

Gas & Electric Workshop
UE-990473 & UG-990294
October 14-15, 1999

Attendees:

Lynn Logen, PSE
Phil Popoff, PSE
Carole Rockney, PacifiCorp
Dona Betzold, CMS (cost management services)
Kathie Barnard, Cascade Natural Gas
Bruce Folsom, Avista
Dave De Felice, Avista
Karl Karzmar, PSE
John McClaire, PSE
Lauren Pananen, PacifiCorp
Jim Moore, PacifiCorp
Onita King, NWN (northwest natural)
RobinCross, PacifCorp
Rich Adams, PSE
Stephanie Kreshel, PSE

WUTC Staff:

Graciela Etchart
Jim Russell
Dennis Moss
Penny Hansen
Marjorie Schaer
Tom Schooley (records and reporting rules)
Bob Cedarbaum
Roland Martin
Doug Kilpatrick
Dave Dittmore
Joanna Huang
Jeffrey Showman
Pam Smith
Vicki Elliot
Tani Thurston

DM: I'm not in the role of Administrative Law Judge today. I'm in the role of facilitator and what I will try to do today is to keep our ____ going as we work through two fairly long sets of rules and we have quite a few comments, a lot of material to go through, so I will try to keep things moving along and to facilitate the discussion as much as I can. We do have a small change to the agenda that I'll announce and it was designed to help move things along. After we go over the general rules this morning — we'll finish that process, hopefully, about 9:45, we're going to break into two groups, one of which will be concerned with the standards and metering rules and the other of which will be concerned with the records and reporting rules or we sometimes refer

to as accounting rules. Marjorie Schair, who is another of our administrative law judges, will be facilitating the accounting side of it and I will continue to facilitate the standards and metering side and safety too. In just a moment, we'll quickly go around the room and let everybody have an opportunity to introduce themselves and say who and on whose behalf they're here. I do want to ask, though, that we sort of continue the introduction process through the day, if you will, because we do keep a record of these proceedings, and we're doing that with a tape recorder this morning, and the tape will benefit if you identify yourself each time you speak. And we're also keeping minutes of the meeting and it will be very helpful to our reporting secretary this morning, Nancy Moen, who is going to be keeping a record this morning, so please identify yourself if you would, please.

I think the best first step, then, will be to go ahead with the introductions. I'll introduce Graciela Etchart and Jim Russell. I think you all know, they are, respectively, the staff team lead for the electric rule and the natural gas rule and a number of other staff people here today and I'll let them introduce themselves as we go around.

[Everyone introduced themselves, some of whom could not be heard well. Mr. Moss requested that they project their voices so the microphones will pick up their comments.]

Basically today we have three goals. The overriding goal is to provide information to the Commission, to the Commission staff, to our working in this rule making, or I should say in these rule making dockets, ah, to develop a set of revised rules consistent with what the Commission is required to do under the Governor's guidelines and, of course, we're, well, in our second or third — depending on whether you count the consumer breakout session — workshop. And many of you have participated in these before, so you're familiar with the process in that sense.

With that overriding goal in mind, I want to mention two other points. One is that, to get through these rules, we want to identify any underlying issues and the alternative means by which those issues can be addressed in the rules. And there is always more than one potential solution. And if you get all of them out, then that would be staff material to work with as these rules are developed. The second point we want to hear from the staff today — you-all want to hear from the staff. We want to hear from the participants with respect to all the stakeholder's comments. This is a good opportunity for us to exchange ideas — everybody has had an opportunity by now to read the other stakeholder's comments and have those in mind and there may be some differences of opinion with the different ideas and we want to hear about all that with the alternative perspectives on all of this. Which leads us into the ground rules for our conduct during the course of a workshop. I want to remind everyone that it's important to share your comments on these rules with the group. Now what sometimes happens, somebody will hold back a comment and it may even be an important comment and take a staff member's side during the break and talk about that. Well, that won't help us. We need you to share your comments with the group, so let's be sure that whatever you need to say today or want to say today you do that in our group session and we'll be at this for two days, so there should be plenty of opportunity for that.

Remember that the focus of the workshop is to identify problems and identify potential solutions to those problems to work on those solutions, so we want to focus on the problems and not on people. Some of you, of course, are in a variety of proceedings at the Commission, some of those are adjudicatory-type proceedings which by their very nature have an element of contentiousness to them. Now, some of you have the ___ among yourselves from time to time, and, again, it can develop a contentious atmosphere.

That's not the atmosphere for a meeting like this — this is not the occasion to vent with respect to personal or professional disputes that may exist. We're all here to help each other; we're all working together as a team to arrive at mutually beneficial results. Please treat everyone with honesty, dignity, and respect. We're a good group. I've worked with this group before and I know we have a lot of people here who've given a lot of thought and I tell — I've gone through all the comments; I have read all the comments on all the rules. I can't pretend to have my mind around all of them this morning and fortunately I don't have to deal with the substance — you-all do, but I know we've got a lot of talent and a lot of effort represented in the room today and keep that in mind as you listen to others and try to listen actively to what others have to say.

It's important, and indeed it's even necessary, so that we have a good record, that we speak, one at a time, and that we not interrupt one another, so I'll ask you even when the speaker you've got that ___ of a comment you want to get out there, just hold back and let the other person finish and we'll try to — I'll do my best to get the — to get to everyone and make sure everyone has a chance to speak to the extent they need to.

Just a brief word about the materials we're working with today. All of you should have received or gotten this morning a set of the rules as they're currently prepared by staff and all the comments and suggestions for alternative rule draft and so forth. Staff worked very, very hard to pull together this document, one single document, that puts all of that in one place for each rule and so that's what I'll be working off of this morning and if you-all work off of that, it will help us move this thing along. There was, however, not time for a complete integration in the sense that there may be some subtle differences between a corresponding gas and electric rule, and so I will depend on you-all to point out if you're speaking just about one side or the other in your comments. And many times the comment will be equally applicable to both the gas and the electric and so let that be the ___ I guess. Obviously, some of the rules themselves only pertain to one side or the other and that will be equally clear.

General Rules

Okay, I'm right on time at 9:15 and I will try to keep that going. We're going to first deal with the so-called general rules for the next 30 minutes or so. These did generate some comments and they will generate some discussion and, as I look at my list here — we have one, two, three, four, five — there are eight rules to talk about — with the exception of the glossaries in which there currently are some additional terms for electric that aren't present for gas, and these rules are all the same for both ___. For this set, at least, I'm just going to go through them serially as they're numbered and we'll start with the application of rules 480-90/100-011.

WAC 480-90/100-011 Application of rules

And we did have a comment from PSE on this rule and I'll ask Jim, I think we can relate staff's response, if you will.

JR: Here's a copy of current rules if anybody needs a copy of the current rules as we go through this. On application of rules PSE has proposed an addition and we think this is a pretty good addition to make to the rules since throughout these rules there are references basically obligations that customers have, so we'll draft language in the next round to incorporate those comments. Anybody else have anything else on this rule? I think Northwest Natural also had some comments that kind of parallel PSE's, so we'll take those into consideration.

DM: Yeah, I think Northwest Natural made some comments under the XX-1 rule, which is the second one we'll take up. Let me pause here and interject that I think this is a good starting point. There are couple of things going on here that I think are important to our process and maybe we can sort of follow this trend throughout the day. One thing that is here is that PSE has identified an underlying problem. We have put an application of rules section and it simply is not broad enough to capture the full universe of persons to whom these rules do apply and have some effect. Also, then they have suggested alternative language to remedy that problem, so as we go through this today, to the extent alternative language is not reflected in the written comments and we have since had the ____, then share it with us and we can get that down _____. With that, let's go on to the next rule which is a new proposed rule and it's identified as XX-1

WAC 480-90/100-xx1 Exemptions from rules

JR: We received a couple comments on this rule which was actually drafted after a Superior Court case came up, I think, in the solid waste or household goods. So this rule has been pretty thoroughly gone over by a lot of legal folks and I think there is some -- we believe the rule as written is pretty close to the way it's going to be proposed in the next round of drafts because of that court case and the history behind this rule. Northwest Natural made a couple of comments on this rule that are good comments and we'll consider those, definitely, in the rewrite, but this rule generally will probably stay in place as written. Northwest Natural had one comments about paragraph two. It reads, "To request a rule exemption a person must file with the Commission." And they made some comments regarding a person has not been defined in this rule and we will probably rewrite this rule and paragraph two to read: "To request a rule exemption, a written request must be filed with the Commission." So we eliminate the term, 'a person' in that rule, so we take care of Northwest Natural's comments. But to the rest of this rule, we'll take a look at the comments and in consideration of that court case. Anybody else have any comments on this rule?

DM: We do have subsection three to that rule.

