must be prior to the next invoice date.

*Comments:*

- 1) *Added total amount owed will be listed on bill.*
- 2) *Added that utility must include business address, toll-free telephone number, business hours and emergency telephone number on bill.*
- 3) *Added information to be included on bill in order to calculate bill amount.*
- 4) *Added what information is to be provided in order to compare bill with previous year's usage.*
- 5) *Clarified tax information to be included on bill.*
- 6) *Added utility may not estimate bill for more than two consecutive billing cycles.*
- 7) *Added three days to bill due date if bill is mailed outside of the state.*
- 8) *Added when a customer requests a preferred payment date, it must be requested prior to the next bill date.*
- 9) *Moved reference of the 15-day minimum for billing from WAC 480-100-071 (1)(a), Disconnection of service.*
- 10) *Added method of estimation of bills must be detailed in the utility's tariff.*

**WAC 480-90-161 Complaint meter test (combined rule).**

WAC 480-90-161 Complaint Meter Test

WAC 480-90-156 Dispute as to meter accuracy

WAC 480-90-116 Refund for inaccurate metering

(1) The natural gas utility must initiate test and report to the customer the accuracy of a meter within ten (10) business days after receiving a request from a customer. The utility must allow the customer to order one meter test free of charge during a twelve month period. ***{Comment: PSE recommends retaining the current language, as this change appears to fail at least two of the Executive Order criteria. First, there appears to be no benefit to the customer to require such an onerous meter test provision. (If Staff has evidence that a problem exists with the current process—such as numerous customer complaints—it would be helpful to share it with other parties.) Costs to achieve Staff's proposed timeline, on the other hand, would be substantial. Therefore, this proposal appears to fail the Executive Order review criteria that benefits should be greater than costs. Second, it is important to note that testing a gas meter requires much closer coordination with the customer than an electric meter test. To test a gas meter, it is replaced with another meter. This causes a short interruption of gas service. For safety considerations, the customer must be there to allow the utility to re-***

***light pilot lights. It may be difficult to coordinate with customer in such a tight window, especially if the customer is not trying to be helpful. Therefore, this revision would probably not be fair to utilities, failing another of the Executive Order criteria.***

(2) The customer may either witness the meter test or designate a representative to witness the test. The customer may require the meter to be sealed upon removal in the customer's or the representative's presence. The seal must not be broken until the test is made in the customer's or the representative's presence, or until permission to break the seal has been granted by the commission. The utility must report the results of the meter test to the customer.

(3) A customer may request the utility to perform additional meter tests. The utility must immediately inform the customer of any additional meter test charges. If the customer elects to have the meter test performed, the utility will perform the test and report the test results within ten (10) business days to the customer. If the additional meter test results show the meter is performing accurately as described in WAC 480-90-146, Initial accuracy of meters, the utility may charge the customer for performing the additional meter tests. The charge of the meter test must be listed in the utility's tariff. The utility may not charge the customer for any meter test which shows the meter is performing outside acceptable tolerance levels found in WAC 480-90-151 inaccurately. ***(Comment: It is not reasonable to expect a device such as a meter to perform perfectly, in fact, 90-151 reflects this reality. "Inaccurately" could be interpreted to mean anything other than perfect. Therefore, PSE recommends the language proposed would be more appropriate.)***

(4) If the customer disputes any meter test result, the utility or the customer may contact the commission to review the complaint. When the commission has notified the utility that a complaint has been received regarding the customer's meter, the utility will not change the meter set assembly in any manner unless authorized by the commission. If the utility violates this provision, the commission may consider it as supporting the customer's dispute since the change might affect the proof of the dispute. The commission may require the utility to perform an additional test and report the test results within ten business days to the commission.

(5) If a meter test reveals a meter error not in accordance with WAC 480-90-146, Initial accuracy of meters, the utility must repair or replace the meter at no cost to the customer. The utility will adjust the bills to the customer based on the best information available to determine the appropriate charges.

(a) The utility must refund the customer back to the date the customer was first billed for a defective meter but not more than six months.

(b) In cases where the customer will be billed for additional meter usage, the utility will bill to the date the customer was first billed for a defective meter but not more than six months. The utility will make payment arrangements to allow the customer additional time to pay the bill.

