

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of)	DOCKET NO. UE-160799
Amending and Adopting Rules in)	
)	COMMENTS OF THE INDUSTRIAL
WAC 480-100 Rulemaking to consider)	CUSTOMERS OF NORTHWEST
policy issues related to the implementation)	UTILITIES REGARDING DRAFT
of RCW 80.28.360, electric vehicle supply)	POLICY AND INTERPRETIVE
equipment.)	STATEMENT CONCERNING
)	COMMISSION REGULATION OF
)	ELECTRIC VEHICLE CHARGING
)	SERVICES

I. INTRODUCTION

1 On January 13, 2017, the Washington Utilities and Transportation Commission (“WUTC” or the “Commission”) issued notice that it would receive comments regarding proposed policies for implementing RCW 80.28.360 and its regulation of electric vehicle (“EV”) charging services offered by electrical companies as a regulated service. The Industrial Customers of Northwest Utilities (“ICNU”) welcomes the invitation to participate in this rulemaking docket and submits these comments regarding the Draft Policy and Interpretive Statement Concerning Commission Regulation of Electric Vehicle Charging Services, issued on January 13, 2017 (“Draft Policy”).

II. COMMENTS

2 ICNU appreciates the Commission’s decision to allow for stakeholder participation in its review of utility EV charging service program design and guidelines. On the whole, the Commission’s Draft Policy would seem to support access to and promote fair

competition in the provision of the Electric Vehicle Supply Equipment (“EVSE”).^{1/} ICNU particularly supports the Commission’s proposed mechanism for regulating EVSE services, and its stated reliance upon a “business case evaluation demonstrating quantifiable benefits to customers commensurate with the costs of providing those services.”^{2/} That said, ICNU believes there are several key issues that the Commission should review and weigh before issuing its final policy statement. These issues are addressed in the comments below. In the end, reflection on the issues presented may justify further refinement to the Draft Policy.

A. ICNU Supports Application of the Commission’s Ratemaking Procedures and Principles to EVSE Services

3 ICNU agrees with the concerns the Commission has stated relating to non-participating customers unduly subsidizing EVSE services. Accordingly, ICNU fully supports the Commission’s acknowledgment that regulated EVSE services should be subject to the general ratemaking statutes and principles applied to other regulated utility services.^{3/} By applying the principles of cost-based regulation, the Commission will ensure that EVSE services are fairly and transparently priced, and that utility customers are not burdened by unreasonable subsidies flowing to a small percentage of customers.^{4/} To be clear, ICNU is not advocating here that the development of utility-provided EVSE services be discouraged or impaired by unwieldy

^{1/} Draft Policy.

^{2/} Id. at ¶ 23.

^{3/} See RCW 80.28.010. ICNU also urges the recognition of customer-to-utility benefits in the tariff structure that supports the EVSE filing.

^{4/} Draft Policy at ¶¶ 27-28 and 57.

regulatory requirements. However, EVSE services presented as regulated services by a utility must play by the same rules governing other Commission-regulated services.

4 Further, EVSE services should conform to the promises made by its advocates – in all respects. This will require diligent analysis of EVSE filings to ensure that costs and benefits are properly aligned and sufficiently demonstrated. Adhering to such a practice will build customer confidence in and promote advancement of EVSE technologies. Otherwise, the effects of cross-subsidization and improper risk allocation will undermine the development and adoption of EVSE services offered by a utility or its unregulated competitors.

5 In practice, ICNU urges the Commission to review EVSE investments using customary business-case standards, wherein both the costs and benefits are considered and compared with other like investments that would achieve similar goals. For example, a utility proposing to install multi-functional charging stations at a higher cost than basic-function charging units should have to prove that the expected usage of the higher cost units justify their installation.

6 In sum, ICNU believes that Commission use of well-established methods of analysis to demonstrate both the cost-effectiveness and prudence of EVSE services will promote EVSE adoption. ICNU is hopeful that utilities, ratepayer advocates, and EVSE stakeholders can agree that a well-developed EVSE proposal (or portfolio) would be designed to cover its costs and effectively protect other ratepayers from subsidizing EVSE services.

B. ICNU Supports the Commission’s Proposed Treatment for the Sale, Transfer, and Disposal of EVSE Property

7 The Draft Policy recognizes the utility’s general obligation to seek Commission approval before selling, transferring or disposing of property that is necessary or used to deliver utility services to customers.^{5/} While EVSE properties may fall below the threshold set forth in WAC 480-143-180 and WAC 480-143-190, ICNU believes that it remains important for the Commission to audit the transfers of EVSE properties to ensure that such properties are indeed without service value to the utility. Further, ICNU supports the Commission’s proposed three-pronged approach set forth in the Draft Policy.^{6/}

8 Nevertheless, ICNU recommends that the Commission consider a refinement of certain aspects of the current Draft Policy section on this matter. More specifically, issues pertaining to asset sale, transfer and disposal, including appropriate valuation methodologies, are presently being contested in a WUTC adjudicated proceeding, Docket UE-161204. ICNU respectfully requests, therefore, that the Commission consider erring on the side of caution in narrowing any discussion of generally applicable rules and statutory interpretation to only those statements strictly necessary to determine EVSE policy. In so doing, the potential for inconsistency, conflict, or simple uncertainty should be materially diminished.

C. ICNU Supports the Commission’s “Portfolio Approach”

9 ICNU believes that the Commission’s portfolio approach to EVSE services seems appropriate, and if properly developed, the services offered customers would be sufficient to

^{5/} Id. at ¶41.

^{6/} Id. at ¶45.

satisfy a variety of customer needs at a fair, just, reasonable, and sufficient rate.^{7/} ICNU appreciates the Commission pointing out that such an approach is appropriate in light of the different customer types, market segments, and technology developments. As ICNU's major concern is subsidizing EV charging benefits for other ratepayers, the portfolio approach should alleviate some of that concern.

III. STAKEHOLDER ENGAGEMENT

10 ICNU appreciates the Commission opening this process to public comments and stakeholder engagement. In addition to hopefully drawing the Commission's attention to important issues, ICNU submits these comments with a view toward future participation in the stakeholder process. Accordingly, ICNU requests that the relevant utilities share the information cited as part of the stakeholder engagement program in the Draft Policy.

IV. CONCLUSION

11 ICNU appreciates the opportunity to submit these comments regarding proposed revisions to the Commission's Draft Policy. While the policies under consideration are still in formative stages, and ICNU's support for any particular approaches could change based on further developments, ICNU respectfully requests that the Commission and Staff consider the foregoing concerns based on the points discussed.

^{7/} Id. at ¶¶ 72-77.

Dated this 31st day of March, 2017.

Respectfully submitted,

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