JR: Northwest also suggests that consideration be given to establishing minimum information that would satisfy the Commission's expectation of full detailed explanation. I think the team's a little bit concerned on that as far as trying to make a list of what -- of what the minimum information requirements would be -- it may tie our hands. We're a little bit concerned there. Northwest Natural suggests a little more general language under three. As I said, we'll take that into consideration.

JR: I noticed as I read through these particular sections that on the one hand, and with respect to the subsection two that you're suggesting some minimum standards there, in general. Then in commenting on three, you make, I think, the salient observation that requests under the rule you need to be the requester and I'm wondering if you haven't exhausted with respect to standards of criteria that would still work in the context of requests that truly are individual _____.

OK: I haven't thought about it to that degree to offer reasonable comments today, but I think primarily the comments here were intended to allow more flexibility to the Commission staff in considering rule exemptions because I know that we do have some customers who have approached staff for an exemption of our tariff rule. I'm not sure that it requires a docket or actually a commissioner review, and it seems to me that the structure of this implies that they all require that kind of treatment, so the comments were intended to -- if it's appropriate -- to provide more flexibility so

that some of these could be considered in a more informal process such as those that we've seen from our customers.

JR: I'm not sure how much of these requirements are needed in this rule. Marjorie maybe can help me with that case, but that Superior Court case as I say these were developed and I'm not sure how much room we have to move.

MS: I think we have room to move. I think that the Commission has been looking in some of these areas at trying to have consistency in the language unless there's a reason not to just so we don't end up with six different version of how to ask for a rule exemption. So, if there's something that is a strong concern. You know, if we should address that and maybe we should define person or something of that nature because we use it again in subsection three I'm noticing . But I think that we didn't get ordered to do this so much as we had a waiver privilege in the household goods rules and it's one of two parts of that rule that got stayed while it was being appealed and as part of the settlement of that case, we switched to this language, so it's been vented through the lawyers a lot which doesn't always mean that it makes sense to everybody. But if we do stay with this language, it probably mostly because we decide that it's valuable to have that consistency. I didn't know when I heard your comment whether you were thinking like, you know, for request for public records or for intervening in a case, we kind of have something we can send you and you can just fill in the blanks and if you were thinking something like that would be useful it wouldn't need to be in the rule, but it might be something that staff as implementation of the rule could put together so that you could just . . .

OK: Are you referring to the full detailed explanation and expansion upon that?

MS: Yeah

OK: Actually, what I was thinking is that, for example, Northwest Natural approaches the Commission for an exemption of some rule. What kind of information or explanation would the Commission require in considering that rule? Would you expect cost or revenue or safety things to be addressed? And if they're not addressed, then would that delay the process? So it would be useful, I suppose, under certain conditions to know what the expectations are going into a request so that it would streamline the process for everyone — that was pretty much the thinking behind that comment.

DM: Okay, great, thanks. Anybody else want to comment on this one? And I think we're picking up subsection 4 here as well because that's just another process. What I'm hearing is that the staff will be considering these ideas and also considering the legal requirements _____. The next section is 016 and ___ the rules it's a so-called savings clause.

WAC 480-90/100-016 Saving clause

It's becoming, I think, more or less standard in the various sets of rules under which the Commission operates.

JR: I think consistency between the rules is good, but also PSE has a comment here. They would add some language that would read, "The Commission may after due notice and entering an order impose . . ." We're a little bit concerned that this may be too narrow and it may tie the

Commission's hands and that's our concern with PSE's comment..

DM: The suggestion is then Jim that there may be other processes by which additional and different requirements might be imposed that would not require _____. Any response or comments on that?

PP: I think that part of what kind of generated this idea was reading the rule that we just got done talking about that's really comprehensive about how you go about, you know, filing or requesting an exemption of a rule and you read that rule that has a lot of detail in the process and what action the Commission has to take and like we were just discussing it the way it's written, it seems like a Commission order is required to grant an exemption of the rules. But with this one — and there are a few other rules throughout here (I can think of one in the accounting section off the top of my head) that the rule about additional data reports where the rule right now it says after due notice and a Commission order can require additional information. In this other section it says that the Commission can order this kind of relief. And then I think in the proposed accounting rules, there was a proposal to include by signature of the Secretary and so I guess just reading this kind of rule, I was just wondering what does it mean? Does it need to be defined? How do you decide? I mean when it says the Commission can apply different standards, what does that mean? You know, how does that work? I mean, I don't know if that's to be defined in these rules or in another set of rules or something, but that's just sort of what generated that comment is the process isn't clear in this rule like it is in the other one.

JR: So you see kind of an inconsistency between the rules as far as how far we're saying the Commission's process goes?

PP: Yeah.

JR: I mean between the different rules, we'll look at that and try and reconcile. I see your point.

DM: Anybody else on this one? Okay, if anybody doesn't have a copy of the document from what we're working, more copies have been prepared and _____. Okay, let's move on to XX2 which generated a bit more comment than some of the earlier ones. Jim?

WAC 480-90/100-xx2 Resolving disputes about the meaning of these rules

JR: We certainly didn't mean to be derogatory with this rule rewrite. So, what we're considering with this rule, and there are some concerns by both Northwest Natural and PSE that may expand the scope of this rule, so what we would propose — we don't have any language today-- but what we would propose is some combination between PSE's language and Northwest Natural's language. As I understand it, I think the PSE's concern that you have to have a standing or you have to be a proper party to ask for interpretation of the rule, so I think that was the concern.

PP: I guess sort of along the same lines as Northwest Natural's comments. We were just sort of reading this rule, the rewrite, obviously, we were concerned about a few different changes in the language. But, just generally, can you give us some feedback as to what you were trying to get at with that proposed language? Do you have an idea of what we were trying get at? Because like I say we're kind of concerned about the harmed and the long and the lack of standing issue.

JR: I don't think we were trying to change the intent of the current rule. We didn't want to change the

intent, so if you read this as comparing it to the current rule, if you see there's a change in intent, we'll address that, but we didn't mean to expand the scope of the rule.

PP: Why was the language comprehensively rewritten?

JR: There's two ideas in the current draft or current rule, so those two main ideas were broken out in the two paragraphs.

PP: What are they?

JR: Well, one addresses the — if the utility doubts the rules, and then paragraph two, they can ask for an interpretation and rule No. 1 is anyone else who believes they are harmed by interpretation of these rules can ask for an exemption. So one addresses one party and the other addresses the utility.

DM: That may have been clarified to the point of overkill, I think. Making a simpler approach ____ is that what I'm hearing you say that the suggested language here _____ Northwest Natural and PSE's ___something that the staff will take up.

JR: M-hm, definitely. I think the use of the -- in our proposed draft we have included under paragraph one, we start off with anybody -- anyone -- and I read PSE's comment -- you were concerned that that opens up the door to the world where you're saying Northwest Natural is concerned that you have to be a standing party to have -- to get interpretation from the Commission -- you have to be an affected party. Either a utility or a customer or an applicant, so we'll take that into consideration and as I say some combination between Northwest Natural's and PSE's draft or proposals we'll review that.

DM: Anybody else want to jump in on this?

WAC 480-90/100-021 Glossary

021 is the glossary. As I mentioned at the outset, there are some slight differences although as I recall the comments there was some suggestion that maybe the two sets of glossary should be the same, although I didn't perform a term-by-term analysis of that. So we've got recommendations in this connection by Avista, Northwest Natural and PSE, but I don't think that _____.

JR: Yeah, definitely we'll reconcile the two rules that that step wasn't really done for this draft, so, you know, we'll have the same terms in the two industries that are definitely, you know, affect both gas and electric so we'll reconcile that. Avista recommends that proper charges and prior obligations be defined. We think if they are, that they should probably be defined within the rules themselves rather than in the glossary. I think our interest would be to have terms that are rule-specific be defined within the rule themselves and terms that are used throughout the rules be included in the glossary, so we'll take a look at those two terms. PSE recommends that customer complaint and customer inquiry be defined. We're a little bit more concerned about that. It may not be practical. Unfortunately, we don't have the consumer folks' staff here, do we? I haven't had a chance to talk to them, but I think we would be a little bit concerned that, especially with regard to PSE's definition of the customer complaint. We think that's fairly narrow definition. In other words if it violates a rule, law, or tariff provision, that would result in a customer complaint

or that's the definition of a customer complaint, we think that's too narrow. And everything else would be a customer inquiry as I understand PSE's comments. That's our concerns with PSE's comments.

PP: I know Avista made not the identical kind of definitions, but they recommended the definition be within the consumer rules and since there's no consumer affairs folks here, we could defer that discussion until that time.

BF: We do make similar comments on page 48 and I agree with Phillip that we could wait until then, but I do want to ask Jim, you suggest that the language that PSE has provided is too narrow. Pursuing the interests that Judge Moss talked about, what would be broad enough for you, Jim. I mean, what are you thinking?