(6) Reports - the commission may require the utility to provide meter test results



in response to a customer's complaint. These reports will contain the name and address of the customer, the meter manufacturer's name, the manufacturer's and utility's meter number, the size or capacity of the meter, the date the meter was tested, the reading of the meter when tested, the accuracy of the meter as found, and the accuracy of the meter after adjustment.

*Comments:*

- 1) Deleted utility option of refusing meter test
- 2) Deleted "initiate" in section (1) and changed to must test and report results to customer within ten business.
- 3) Moved WAC 480-90-156 and 480-90-116 to this rule.
- 4) Added if the customer requests additional meter tests, the utility must inform the customer of the meter test charges.
- 5) Clarified that utility may use "best information available" to adjust bills due to meter inaccuracy.
- 6) Clarified customer will not be billed for more than six months for additional meter usage as well as limiting refunds to six months.

#### **WAC 480-90-211 Payment locations.**

(1) The natural gas utility must provide payment agencies in convenient locations where applicants and customers can make cash and urgent payments as needed to receive service. ~~Payment agencies must clearly post and maintain regular business hours.~~ ***(Comment: Payment agencies are independent businesses and realistically will post business hours as they believe is necessary for their operation, thus this rule is probably not necessary nor practically useful. If Staff has evidence that posting of business hours at pay stations has been a problem, it would be helpful to share that information with the other parties.)***

(2) The utility and its payment agencies must provide receipts for any cash payments made by the applicants or customers.

~~(3) The utility must provide, at a minimum, a toll-free telephone number for applicants and customers to receive information relating to services and rates; to accept and process orders for service; to explain charges on customer bills; to adjust charges made in error; and to generally act as representatives of the utility.~~ ***(Comment: This requirement is covered in other sections of these rules, through the customer brochure, etc.. PSE suggests this is not a pay station issue.)***

~~(4) The utility must provide written notice to its customers and the commission at least thirty days prior to the closing of any business office, customer service center or payment agency. In the event a payment agency is closed on less than thirty days notice, written notification is required as soon as the utility becomes aware of the closure. At a minimum, the following information is required:~~

(a) The communities affected by the closing;  
(b) The date of the closing;  
(c) A listing of other methods and facility locations available for payment of cash or urgent payments; and  
(d) A listing of other methods and locations for obtaining business office and customer service center services. **(Comment: It is not clear how this extensive, ex ante notice is necessary to protect customers, but it would significantly increase costs. Please note that turn-over of payment agencies is a normal and reasonable business practice. Therefore, this notice requirement probably falls short on a benefit-cost analysis. However, if Staff's underlying interest is for customers to somehow be informed of pay station locations, PSE believes there are more efficient means of meeting that interest and is open to discussing them. For example, information could be made available electronically on a website or through annual filings at the WUTC identifying each payment agency by community, name of the business, and phone number so customers can call ahead to make sure the business is still taking payments.)**

Comments:

- 1) Changed title of section
- 2) Deleted definition of urgent payment
- 3) Changed "reasonable access" to convenient location in section 1.
- 4) Deleted business office designation
- 5) Deleted requirement that business offices be accessible in person.
- 6) Added utility must notify customers of payment agency closures.

## **WAC 480-090-xx5 Natural gas customer notification requirements.**

### **(1) Customer notice prior to commission action.**

(a) Customers must receive thirty days notice prior to the requested effective date when a natural gas company proposes to:

(i) increase rates (see exceptions in section 2) **(Comment: Section (2) does not appear to include any exceptions);**

(ii) change terms and/or conditions of an existing service;

(iii) change the ownership or control of the operating company (see WAC 480-143-210 Transfer customer notice requirements, for content of notice);

(iv) institute a charge for a service that was formerly provided without charge; or

(v) eliminate or grandfather any service.