JR: That's probably better answered by the consumer folks. My initial reaction I think some other people that I talked to outside of the consumer area that was kind of our initial reaction to PSE's language. I'd rather hold this until later.

DM: Be thinking about the underlying concern and we won't belabor this now, but that was my thought as I read the comments. What's the underlying concern to be gotten here? Because, of course, we have different types of complaints and the word can mean a lot of different things. A formal complaint and informal complaints that are just grousing, you might call that a complaint, but it's not either of other two ____, so be thinking about that. Anything else on this one?

WAC 480-90/100-026 Tariffs

That brings us to 026 which is tariffs. It doesn't look like we had anything that's on that? Does anybody want to comment on that rule?

WAC 480-90/100-061 Contract for service

061 is contract for service and, again, we did have some good comments here.

JR: Northwest Natural made some comments and proposed some language and as I understand their comments, they think the rule is too narrow and it only addresses a situation where you execute a contract for a specified minimum period and it doesn't cover other situations. I think we're going to have to go back and look at the genesis of this rule and what the intent of this rule was back when it was first developed and think about the scope of this rule. So we need to do a little bit of research, but as far as Northwest Natural's comments were, we are concerned about paragraph C. Basically, it says we can write a contract for anything that we feel we need to write a contract for. So we're a little bit concerned about that language. We think it may be a little bit too loose, but anyway those are our concerns and we'll just have to go back and take a look at this rule and again review it and we'll probably -- I could envision loosening up this rule to move toward Northwest Natural's proposal. However, we haven't really sat down and discussed it amongst ourselves. We've been so busy putting this thing together that we really haven't had time to think about individual rules.

DM: It might be useful information for the staff to have and the rule, itself, speaks to the situation where there's a ____ minimum period. What other circumstances are there in which a contract is advised and, of course, I don't think we're talking a special contract here. We're talking about

contracts that are executed under a more general tariff. So if there are specific circumstances, maybe we could identify some of the others. Phil?

PP: I'm just thinking about some of our gas rate schedules that require a customer to specify a maximum take sort of thing. I can't recall the specific tariff terms off the top of my head, but it's a load factor provision sort of thing and, you know, I don't know if you're considering a service agreement the same as a contract. I mean, if that's the case, maybe it's not an issue. But just off the top of my head, that's one.

MS: I think what the Commission has been concerned about just so that other people know is that we have tariffs and people should be able to read the tariff, know what they're doing and if there's a complaint, people should be able to go pull the tariff and know what the consumer should be charged. So, I think we are trying to say that we really shouldn't be going into doing a lot of contracts that cover stuff that's already in the tariffs and we probably should identify in the tariffs the kinds of tariffs that have been required contract between the customer. And that way all of the parties to a transaction can _____ kind of know what the rules are, know what the rules require. _____ someone had offered to send in samples of several contracts. I think that would be very helpful _____ staff understanding what kind of stuff we're doing.

OK: Okay, well that's already part of the rule as proposed -- that samples be provided. Northwest Natural does include in its tariffs when a contract is required. I guess the thought was that because the rule limits the context of a contract, that it would not -- I guess you assume that if the rule doesn't say it, the tariff can't say it kind of a thought. So, if it's not specified in the rule that a contract could be for some other reason than a rate schedule that requires a minimum term, then can the utility file something in their tariff? I guess the answer is yes, but that's not clear.

MS: Well I think we need to make it clear because I wouldn't _____, might have a different interpretation so that we really do need to get that clear, but I think our concern is that we -- you know the tariff says there are going to be contracts, then everybody knows that. We don't want to come in a find something that may be discriminatory and _____. Help us get to that.

DM: Let me interject here the question whether the tariffs — whenever a contract is needed whether that's something that is based on the tariff and is the tariff itself and it is saying this rate schedule a contract may be or is required — would that be universally the case? Are there any ____ critical to the other side. Are there any circumstance in which the utility company is interested in having a contract, but the tariff doesn't provide that?

OK: Nothing comes to mind. I think it's all — I everything is specified in a tariff in some form.

DM: What I'm looking for here is the alternative solution to talk about the outset which is it may be that if it says whenever the tariff ____ rather than trying to describe a situation that we encounter in the tariff where's there's a minimum period and ____ is provided, and so that's something that could be looked at as an alternative solution. It doesn't sound like it would create a problem for the company since the tariffs are already conforming to that _____. Anything else on this one?

WAC 480-90/100-066 Distribution line extension tariff

Okay. We have 30 seconds. 066. We'll take what time we need. Distribution lines. Extension

tariff. I think we did have a comment on this one from Northwest.

JR: Northwest Natural makes some good changes and we'll just adopt their language if nobody has any concerns with that..

DM: Does anybody have any concern with the language that Northwest Natural has proposed as an alternative to _____?

OK: Just edits.

JR: Electric utilities — that would apply to you — that language. Okay.

DM: Well good we finished exactly on time. This then will bring us to our breakout session. Now again, we've got 207 over here. Let me just get a show of hands as to how many people are wanting to participate in the discussion on the metering aspect?

Actually, it looks like it's going to be about half and half. I'm just deciding and thinking out loud — I think what we'll do, then, is go ahead and keep that discussion here and we'll have the accounting group move to 207 — is that all set up? Margaret you can take the tape recorder in there. Let's just take a couple to three minutes and _____.

[Tape #1 Side A ends here]

BREAK

[Tape #1 Side B starts at counter #044]

Metering, standards, and safety rules

DM: This is the gas meter and standards rules. We have the people here who are particularly interested in this section in this room, and we'll go through those, and, again, I'm not taking anything out of order here. I did notice that as I was reviewing the material and preparing for the meeting that with the exception of, I think, four rules, there are differences between gas and electric and so we need to be addressing those. I will try to identify where we have the rule and it's a little complicated by the fact that there are different rule numbers for gas and electric, but it's the same rule, so I will identify that as we go. The first one is a hybrid of the two comments I just made and that's the 081 on the gas side and there will be some overlap with 086 on the electric side at least in the current rules, so let's start by focusing on 081. There's been some additional thinking on this by staff, so I'm going to ask the staff _____. Do you have a handout?

WAC 480-90-081 Service connections

ML: Basically 081 is just a gas rule. There may be some overlap in the electric section and the discussion we have here is just for the gas and it has staff's concerns with the current rule. We really don't have a lot to do with what's in the current rule — we don't have a big problem with that, but it's adding something to the rule that may create a problem. First of all I'm going to go over what's in the current rule by staff's understanding -- it's a short rule and it says — for the

purpose of connecting its distribution system to customer's premise, the utility shall furnish and install and maintain such pipe and fittings as may be required with the following exceptions, — so the first part of the rule says that a gas utility had to connect their system, but it's going to give an exception. It said it had to provide that. Then it said the customer may be required to pay for or install at the customer's own expense in compliance with the utility standards, the service or any other portion thereof in accordance with utility's filed tariff -- which was a rule that we just talked about— the line extension tariff— so the utility can, rather than providing it by tariff, require a payment for the installation, and that's the exception that's there-- that's the way I read the rule -- that there's an exception for that payment. Then it goes on to say -- the service piping, up to the point of delivery, (point of delivery not being defined, by the way, which is the point we're going to be talking about in a minute), shall become the property of the utility who shall accept all responsibility for future maintenance and operation in accordance with filed tariffs. Staff has no problem with what we believe the intent of this rule was — No. 1 — that the utility will provide it; except for they can have a tariff requiring line extensions, or, the customer can, at the utility standards, put the pipe in the ground themselves, or, you know, do whatever, and after that is done, however, up to the point of delivery, it becomes the utilities property and utility is responsible to maintain it. Staff, again, has no objection to any of that. What staff wants to insert into this rule along with clarifying this rule is a definition of the point of delivery. This has to do with master meters and this is not an economic area that I'm directly involved in, but I will tell you they want to define the point of delivery as a point, at least for new installations, and, you know, where current systems are I don't know what we do, but at least for new systems, they want that point of delivery to be at the point of the building as opposed to a meter or some other point and it was actually defined the point of deliver and this is again a safety issue and not an economic issue and as those people that know me, know I'm the economic person, so I will let -- if that's the discussion. Kim has passed around some words. I'm not sure whether what's written there. We were talking about this yesterday afternoon in a proposal and I had not seen what was passed around to you a few minutes ago, so we don't really have the wording. What I'm telling you is what we want to do is, we want to leave the requirement for the utility to do it, except they have their right by tariff to charge a line extension charge as an exception. That line extension charge should allow the customer to install it according to company's standards and inspection, obviously, and then that property becomes the utility's property. That is the rule as it is and we want that to be in the rule. I don't think the gas engineers are trying to stop a customer from doing installation as long as it's up to the standards. Now, does somebody else understand the currently rule differently than what I do because if we do, then we need to make sure that that's included in the rule, too.

DE: For the piping that's behind the meter up to the building, is that supposed to be included or excluded as part of the line extension tariff economic calculation?

ML: According to this, I guess it would become part of the line extension tariff.

DE: Okay.

ML: Because the line extension's up to the point of delivery.

DE: Okay. Could there be an argument made that if those facilities are extensive between the meter and the building, that somehow general ratepayers are subsidizing facilities that are customer specific to facilitate master metering?.

ML: I think that one of the changes here is going to -- you know this is what I was mentioning to Kim and Dennis yesterday -- I think a definition such as this and related to master meters as opposed to large industrial customers that might also have this, but change may actually result in minor changes in tariffs or changes in tariffs related to a service. I'm thinking of a situation in my mind where you have currently a mobile home park and right new to a new mobile home park comes in, the old mobile home park was a master meter customer and owns all the piping, the new mobile home park is a master meter, but doesn't own the piping. Should the rates be the same for these two customers? I don't know what the difference in cost is, but there is a slight difference in cost and . . .

DE: I don't think we have a problem with that particular approach and, in fact, I think we would prefer it because from an operational construction standpoint, it would be much cleaner if the utility could install all the service piping -- the piping prior to the meter and the piping after the meter up to the building. It would be a lot cleaner transaction between the utility and the customer that way rather than the utility having to tell the customer to install and provide the facilities between the meter and the building and then the utility take title to that. There would theoretically have to be some legal transfer document in order for the utility to actually own that -- just the same as if we were to sell something to the customer in order for the customer to actually own it, we would have to release that property from our mortgage and transfer title if you will. So, as long as it's understood that we can apply all of those facilities within the bounds of the line extension tariff, I think that would make it a lot cleaner and I don't think that the cost would be -- maybe for some exceptional cases -- it would be that significant of an impact on the general ratepayer group, so it does make sense.

OK: Are we talking both the service line and the house line? Are they both being referred to as service piping here, or is there a need to distinguish the differentiation? I think that, typically, the piping that goes from the meter to the building is called house line and the piping that comes from the main to the meter is called service line and there is a distinction. Should that clarification or distinction still continue in the rule -- I'm not sure if it does in this case?

ML: Now, I'm going to pass the mic to Dennis.

KW: One thing -- if this rule were to go into effect as it stands, you'd have the service piping and then you'd have the house piping. Now, if the companies take full responsibility up the point where it's delivered into the house or the building, then there'd be no distinguishment between the two? Because you would need that to know who takes responsibility. If you eliminate that, I don't think you need to distinguish the _____.

SK: Can you explain that again, I'm not sure if I totally follow. One of the points for the company would be if it's service line piping, it's maintained in accordance with Part 192 and all the WAC rules. If it's house piping, but we just own and operate it, then it falls under the Uniform Mechanical Code and we get into jurisdictional issues, different code requirements, so I think that making sure that -- it sounds like we're redefining service line to the building, and I'm not sure that's what I heard, but that's what I think you're getting to, so if you could clarify if I understand correctly or not?

KW: I think that we're saying about the same thing -- that if you have this meter and prior to the meter you had a service line that was defined you say under Regulations 192 and then from there on in

from the meter you have the meter to the construction or the building, then it would again be housing piping, but it would be the same. You're saying that that would not fall under 192?

SK: Right. If it called house piping, it wouldn't fall under 192. Now if the WUTC redefines it, it may fall under WAC, but you may adopt 192, but if it's house piping currently, it falls under the Uniform Mechanical Code and then it would require the utility -- if we're supposed to install it and maintain it -- we'd have to go get the permits with the local jurisdiction, and so now we've got two jurisdictions to deal with; we've got permit fees to deal with -- you know, it definitely changes the picture and I don't think it necessarily accomplishes your goal of maintenance because I know the Uniform Mechanical Code, leak surveys aren't required, cathodic protection we just got added to try to address some of the safety concerns, but no continuing follow-up on whether the cathodic protection remains in effect as required -- it's just an initial installation that's required -- but the Uniform Mechanical Code doesn't currently have any maintenance requirements in it, so there'd be no leak survey, no continuing cathodic protection, so I just want to make sure we all understand what we're talking about here and what we're accomplishing what we really want. And I think there could be some major side effects to customers here. I think currently PSE offers this to customers and we'll do it where they want us to install this type of facility and maintain it, but it's not the only option and I think what I'm hearing you guys say is that it would be required -- there would be no other option for customers so I think the customers need to be aware of what it is we are proposing, have an opportunity to participate in this discussion. We have some customers that aggregate their load and are interruptible customers and I don't know that they could do this under this type of rule because they . . .

DL: What we envision with the rule change is giving the gas companies -- the utility companies -- some flexibility in terms of providing services to not only customers, but also other small gas systems. So what we had envisioned here is greater flexibility to meet future demands for competition or whatever comes up down the road and with this rule, what we're attempting to do is define where the point of delivery is and that would be for utility customers that would be the point that the pipeline enters the building or structure. If it's not a customer, it's another small gas company such as the master meter that provides services to mobile homes or apartments or schools or something like that. Then those rules would fall out in terms the safety and not under the utility rules of 480-90, but there would pipeline safety rules as far as operating small gas systems.

SK: Okay, so this doesn't prohibit small gas systems?

DL: I don't see it's written where it would prohibit small gas systems.

SK: I think the other thing we need to do is define how far we're intending to go, what constitutes a building, a pool boiler, I mean sometimes it goes through a building and then the customer has ___ piping to a pool boiler, barbeques -- I mean, are we trying to cover all underground piping or I think there's a lot of uncertainty out there as to how far even the definition of small gas company goes and having some clarification on that would be I think key to making sure that we all understand where we're headed, but this rule as well as future safety rules, because we're kind of in a position of trying to advise our customers where these rules are going to be heading and that there's a lot of uncertainty right now with, you know, how it's currently defined as well as how it will be defined..

- DL: Do you have any suggestions in terms of how that should be written to incorporate -- should we incorporate on private residence pool heaters, garages, whatever, farm building or whatever out there is provided?
- SK: Well, that's a pretty big question.
- DM: Well, I think it is a big question -- let me interject. This discussion might be better continued _____. This is something that's come up new in the last couple of days and I think _____ . Anybody else have anything general they want to comment on this one?
- ML: Yeah, I just wanted to make sure that forgetting about the point of delivery issue that our intention other than that definition of point of delivery is just to clarify the rule to be what I said, and that is No. 1 that the utility is responsible to put in the distribution system to the point of delivery; that there is an exception to that, and that is that they, by tariff, can require payment from the customer through the line extension tariffs. As an option to that payment, the customer can put piping in the ground themselves using company standards which include all safety standards that are imposed on the company by federal, state, and any other regulators, to include county.
- SK: I'm not sure what the Commission envisions as far as how a company would ensure a customer meets our standards. My general concern, just philosophically, is that we'd spend more money coordinating with the customer, trying to be out there when they're installing it to make sure that they install it with our standards than we would actually installing it ourselves. It seems like the philosophy here is to save the customer — or give them an option to do it possibly less expensively. I think with the number of customers that we're talking about, how they're going to acquire material that meets our standard, how we're going to make sure that the backfill meets our standards. It can't make any joints because they're not going to qualified in accordance with DOT to make joints -- it's a pretty big issue. I think it's a good philosophy, but I'm not sure it's going to work.
- ML: I just want to point out -- I think that's what the current rule says and in some cases in working with Cascade — is Cascade here? — working with Cascade, and I know that it's in Puget — does it too — that you allow customers to trench their own . . .
- SK: Customer provided trench, provided backfill, but we placed the pipe and we placed the backfill.
- ML: I know that's part of the construction costs, but what I'm saying, as long as they do it according to your standards, if they drop pipe in that hole according to your standard type of pipe and there is not junction on there, I don't know, but you're right, they'd have to pay -- you'd have to estimate the cost and they'd have to make the determination themselves whether it was worth the -- in other words where they saved enough money to drop their own pipe knowing you had to inspect it. Now, you're right, the joints, unless they had your type of employees, they couldn't do it -- the costs would be prohibitive for them to do that. I would definitely think that if it was to your standards that means that you have to inspect it and they would have to pay for that inspection.
- SK: My concern with writing a rule like this is some customers are going to want to pursue this and they're going to want to try to get the costs even lower and I think it's going to be a big point of contention that doesn't necessarily need to be there, if we could clarify. I think customer-provided trench and backfill is an excellent option for getting the costs down and it meets the

objective without encouraging the customer that they could do even more to get the cost down that's really not feasible to do. So, I think it would save probably everybody a lot of headaches in the long run, but that's a personal opinion.