(b) At a minimum, a gas utility must notify:

(i) all customers who may be affected by the company's proposal; and

~~(ii) the public affairs section of the commission.~~ ***(Comment: It is not clear why the public affairs section of the commission needs to be noticed when the utility has already filed the actual request at the Commission. Perhaps some discussion on this issue would be helpful.)***

(c) Content of notice for rate change. Each customer notice must contain, at a minimum:

- (i) date the notice is issued;
- (ii) utility name and address;
- (iii) a clear explanation of the proposal that ensures customers understand the proposed change and the impact of the change;
- (iv) the utility's reasons for the change (use examples as needed);
- (v) a comparison of current and proposed rates by service;
- (vi) an example of the proposal based on an average customer's use (for example: an average residential customer uses x therms a month. Usage x proposed rate = \$ per month.);
- (vii) when the rates will be billed (i.e., monthly or bi-monthly);
- (viii) requested effective and/or implementation date;
- (ix) the total annual revenue increase or the percentage of increases for each individual customer class, service and/or categories contained in the utility's proposal;
- (x) an explanation that the commission has the authority to set final rates that may vary from the utility's request and may be either higher or lower depending on the results of the investigation;
- (xi) a description of how and where the customers may contact the utility if they have specific questions or need additional information about the proposal; and
- (xii) public involvement language as follows: If you have questions about the ratemaking process, you may contact the Washington Utilities and Transportation Commission at the following address:

Secretary, Washington Utilities & Transportation Commission  
P.O. Box 47250,  
Olympia, WA 98504-7250  
1-800-562-6150 (toll free)  
comments@wutc.wa.gov

If you would like to comment on this proposal, it is important for you to do so now. Comments must be submitted in writing or presented at the commission's open meeting to be included as part of the formal record. The commission is interested in receiving your views regarding this proposal whether in favor or not. All open meetings are held in Olympia, WA. If you would like to be added to the commission's mailing list to be

notified of the open meeting date please call 1-800-562-6150 and leave your name, complete mailing address including your utility's name and a description of the proposal you are interested in.

(d) Customer notice prior to commission action may be accomplished by bill insert, bill message or separate mailing to all affected customers.

(2) Customer notice after commission action. Notice after commission action is required only when the commission approves an increase in federal, state, county or city imposed taxes, fees, or surcharges, and when credits are issued; or when the commission approves an increase for non-recurring charges which include, but are not limited to, disconnect visit charge, returned check charge, connection or reconnection charge, late payment charge, or purchase gas adjustment filings. This also includes the formal hearing customer notice as required in 480-80-125 Notice by utility to customers concerning hearing.

(a) All customers who may be affected by the utility's proposal and the commission's public affairs department must be notified.

(b) At a minimum, notice after commission action must include the effective date, a clear description of changes to rates or services resulting from the commission's decision, and a company contact number where customers may seek additional information.

(c) In addition to the methods listed in subsection (1)(d), notice after commission action may be accomplished by publication in a utility newsletter.

(3) Notice Assistance. Any utility seeking assistance from the commission's public affairs department on customer notice must submit a draft notice at least one week prior to the utility's planned printing date for distribution.

(4) Other customer notice. The commission may require such other notification to the public as it determines to be in the public interest.

*Comments:*

*This rule is designed to ensure that customers of a regulated natural gas company proposing a change in its rates or services receive adequate information to understand the change and the affects on them and to determine whether or not to become involved in the commission's decision-making process. A good customer notice meets three basic ideas: to notify intent, to educate, and to involve consumers.*

*Currently, customer notice requirements are contained in WAC 480-80-120 Notice to the public of tariff changes, and WAC 480-80-125 Notice by utilities to customers concerning hearing, governed by 80.28.060 RCW. It is staff's intent (this chapter is currently opened for review) to repeal 480-80-120 and replace that requirement with the new proposed customer notice rules. In WAC 480-80-125, the formal hearing notice, staff will update the language and will recommend that it remain within chapter 480-80.*

### **III. Records and Reporting Rules:**

#### **WAC 480-90-031 Accounting system requirements.**

(1) Natural gas utilities in the state of Washington must use the uniform system of accounts applicable to major and non-major gas utilities as published by the Federal Energy Regulatory Commission (FERC) in the Code of Federal Regulations.

(2) Gas utilities having multi-state operations must maintain records in such detail that the costs of property located and business done in this state in accordance with geographic boundaries can be readily ascertained.