ML: I just want to point out the current rule and what you're dealing with customers today allows your customers to do that, so I'm not proposing to change anything. I think that if you read the rule I think you'll see that that's an option that you and the customer have today. You will still be making the contact with the customer, and I'm sure you will discourage them from doing something that's costly.

DM: Okay, well I think that -- it looks again there's going to be some opportunity for some ongoing dialogue about this rule and Ms. Stephanie I think is probably going to be participating in this ____ and that's just as well, so volunteering, but not intending to perhaps. Okay, let's move on, then, to the next rule -- to the ground rule 101 heating value of gas. I see that there are a couple of comments — actually this is a fairly long rule — inaudible.

WAC 480-90-101 Quality of gas

KW: This is WAC 480-90-101 quality of gas. The purpose of this rule is to establish the quality of the gas or heat content of the gas and here was several comments. Now one of the comments made was when the rule was rewritten -- it took out the term 'liquefied petroleum gas' in Section 4. The recommendation was to put that back in. He sees no reason why we should not go ahead and put that back in there. Are there any comments?

DM: Inaudible.

KW: Section 2 there actually there's a comment from Puget Sound Energy. And they want to insert the word 'for billing purposes' in the calorimeter. The team had questioned that, first of all to find out if there's any companies out there that are currently using calorimeter if they own and maintain one.

DM: Anybody using calorimeter for billing purposes or otherwise?

KW: Okay. And then there's. . .

DM: I believe there's a comment about number one about changing the verb . . . about changing furnish to delivered.

OK: You'll see a lot of that kind of thing — I'm sorry, I'm a word freak and I really do edit a lot and so you'll find that in these comments and I apologize if that's been annoying to you.

DM: I don't think that's annoying at all Onita and I think it's very helpful. We are dealing here with specific ____ and words are important. Inaudible. To the extent the word captures the need. Inaudible. I'm not hearing that so _____. I think it captures the spirit. We've covered 2 and 4 and subsection 7 _____. The nature of editorial _____.

Under 8, we get back to this question of billing. Let me throw. Is there any other application other than billing?

Inaudible.

DL: It could be a safety issue in terms of the minimums and maximums by heating value of the gas.

DM: But this ____ doesn't appear to me to _____. Is it the intent of this particular rule to _____, and if so is the suggest _____?

SK: I think in respect to number 2 , it is a good one because it's talking a calorimeter's accuracy being approved by the Commission, and it seems like the accuracy would only be an issue if it's being used for billing purposes, so I guess that's why we recommend inserting it back in for 2 and I don't know on 8 or is it 8? Yeah.

OK: On 8, it's the current language has for billing purposes— that's all.

DM: _____. Would that be a safety issue, in other words _____?

DL: Yes it would be.

DM: It may be that it's best to reinsert it back into 8 ____ leave it the way it is. _____.

SK: I have a general question. Approved is used in several areas throughout the rule -- Commission approval. Is there a description of what that is -- is that a written approval, a verbal, and order -- it's -- I'm not aware of a description of what approval means and that's something that would be very helpful to clarify.

DM: _____ ?

OK: We could review if — we'll get back to you.

DM: Maybe _____.

Inaudible conversation in background.

DM: Let's see, 9, I think, the suggestion there is to _____ .

KW: Well, one of the things that could be suggested instead of heat value — maybe heat content?

OK: That works for me. I think I was just getting at the inconsistency — the provision had the ____ quality of gas and it was changed to heating value of gas and so the term 'quality' was not used any longer and so it seemed inconsistent to retain that word, so anything appropriate, you know . . .

DM: Inaudible.

DM: Does anybody _____.

WAC 480-100-121 Meter charges

I'm going to go the 121 on the electric side. I'm just following numbers here. Page 74 you'll find 121 which is meter charges. Doug are you taking _____ ?

DK: I believe that Avista's point here was that a least-cost metering installment would be the one that is preferable to the utility and should be acceptable or in the circumstance and then if the customer wants something for its own convenience or above and beyond that least-cost installation that they would be paying for that additional charge as opposed to having all customers bear those costs. Staff doesn't have any problem with that concept. We'll just be glad to work on trying to get some language that's clear to state that.

DM: I don't think there _____. Anything else _____? Okay, let's ____ we had 136 with the gas and electric ____ and I see there are some differences _____ so we're looking at ____ on the gas side and ____ side of that and let's start with the gas. It does ____ appear to be _____ comments _____.

WAC 480-90-126 Meter reading

KW: All right. This is 480-90-126 meter reading and the purpose of this rule is to allow the customer to be able to take in their bill and be able to confirm that. There was comment from Northwest Natural about the term 'person the title meter reading' and they suggested perhaps with the changes to 'metering?' And I might throw out another option, too, is how about 'meter measurement?'

OK: I'm really not particular as to what's termed — I think for me it was just when I think of meter reading it's different than what this rule seems to read, so it's something that may be more appropriate is really what I would get for. Metering, meter measurement — that's fine, too.

KW: Or some other suggestion for us to make the title reflect what's in the _____?

OK: In the intent, m-hm, m-hm.

DM: The problem that's been identified here _____ is more restrictive than what the content of the rule is, so I think that's something we need to work on. Anything else on this one?

KW: Actually, they made another comment, too. In the first sentence, it says the meters required to record or indicate the volume of gas and they suggest inserting the word 'used?'

OK: It's probably not necessary, if you don't agree.

KW: Actually we do.

OK: Do you? It seemed to complete the thought, but, you know, I'm not sure if it was — okay.

KW: And there was some discussion on whether you could use the word 'used' or 'delivered?'

OK: M-hm. Delivered would work, m-hm.

KW: And the last suggestion or comment was on a conflict with 480-06 which is in form of bills? Maybe you could clarify?

OK: I believe that the WAC 480-90-106 refers to what a customer's bill — what kind of information it must contain and it probably duplicates what's stated here, so I'm not sure if it needs to be in both places. Because it's not necessarily upon request anymore. I think the other role requires that the information is provided so it may not be necessary to retain it.

WAC 480-100-126 Meter readings, multipliers, and test constants

DM: Let's turn to the electric side. _____. We had comments from PSE and Avista.

DK: On the first one PSE has made a comment that they would like to include some language that says that the information is filed in the company's tariff is approved by the Commission. . I have no problem with that. That's sort of the form that we had thought of and that's more specific so we'll be glad to adopt that language. In number 2, there is language here that is perhaps antiquated, but it has to do with meter readings with charts and recording instruments. We kept this language in here specifically because we did not receive comment from the utilities that we have no such thing any more. Now that might be the case, but we didn't hear it explicitly so, our intention was that if there are still chart recording meters that are being used, that we'd like to let it be known that they need to be marked and kept as they always have been. Does the industry have comment on that?

LP: Perhaps when these are not in use any more, but are these devices that are used for billing — mainly what you're talking about — chart devices used for billing?

DK: That's what I understand.

LP: Well I would go along with Avista in saying that probably they're not used any more and PSE, I don't know.

JM: We don't use them for billing either.

DK: I have no problem eliminating it altogether. As I said, I didn't get affirmative response that they weren't there, so we'll be glad to take a look at that.

LP: Again if I could follow along with some comments, that while it didn't get included here that according to ANSII C12I, there's some requirements that you've put in here that is a requirement in ANSII which all electric meters, for instance, have on their name plate. And is it your purpose to repeat what's already on a national standard? For instance, the comment 4 -- What are a constant of the meter itself must be placed on all one-hour meters. Well that's a ANSII national standard if that's the case, and it's on a nameplate -- it's not called a dial, so would it be appropriate that perhaps if you could reveal what ANSII -- I don't know. Do you just want to repeat what ANSII says?

DK: Again staff is working based on somewhat limited information about what is the ANSII standard or what is industry standard on this and I was hoping to get comments like this from the utilities. This wording was in the current language of the rule and so not having information to the contrary that we should take it out, I left it in — that's why it's here.

LP: Just so happens I have a copy right here and if you don't need to, maybe make a reference to this document which is getting updated by the industry every five years and it would kind of clean up

or modernize the language because this is already getting updated.

DM: The suggestion is perhaps to either adopt the ANSI standard _____ and that does provide a couple of good options because _____ national standards by reference _____, but there is a _____ because _____ that's something that staff can think about.

LP: That change process is a very consensus thing and it's open nationally, so it's nothing that's going to surprise anybody when the change is being made.

DK: We'll be glad to consider that.

DM: Anything else on this _____. If not, _____.

WAC 480-90-131 Meter charges

Rule 131 Meter Charges (installation of meter). We do have comments _____.

KW: What this rule tries to do is clarify who is responsible for installation charges

[End of Tape #1 Side B]

Tape #2 October 14th starts here:

?: I think least cost -- it should be fairly self explanatory is least cost to provide facilities in compliance with the company standards, and that might mean something as simple as meter location where a customer might be requesting that the meter be put back around the house. It might be a matter of 30-40 feet, but the tariff provisions provide that the meter can be installed on the front side of the house, for instance. I can't think of too many cases on the gas side — and I'm not in the case shop; I'm in the rates department so I don't see this every day — I can't think of cases that come up too often where a customer is requesting sub-metering. I think it has to do more with meter locations. But I could be wrong and I can check on that. I think that that's predominantly the issue.

OK: There was some comment from Northwest Natural and in Part Two, the term 'flat rate service' was removed and replaced with un-metered load and maybe you comment on why you would recommend going back?

KW: Well, it just seems if it's un-metered load, there's no meter. So, I guess I don't know if flat rates service and un-metered load are interchangeable terms, but, again, it's just a word thing as far as I'm concerned.

?: And that's probably where _____'s comment, too, is if the term 'flat-rate service' is being used versus un-metered, what would be a preference?

?: Could we use both?

DM: Is there some distinction some distinction in your mind between the two terms, or _____.

?: Making sure the bases are covered just for clarify of understanding.

OK: Could I ask you to address my inquiry under Part One regarding -- in this rule if the meter is intended to include the entire meter set assembly -- I guess the title has been changed to say 'installation of meter set assembly,' so that's to imply that when it uses the term 'meter' it means the entire assembly?

KW: It appears from reading the rule that they're talking just the meter because we get back to service connections in talking about the components.

OK: I guess the reason I asked for clarification is under Northwest Natural's line extension tariffs, we use a total cost to serve as a revenue offset kind of approach . Typically the cost of the meter and the meter set assembly and they're different, I guess. I'm not an engineer. It does make a difference as to what component of the cost we can include when we're looking at a Washington situation. Is it just the meter which could be \$70, or a meter set assembly which could be \$160 -- that's the reason for the question.

DM: I don't. But does everybody _____.

OK: Right, is how much of that cost can we include in the calculation if, in fact, we're supposed to be providing the meter free?

KW: We'll look into it. There is one more change, too in the title. Would it be better to title meter installation charges?

OK: That would work for me.

DM: Anything else on this one?

LL: We do not charge for the installation of the meter itself, but we charge for the additional cost of a metering [cabinet ?] if it's required by the service where we have _____. That gets included in the cost of the line extension and if there's sufficient revenue, the customer may not pay for it, but the cost gets included. We've always interpreted, at least on the electric side that it's the meter itself, not the -- something similar to the meter set assembly. A lot more expense.

JM: Title change, I haven't looked at this a lot, but I've thought that part of this would be -- if the customer requested something like pulse service so that they could get information from the meter, in our company right now we will install that for the customer, and it's a flat rate charge, but the expectation is that we would maintain it, so when it goes out, they've been provided these pulses for five or ten years and they expect us to come back and replace it for free because it's part of the meter and we're looking at making that instead of a flat rate on installation, to make it maybe either a tariff cost -- a monthly charge and then we maintain it. So if you call it meter installation, I think you may be confusing it. It would be meter charges over the life the meter would probably be a better way of putting it.

WAC 480-90-136 Meter set assembly location

DM: What I propose to do is finish up with 136 and then let's take a break.

- KW: Maybe we can just go by section. The first one is a comment from Northwest Natural. In here we're looking for a clarification as to why you would add this other part and unobstructed, the customer may furnish a convenient and unobstructed location to install the meter set assembly that is acceptable to the gas utility. Is there a reason, perhaps, that you would include this language.
- OK: I suppose a lot of it is an after-the-fact thing where people build carports near the meter and so the cars are next to it and it becomes obstructed, or they pile things up around it. So, it really becomes a safety addition more than anything else to make sure that the meter is to remain accessible and nothing is around it so that you can't read it or repair and maintain it.
- DM: Is there another rule that provides _____ for continuing access to the premises.
- DK: There's a rule regarding access that says if the company must be allowed access at reasonable times to read the meters, but it doesn't say anything about obstruction or whether or not the meter reader then has to move the boxes or . . .
- LL: Well, the present 91-36 says that it's accessible for reading, inspection and change.
- DM: Well, the reason I bring that up is the point is well taken and maybe that's the ____.
- OK: It could also be — I've included this comment there, too, so . . .
- DM: So one place or the other — it's probably not necessary in both.
- KW: There was a comment from Puget Sound Energy on the second part where we're talking about, first of all, what meter set assembly is and then where it can be placed. Maybe you might want to comment on that?
- SK: Yeah, I don't know if the comments are clear or not, but typically, we try to place the whole meter set assembly away from these locations, but where we can't and in a lot of new construction homes there's doors, windows, decks everywhere and so our last option is to put vent piping to get away, so that if the relief blows, it's relieving gas in a safe location away from where it could be drawn into the building. So I was looking for clarification that this is really speaking to the relief and not the whole meter set assembly. That's industry practice to consider that you're talking about the relief vent and so the language as it is written, I would interpret restricts us. And there would be some homes where we couldn't set a meter in accordance with this, so we then look at remote installation which is an even worse option because we get more ____piping and more maintenance problems.
- DM: Would your suggested language there — would that pick up at the end of buildings?
- SK: Well, it's not really — yeah, I guess it is suggested language. Yes. It would . . .
- DM: _____ two options, one would be to retain the system ____ ; the other would be to _____add it to the end unless _____.
- SK: Right. And my understanding is shutoff is the other option because it doesn't vent any gas.

KW: It's my understanding that it would be added onto the end? Is that what would be your suggestion?

SK: Yes. My preference would be to retain the existing language. But if there's another reason — and I'm not sure exactly why it's being proposed the way it is. Maybe that would help decide which is the appropriate option, but without other knowledge, I'd suggest we keep it the way it is.

DM: Inaudible.

KW: My question might be also, you know, in a proposed rule, you have a statement in there whenever possible, so, would that give you the flexibility you need? I realize there are places where meters cannot be set. Cities are congested and it's very difficult to place meters in those ideal situations and yes, it is industry standard, but will this give you the flexibility whenever possible and give you that option if you can't meet that?

SK: I would have to look back, and I don't know if I want to take the time right now, but it's not that fresh in my mind.

DK: Staff's intent was to have some legal room in there.

DM: Well it looks like there's some word smithing. Inaudible.

Can we move on the number 3? Inaudible.

KW: Again, it's the same concern. You know, you have a meter inside a building and Avista made some comments about how it might be difficult in some areas of downtown Spokane.. There may be concerns for security of putting meters in a building. Generally, it's a dangerous practice to have a meter inside a building because gas can collect. However, we realize there are situations where that may not be possible or may not be reasonable for safety or security.

SK: What I would propose is maybe you can explain why you want to make this a rule because I guess my feeling is looking at WAC 480-93, there's requirements in there for us to have our design standards on file and I think it would be more than reasonable to expect if a company is going to put a meter set inside, that they would have some design standards for such an installation and that those would be on file and that the standards would be approved rather than specific installation. And in Seattle, again, we try to avoid them, but there are times when it's going to be the only way we can serve the customer and we will come up with requirements that make it safe and I just don't think the Commission wants to be in the position of looking at every single one that comes in. It seems like you would probably be more interested in making sure there's general standards out there that address the safety. What are you going to require when you're going to have it inside. Does that make sense?

KW: Yeah, that does make good sense. And that was one of our concerns, too, is could we have a standard and have it approved by the Commission?

SK: I would say the WAC 480-93 already gives you that latitude and if companies are putting them inside and you want to see design standards that you'd be more than justified to request that — I don't know how other companies feel, but we've been working on one because there are --

especially with the multi-family condominiums that are going in now where they want more and more gas they're wanting meter rooms, and they're willing to work with us and design those into the buildings and so we've been developing a standard for that and we would more than happy to provide that for you. It was going to be incorporated in our design manual that we already provide in it. There is a specific — I can't quote the rule number off the top of my head — but there is a 480-93 rule that specifies design procedures should be on file with the Commission. So my feeling is that latitude was already there — no new rule is required.

DL: What we were looking at in terms of some of the safety issues are the access to the meter because there's annual requirements and more frequent requirements for leak surveys. There's an issue of providing some corrosion control so we want to make certain that the company is reviewing this and doing their leak surveys appropriately and inspecting the _____. When you have it in an inaccessible location, it's difficult to do surveys. You usually have to go back out there and not do it at your normal leak survey frequency, but to schedule a special leak survey for that purpose. And so what we wanted to do is to emphasize the importance of locating the meters outside where they are in a -- the terminology used was unobstructed location and easily accessible for leak surveys, operation, and maintenance types of areas, but we will — certainly, your comments in terms of customer request, I think we need to take that into consideration. And we still think that it should be in this location as well, because this is the area that addresses the area of meter locations and I agree that we do have some other safety issues concerning that. Written approval from the Commission -- I think we can readdress that and perhaps look at other alternatives in terms of keeping staff informed of where those locations are so that we can do a better job in operation and maintenance and inspections.