(3) Any deviation from the uniform system of accounts, as published by the FERC, will only be accomplished after due notice and order of this commission.

*Comment:*

*This revision separates accounting aspects of rule -031 from the reporting aspects. The language is re-written for clarity.*

#### **WAC 480-90-xx6 Financial reporting requirements.**

##### Annual Report

(1) Natural gas utilities will use the annual report form (FERC Form No. 2) promulgated by the Federal Energy Regulatory Commission for purposes of annual reporting to this commission. Data required by RCW 80.04.080, Annual Reports, but not included in the FERC Form No. 2, must also be submitted with the annual report. Utilities must send the annual report for the preceding calendar year by May 1 of each year.

(2) Utilities with multi-state operations must also submit to this commission a supplement to its annual report which includes the amount of property, revenues, expenses, taxes, depreciation, etc., necessary to furnish gas utility service to its customers in the state of Washington. The supplement to the annual report must include the average customer count and total unit sales per customer class for the calendar year.

(3) Utilities must submit their cost allocation methods necessary to develop the results of operations for the state of Washington with the annual report. Acceptance of cost allocation schemes for rate making purposes is only accomplished by Commission order. ***(Comments: It appears that the proposed (3) is back-up information required by multi-state utilities, thus seems clearer to keep it with (2).)***

(4) The total utility results of operations reported by each gas utility in its annual

report to the commission must agree with the results of operations shown on its books and records.

#### Commission Basis Reports (Annual)

~~(5)~~ (5) The intent of the "Commission Basis" report is to depict the operations of a gas utility under normal temperature and gas supply conditions during the reporting period. The annual commission basis report must include the following:

***(Comment: PSE suggests the following breaks make the rule easier to follow.)***

- (a) Utilities must report booked results of gas operations and rate base along with the necessary adjustments as accepted by the commission in the utility's most recent general rate case or subsequent orders.
- (b) Utilities must adjust their actual results of operations for out of period items; non-operating, non-recurring, extraordinary items; or any other item that materially distorts reporting period earnings and rate base.
- (c) Utilities must adjust booked revenues and gas supply expenses to reflect operations under normal temperature and gas supply conditions before the achieved return on rate base is calculated.
- (d) Commission Basis reports should not include adjustments that annualize price, wage, or other cost changes during a reporting period, nor new theories or approaches which have not been previously addressed and resolved by the Commission.

(6) Companies operating in multiple states must submit the basis of any cost allocations and the allocation factors necessary to develop the commission basis results of operations for the state of Washington. ***(Comment: Again, this language clarifies what appears to be the purpose of this rule.)***

(7) Commission Basis reports are due within four months of the end of a utility's fiscal year.

#### Quarterly Monthly Reports

(8) Gas utilities must file quarterly a report of monthly actual Washington operations within 45 days of the end of each quarter. ~~The report must contain the three monthly balances, the quarterly ending balances, and the latest 12 months ending balance for all accounts of the uniform system of accounts. The report must include the average customer count and total unit sales per customer class for each reported period.~~ ***(Comment: This is an extensive amount of information that WUTC Staff would be getting on a quarterly basis from four gas utility operations. It is not clear that WUTC Staff would practically be able to review this much information quarterly and further, how such quarterly review would advance the public interest. Without additional discussion among the parties, PSE suggests the benefits of this expanded reporting requirement may fall short of its cost, both in terms of utility filing and Staff review—which is an Executive Order criteria.)***

(9) Gas utilities must also include a summary of the activity and balances in

account 191, Unrecovered Purchased Gas Costs. The summary must show PGA incentive amounts included in account 191, if applicable.

#### Additional Reports

(10) The commission may, after due notice and issuance of an order, require additional data or reports of any gas utility. ~~Additional data may be requested by this commission, or its authorized signatory.~~ **(Comment: PSE's proposed language clarifies the existing language. While PSE always endeavors to provide Staff with information it desires, the proposed language causes us some concern. Staff's proposed language would allow the entire due process associated with this rule making to be easily circumvented on a routine, administrative basis—a process that is preserved in the current rule. Such language would contradict the entire concept of having reporting requirements in rules at all.)**

#### *Comment:*

*This revision separates reporting aspects of rule -031 into a separate rule. The Commission basis report is changed to an annual filing. The monthly report is changed to a quarterly filing with specific required contents. An account 191 reporting requirement has been included. Other language is re-written for clarity.*

#### **WAC 480-90-032 Accounting—political activities.**

(1) Neither direct nor indirect expenditures for lobbying, political information, political education, or political advertising may be included in rates or tariffs regulated by this commission.