SK: I just want to make sure I understand -- so keeping staff informed wouldn't necessarily require approval because one of the key things our folks who deal with customers are going to run into is when can I tell them that I can commit to this location and if it requires another party to approve it? That's going to be a key piece to the process.

DL: I think we'll take that into consideration.

DM: Let's all take a break and stretch our legs. Inaudible.

*****BREAK*****

[Tape #

WAC 480-90-141/100-131 Meter identification

DM: 141 has a corresponding rule on the electric side which is 131. We do have a comment from PSE

DK: Under meter identification, as I understand, this rule was rewritten for clarify and also to assure that we were going to have consistency between what it said for gas and electric rules and as I understand PSE's comment, there was concern about cost associated with putting company name on the meters. Now, I have to admit a little bit of ignorance with regard to the gas rule and the existing gas rule, but I thought I understood that it already said something about requiring a name

on gas meters. Is that incorrect?

KW: No, that's true.

DK: That is true. Okay. What was proposed in — in looking at these and in knowing that we are doing gas and electric rules in combination here, we thought, well, consistency between the two would be good and in discussing it a little bit further, especially after receiving back this comment, I would say that as far as the electric rule, it may not be pertinent to put a company's name on the electric meter because I understand that the intent behind the gas rule was to have company's name on the gas meter so that if there were a gas leak situation at the meter, someone looked at the meter could tell what company owned the meter and therefore who to call for a safety situation and generally speaking I don't think you would find that same issue on the electric side.

RA: Our concern was, having just been through a merger and a name-change and that sort of thing that we would find ourselves by this rule without some qualifiers being in a position of having to replace meters because I believe all our electric meters have our company name anyway, but they say Puget Power -- the new ones say Puget Sound Energy -- it's just, if we were in a position of changing our name again, which could happen, we wouldn't want to have to go out and replace all the meter dials with the new name and so that was our only concern about this issue is how it would be applied in a situation.

DK: If staff were to work on some language that specifically identified that at the time of new meters sets, the new meter would require the company's name with the understanding that over the course of years replacing that eventually you'll, hopefully — assuming you don't change your name very often — that you would have your name on all the meters.

RA: That would be fine. You know, that's effectively a grandfathering effect and that's really all we were after.

DD: ____ for maintenance reasons and such ____ .

JM: The name plate is underneath the glass and we really don't like to break that seal in the field. Even when it comes back -- I'm trying to get to the point where we don't ever break that seal, and so replacing the name, it will be a costly in terms of us just trying to just manage our costs and reduce them for the company we'll be adding quite a cost to it. Now with our project for the electric meters, we are changing, you know, because we are going through that, but for the gas meters in particular, the name plate is riveted onto the meter. So, you know, there'll be time to drill out those rivets and rivet on a new name plate and that name plate has our company serial number -- I don't know how they do it -- they're stamping that serial number into the name plate, but it just seems to be -- most customers, if it's an older meter or the customers they would recognize that Washington Natural Gas is they call Puget Sound Energy now and I think that the phone numbers are the same and everything, so it seemed like it was -- even if it was in the old standard, it could be a very costly change-out if we are going to be required to do that.

DM: Inaudible.

KW: Is it possible to -- since you have a nameplate -- sort of removing the nameplate, can you affix like

a permanent sticker on there, similar to what you might have on your car? Something that would have a company name and maybe the meter number on there? And it wouldn't be costly — something that — and I'm just throwing out an idea — you wouldn't necessarily need to take the plate off and replace the meter. That would seem very costly.

JM: We could put a sticker on it. The problem is — and I've worked at the meter shop, I don't know the exact numbers, — but I would bet that 25 percent of them come back painted over, so I'm not sure that that would be. . .

?: Well, you already have a name on there, but it may not be a correct name, but you do have a name on there.

DL: I guess I would just point out that there's several hundred small gas systems out there and what we would be concerned about is making certain that we identify if it's a utility facility or small gas system facility. Certainly that is one method of helping in that identification.

SK: Maybe we could think about some language and propose some alternatives?

DK: Yeah and clearly our interest is the safety one and if there's some way we can get there, we'd be glad to do it.

DM: Right. I think we've articulated the underlying concern and while nobody has a specific suggestion that they want to commit themselves to, perhaps we can continue to have some work on that. Anything else on this one? It appears we may be working a little more quickly.

WAC 480-90-146 Initial accuracy of meters/480-100-136 Accuracy requirements for electric meters

Lets turn to 146 and corresponding 136 on the electric side. Does anybody have anything to say on this one? Inaudible.

JM: I had a comment -- and I don't know -- I guess we got dropped off on one of the drafts here on 136, returning a meter to service -- that we thought -- I'm not sure if it's a new requirement again, but we have a sample test program, and if we remove a meter from service because of a temporary to permanent service, if the meter's removed in good condition, the sample test program implies -- you know, statistically -- that that meter is accurate and we don't want to then open up the glass and work on it. What this was requiring us is to basically be opening up the glass and spend more time working on it. And again, the purpose of the sample test program was to reduced costs so that we wouldn't be doing, specifically, these type of test on the meters..

DK: This is electric 136?

JM: Yeah, that's B. Initial accuracy, 1B, before returning a meter to service.

DM: Inaudible.

LP: And I might follow up that fancy standards does provide for removing a meter from service and putting it back into service without a test if that meter type is covered by a simple meter test

program. So I think that's essentially what PSE was suggesting.

JM: Another comment on that is that the register ratio and register constant are physical components of the meter — they're not going to change while the meter's out there — it doesn't slow down or change at all — it's a physical component, so.

DK: As I understood register constant and ratio — again, that's in existing language of the rule and was, you know, just transferred over when we did the rewrite for clarity. So that was not added to as a concept here. I understand that that's physical property meter. The only thing I can think of in terms of why it was in the original one may have had something to do with being able to _____. Again, staff's intent there was not to add something new, but just transfer over the existing. I'd be glad to have a conversation with you about the appropriateness about that.

LP: I think maybe what John is getting at that really to check the register it's not just a trivial process. You can test the meter but then to ensure that the register is reading correctly, you have to actually take the register off and manipulate the register and count how many turns the first gear. So, what you're implying here is probably not what we're doing in the field and so maybe we need to maybe to come to consensus with what people are doing in the industry.

DM: Inaudible. 136 is no long to be the same. If there are other comments_____.

LP: On this section 2 water meter accuracy, what is implied here is class testing, and I don't think that's really what you wanted to say because I don't think any utility tests the meter at 200 amps and 200 amp meter, so I think this whole section needs to be word-smithed a little bit to put test amps in there and I have some ideas in what that would be.

DK: I noticed that PSE actually also made some comment about the word 'approximately rated 100 percent test current' and I apologize that I inadvertently deleted that word in rewriting it — that was not intentional, so I would be happy to make note back in and I also would be happy to talk with you about the testing procedures and what would be appropriate thing to have in rule.

DM: Anything else _____.

JM: The F -- the meters used with instrument transforms must be adjusted for overall accuracy. It's confusing — there's another one —

DK: There's _____ section talks about instrument transformers?

JM: Right, and it — because that allows, I think, — yeah, it's in the safety section 100-151 — instrument transformers may be tested with the meter with which they are associated -- or separately -- and you kind of, there's kind of a, I think a disconnect there. The impression I'd gotten from the old rules were that if your instrument transformers were within a certain accuracy class, you would not have to adjust your meters and your meters were within a certain accuracy class, then the combination is implied to be accurate with a plus or minus two percent and you don't have to adjust those meters. I don't know exactly, I don't have a good, different way to put it here, but I think it needs to be stated because that's pretty much how its done within the utility industry, I think..

DK: Okay.

DM: Anything else? It sounds like there's going to be a continuing dialogue ____ and I think that's a good idea _____.

JM: The last one's just kind of a word-smithing. I've never really understood what G, or maybe it's section 3 -- the iv -- the device must achieve the following accuracies: and there's no list there.. I think that these are kind of misnumbered below that.

DK: I think they left something out there that — I was waiting for a list of things and it never happened.

JM: We thought that basically everything below that should be a subsection of it although it isn't necessarily all _____.

DK: It may have been formatting problem here when we transferred information between folks here.

LP: I think also what you were getting at is what's already stated in the ____ standards and it's just wanted to repeat what that is stating there.

JM: The last one, D — the very last section — mechanical and lag demand meters -- I think this is a new section you've added. When we go above 50 percent of full scale what you're essentially going to do I think is make the test last longer which is not what we've been doing in the past at Puget Sound Energy — we'll do a five-minute run-up of demand instead of 15 minute. And you're requiring us, probably, to do at 10-minute run-up, but it's going to take a slightly longer time to make that test.