(2) Political information, education, and advertising activities include, but are not limited to:

- (a) Encouraging support or opposition to ballot measures, legislation, candidates for an office, or current public office holders.
- (b) Soliciting support for political action committees.
- (c) Gathering data for political mailing lists.
- (d) Soliciting political contributions or recruiting political volunteers.
- ~~(e) Advertising to influence public opinion with respect to any controversial issue of public importance.~~ **(Comment: As suggested in PSE's comments on Staff's informal draft, this language is too vague and could result in unintended results. Influencing public opinion on issues that benefit our customers should not automatically be ruled out. It is not at all clear why Staff is seeking to so broadly expand this rule.)**

*Comment: Organizes all political expenditures into one rule.*

**WAC 480-90-036 Securities, affiliated interests, and transfers of property.**

(1) A gas utility that issues securities must file with the commission a statement in accordance with chapter 80.08 RCW and chapter 480-146 WAC.

(2) A gas utility that enters into an arrangement with an affiliated interest must file with the commission a verified copy of the contract or arrangement in accordance with chapter 80.16 RCW and chapter 480-146 WAC.

(3) A gas utility that transfers property must apply for, and obtain, commission approval in accordance with chapter 80.12 RCW and chapter 480-143 WAC.

*Comments:*

*Rewritten for clarity and consistency with other rulemakings.*

**WAC 480-90-043 Promotional advertising.**

(1) Neither direct, nor indirect expenditures for promotional advertising may be included in rates or tariffs regulated by this commission.

(a) The term "promotional advertising" means advertising to encourage any person or business to select or use the service or additional services of a gas utility, to select or install any appliance or equipment designed to use the gas utility's service, or to influence consumers' opinions of the gas utility.

(2) As used in this rule the term "promotional advertising" does not include:

(a) advertising which informs customers how to conserve energy or how to reduce peak demand for energy.

(b) advertising required by law or by regulation, including advertising under Part 1 of Title II, of the National Energy Conservation Policy Act;

(c) advertising regarding service interruptions, safety measures, or emergency conditions;

(d) advertising concerning employment opportunities with the gas utility

(e) announcements or explanations of existing or proposed tariffs or rate schedules,

(f) notices of meetings or commission hearings concerning gas utility rates and tariffs.

*Comments:*

*Restricts rule to just promotional advertising; maintains prohibition on allowing promotional advertising in rates.*

**WAC 480-90-181 Retention and preservation of records and reports.**



(1) The gas utility must retain all records and reports for three years unless otherwise specified in subsection (2) of this section. No records may be destroyed prior to the expiration of the time specified in subsection (2) of this section.

(2) The *Regulations to Govern the Preservation of Records of Electric, Gas and Water Companies*, published by the National Association of Regulatory Utility Commissioners is prescribed as the requirement for the state of Washington. This document is available at the commission branch of the Washington state library. The commission secretary will provide a copy of the document on request, subject to any charge, or it may be ordered directly from the Association of Regulatory Utility Commissioners.

*Comments:*  
*Rewritten for clarity.*

#### **WAC 480-90-xx7 Purchased gas adjustment.**

(1) A purchased gas adjustment (PGA) clause is a deferred accounting and rate adjustment procedure that gas utilities use to recover gas costs. Gas utilities must file separate tariff rates to recover expected changes in gas cost increases and accumulated deferred balances. ***(Comment: As noted in PSE's comments on Staff's informal draft, PGA's track decreases as well as increases in expected gas costs which should be reflected in this language.)***

(2) A gas utility must include its PGA procedures in its tariff.

(3) A gas utility must make a PGA filing at least annually. If the utility believes that a PGA filing is unnecessary in any given year, then it must file a statement demonstrating why a rate change is not necessary.

*Comments:*  
*New rule to codify existing procedures and to require at least an annual filing (or an explanation).*

## **IV. Metering & Standards Rules:**

#### **WAC 480-90-101 Heating value of gas.**

(1) A gas utility must state in its tariff the minimum heating value of gas furnished to the customers. The minimum heating value of the gas must be sufficient to operate

an appliance uniformly.

Test Equipment:

(2) If a gas utility provides and maintains its own gas calorimeter for billing purposes, the calorimeter and accessories must be installed in a suitable area. The calorimeter and its location and accuracy must be approved by the Commission.

***(Comment: (3) below—and corresponding language in the existing rule—implies that the accuracy and placement of a calorimeter will be for billing purposes. The proposed language provides this clarification.)***

(3) If a gas utility does not maintain its own gas calorimeter, the utility's supplier must provide the calorimetric results upon approval of the Commission.

(4) A gas utility may use a caloroptic indicator to determine the heat value when a mixture of liquefied petroleum gas (propane) and air are used.

Test Requirements:

(5) Each gas utility must take a least one daily heat value test of the gas supplied to its customers.

(6) The total heating value must be stated in British thermal units per cubic foot.

(7) The average daily heat values must be determined by taking the average of all daily heat values measured throughout the day. The average monthly heating value must be the average of all daily average values for the calendar month.

(8) The gas utility may apply the average heating value for a given month to the following month provided the procedure is written in the utility's tariff.

Records:

(9) Each gas utility must keep complete records of each quality test. These records must be accessible to the commission and its' authorized representatives.

(10) The utility must adopt standard forms that record the heating value, gas analysis, and specific gravity results. The forms are subject to the approval of the Commission. Each form must be retained as a record at the station where the tests were made for at least two years.

*Comments:*

*This rule was organized for better readability. Section five was removed to minimize duplication of the federal rules that apply to the odorization of liquified petroleum gas. References to the odorization of liquified petroleum gases are specified in the National Fire Protection Association (NFPA) Standards 58 and 59. ANSI/NFPA 58 and 59 are referenced in the federal gas safety regulations.*

**WAC 480-90-126 Meter reading.**

The meter is required to record or indicate the volume of gas measured in units of cubic feet or other volumetric unit. The gas utility, upon request, must supply the customer with all variables and formulas to enable the customer to compute billable units, typically therms.

*Comments:*  
*Rewritten for clarity.*

#### **WAC 480-90-131 Meter charges (Installation of meter set assembly).**

(1) A gas utility will make no charge for furnishing and installing the meter required to determine the billing to be made for gas service in accordance with its filed tariff. The utility may charge for additional metering requested by the customer for service beyond determining the billing to be made for gas service.

(2) No meter shall be required on unmetered load.

*Comments:*  
*Rewritten for clarity and stakeholders' comments.*

#### **WAC 480-90-136 Meter set assembly location.**

(1) The customer must furnish a convenient location to install the meter set assembly that is acceptable to the gas utility.

~~(2) A meter set assembly may include a meter, regulator, valve, and adjacent components. The meter set assembly must be accessible to the utility to read, inspect, repair, test, and make changes. The meter set assembly must be placed, whenever possible, away from doors, windows, building overhangs, intake ducts, and other outside areas where gas can accumulate and migrate into buildings, unless vent piping or regulators with an overpressure shut-off that would not vent gas to the atmosphere are utilized.~~ ***(Comment: PSE believes the existing language requires no changes. However, if the additional requirements are imposed, the two alternatives provided here would adequately address any safety concerns while preserving operational flexibility to meet customers' wants and needs.)***

~~(3) All meters set assemblies will be located outside buildings unless prior approval by the Commission~~ ***(Comment: Again, PSE suggests there is no need to change the current rule. This proposed language would limit operational flexibility and put the WUTC in a very micro-managing position. While gas utilities typically find placing a gas meter inside a building unacceptable, there may be situations where, given proper configuration, locating a meter inside a building would be acceptable. It is not necessary or efficient to have the WUTC involved in such a micro level decision. An***

**alternative that appears to meet Staff's interest explained in the comments below would be for utilities to notify the WUTC if such installations are performed.)**

(4) The meter set assembly must be protected with a protective barrier whenever damage by vehicles or marine traffic is likely to occur .

*Comments:*

(1) The rule was rewritten for clarity and three sections were added that mimic the accepted industrial gas standards for meter placement. The first standard addresses placement of the meter set assembly away from areas where gas can migrate into buildings. Equipment can and eventually will fail. This part of the rule makes adjustment for equipment failure. It is a standard practice within the gas industry to place equipment away from these areas however, when it becomes impossible to do so, another location can be chosen.

(2) Generally meter set assemblies are located outdoors. In the event a meter must be placed inside a building, the Commission must be notified and a record would be kept of all new systems installed. We think this would be a rare occasion.

(3) The third standard addresses damage to meters in areas where they would be vulnerable to vehicular accidents.

#### **WAC 480-100-141 Meter identification.**

Gas utilities must identify each meter by a unique series of serial numbers, letters or combination of both, placed in a conspicuous position on the meter .; along with the utility's name or initials. **(Comments: As PSE commented in Staff's informal draft, there appears to be no benefit to customers or the public by forcing a utility to put its name or initials on each meter. Costs, however, would be significant. Therefore, this requirement does not appear to be in the public interest and fails the Executive Order review criteria.)**

*Comments:*

*Rewritten to assure consistency between the gas and electric rules.*

#### **WAC 480-90-146 Initial accuracy of meters.**

(1) Each meter must be in good mechanical shape and adjusted to read as accurate as practical before placed in service. Meters are required to be free of leaks and deliver gas without noticeable fluctuation due to mechanical operation of the meter.

(2) The Gas Utility must seal all meters in service or use a sealing method

acceptable to the Commission.

*Comments:*  
*Rewritten For Clarity.*

**WAC 480-90-151 Metering tolerance.**

A meter must not deviate more than two percent fast or slow at each test rate.

*Comments:*  
*Rewritten For Clarity.*

**WAC 480-90-166 Statement of meter test procedures.**

(1) The gas utility must submit to the commission a statement in its tariff describing its practice under these rules covering:

- (a) The description of test methods used and frequency of tests for determining the meter accuracy. The description must include, but is not limited to:
  - (i) Test group detail and selection procedures.
  - (ii) Performance standard details for meters that exceed the maximum allowable tolerance for slow as well as fast meters.
  - (iii) The corrective action and time period that will be implemented.
  - (iv) Reference to an industry standard such as ANSI C12.1 or ANSI/[isrt]ASQC-Z1.9 that will establish acceptable criteria for numerical analysis.
- (b) The description of meter testing equipment and accuracy determination methods.
- (c) The name of the testing laboratory making meter tests if gas companies do not maintain meter testing equipment.
- (d) The testing and adjustment program of meters prior to installation and periodic tests after installation.

(2) If a gas utility changes any portion of the meter test procedure after submission to the commission, a revised tariff must be submitted.

*Comments:*

*The rule has been rewritten for clarity only.*

**WAC 480-90-176 Meter history records.**

(1) The gas utility must establish records showing the history of each meter purchased and installed. Each record must be maintained for the life of the meter plus three months. The records are subject to approval of the Commission and must contain the following information at a minimum:

- (a) Date of purchase;
- (b) Manufacturer's name and meter number;
- (c) Type, model or series of meter;
- (d) Gas Utility's identification number; and
- (e) Current meter location.

(2) The gas utility must maintain the meter history from the meter's last shop maintenance and "out proof test" through to service, removal and "in proof test" plus six months. The records are subject to approval of the commission and must contain the following information at a minimum:

- (a) Date and nature of repairs;
- (b) Date and results of the "out proof test";
- (c) Date and results of the "in proof test";
- (d) Date, location and index reading when placed in service;
- (e) Date, location and index reading when removed from service; and
- (f) Date, complainant's name and address, and results of any complaint test(s) made while the meter was in service.

(3) Overhauled meters that meet new meter standards may be retired and re-enter the system as new meters.

*Comments:*

*Rewritten for clarity.*