DK: I can't remember if it was Avista or PacificCorp that made this suggestion. This wording was added based on wording that was supplied by one of the utilities to an earlier draft of this. suggested , so we may all want to get our heads together again on that and make sure we're consistent.

DM: Inaudible.

WAC 480-90-151 Meter tolerance

That brings us to 151 on the gas side metering tolerance. Let's move to 166 on the gas side which corresponds to 176 on the electric side. _____.

WAC 480-90-166/100-176 Statement of meter test procedures

DK: On number 2 with PSE's comment, the meaning is not clear, I'm glad to be able to put it whatever way it makes it clear — if that means just going back to the original language as it was in the existing rule, that would be fine to me.

JM: Yeah, maintenance methods apply to how much detail, I think, that you want on what maintenance are we doing on the meters as part of the sample program. It just wasn't clear. I'm not sure what the old rule said.

DM: Anything else on that?

[Tape was inaudible. The following comments were notes taken at the meeting]

WAC 480-90-171 Frequency of periodic meter tests

I'm passing around some language on 171. Can somebody tell us what is the difference here between what is the draft language. Change from basic to minimum. Minimum periodic test as opposed to the basic periodic test. Any comment.

KW: This is one of the rules that didn't originally go out for comment. And so the only changes we're, as you mentioned, changing basic to minimum, somehow both got in there. Instead of basic minimum it should be minimum.

RA: This is at the bottom. It refers to, in the last sentence, in lieu of the basic periodic test interval. The word 'basic' is back again.

DM: I think this one can be worked on for consistency and clarity.

WAC 480-90-176/100-181 Meter history records

Then we have 176 on the gas side which corresponds to 181 on the electric side.

JM: One of the things it's requiring on meter history records for both the manufacturer's serial number and the utilities' serial number, it's kind of redundant -- it seems like a serial number, you know, a unique serial number. But to keep both, at PSE we have our own company ID's, and to keep track within all the records gets to be pretty difficult meter-by-meter basis. We have a log book where we can go back to and can calculate what the manufacturer's meter number should be, but it would probably be more difficult to research all this and get it into the individual records.

DK: On the electric side what I tried to do was to rewrite this so that it was easily readable from a paragraph format to a just a list of bullets and in the paragraph format it says currently that the manufacturer's name and meter numbers required along with the utilities meter number, so I guess my question would be is what's PSE's interpretation of the existing rule?

JM: I was actually talking about the gas rule -- the 91-76. Actually, for the electric meters at PSE, the company ID is essentially the manufacturer's serial number plus an alpha-numeric letter, so we have both of them on that. With the gas side it's different. They're completely different numbering system.

LP: But that old rule says that on the electric side, you would have a company number and a serial number and for PacifiCorp we only have a manufacturer's serial number, so are you requiring us to have a company number, too?

?: Well, I guess if your company number is the same as the manufacturer's serial number, then you have one.

?: Maybe we could combine B and C here together.

DK: I think that's fine. Again, my intentions was to rewrite the rule so that it was easy to read and not change the meaning. If it's being applied differently in practice, then maybe we should make sure that the rule's consistent with that and that we agree that the practice appropriate.

JM: I think my point was that we should just ensure that we have a unique serial number, and not necessarily define whether it's company's or manufacturer's and that was for both the gas and the electric rules on this.

DM: If there are some other differences between them that need to be addressed. [tape inaudible]

WAC 480-100-xx7 Net metering

Let's move on to XX7 net metering. I do see a comment or two on this one, so let's go ahead with that.

DK: There was a comment from Avista that refers to section 4 where it's indicated that customer agreements need to be put in place and that the agreements must be approved as to form by the Commission prior to initiating those. Avista's interest in that was to say that they did not anticipate needing a written agreement with their customer before they entered into the net metering and my intent here was not to require a bureaucratic step of the utilities, but rather to say that — my intention was if a written agreement is going to be required, that it be public and part of your tariff and that the customer could easily know about what that agreement was ahead of time. If there is no such agreement, then that's fine. I will be glad to work on some language that makes it more of a 'may' rather than a 'must,' so we'll proceed with that.

In section 2 there was some discussion about the technical requirements that will be required for interconnection. Generally, I would say that the comments that we've received are about 180 degrees on this. The utilities think that the interconnection requirements should be those as specified by the electric utility and the folks at the CTED believe that it should be technical requirements as specified by IEEE. At the time that we wrote the proposed language for this rule, we noted that the IEEE929 that's referred to in CTED'S comments was a draft standard and was not a final standard and we did not want to make reference in a rule to a draft standard, so I'm not quite sure where we're going to go on this. I would be glad to be able to reference something of a neutral third party if I could . . . [end of tape #2 Side A]

[Tape 2 Side B]

LP: . . . service requirements, but everything — National Electric Code and IEEE and all that — that's the customer's side of the meter and everything on our side or that we interconnect with the customer should be our requirements, you know, meet our requirements. Some filing we've had in Oregon, you know, we had a requirement maybe to put in a disconnect switch ahead. Now that would be our requirement — that wouldn't be an IEEE or a National Electric Code or anything — that would be what our utility require. Similarly, other utilities might have some other type, so I think at the very least, we should put in in the service interconnection should meet the electric utilities requirements.

DK: Okay, I believe I understand the interest of the folks from CTED in their comment being that they would like to see a single standard applied uniformly so that manufacturers of this equipment and

contractors who are installing this equipment would know what it was they had to do and it wouldn't be differentiated by service territory.

LP: It can't be done. Every utility has, for whatever reason, and I've been battling that in the region, you know, trying to get meter requirements more uniform, but for whatever reason we're all kind of a little bit different and we grow up in a different -- we have more rural things -- PSE might have more metropolitan things and so our requirements are somewhat different and so I don't think you can point your finger at any one interconnection requirements because utilities do do things a little bit different and the closest we have is maybe the West Coast Requirements Committee that use the requirements which our commercial customers have to follow when they interconnect with them, but that doesn't get down into residential that we're talking about here.

DK: Well this could apply to residential or commercial. I'd be glad to have some more discussion about it. I think I understand the interest on the part of the folks from CTED in terms of trying to as much as possible reach agreement on some uniform method for interconnecting. I know, for example, we had some discussion with PSE when we were negotiating with them over their net metering tariff about the issue of whether or not a separate disconnect switch would be required and there is a cost element that is associated with that that for small installations can be a large fraction of their total costs and so we reach some agreement about the disconnect and the purpose of that is to provide a safe, known open point for utility workers when they are working on a line. For small system, what we agreed -- I don't remember what the -- I think it was less than 5KW system or something -- they agreed that pulling the customer's meter would provide that visual open point. For systems larger than that, then it was decided that a lockable disconnect would be required and so, again, that's just one example of the differences between utilities that I'd like to try and smooth out if we can.

LP: I think we've been addressing this net metering in five states and the issue of this lockable disconnect is a big one for us that we -- and I don't think it's going to be a big cost factor for the individual resident in this net metering thing. I think to have that is to ensure, although, most of the systems that you're talking about here have a sensing circuit in there that when the utility goes down, it will not back-feed, but our line people everywhere and they like to have a visible disconnect.

JM: One of the problems with the generators in the net metering is they are not like the generators that customers have been buying at the hardware stores. They're silent. ____ and even wind power and it's really a concern for our lineman that we have some kind of standard. Maybe we can come up with a state standard, but just bear in mind right now in terms of meter sockets, every utility -- including the public utilities -- has different standards for meter sockets. There are cross referenced pages by the manufacturers -- for this utility you buy this socket, for this utility you buy this socket -- and that kind of thing has been used in the industry in Eagle -- the hardware stores have these charts to tell customers what the requirements are, so it's, I mean, we look at it -- it's not any different than any of the other service-connection standards. It's not really something that's difficult for the end-user to determine what our requirements are versus PacifiCorp.

DK: There's definitely a need to talk about this and I understand the concerns on the utility side from open metering point and that kind of thing, so I'd be glad to talk to you some more about this.

DM: I appreciate that and think that's _____.

DK: Number 3 on liability requirements. The language that we put in here is — the reason we came to putting a dollar amount and that in here is that when we negotiated with the three _____ utilities to get net metering tariffs put in place, this was an issue that we talked about. This was the agreement that we finally reached and we wanted to put it in rule so that we all understood that after we all retired and went off somewhere or whatever or won the lottery and we were gone, that this was still going to be around and there was an issue that came up with PSE, in particular, where they were working with a federal agency that had certain requirements or certain limitations on liability and that's why we put the language in here regarding applicable laws in the case of public agencies . I think PSE recommended that we take that back out. Either you folks need to have some discussion internally or we need to figure out what is the correct language there.

DM: It looks to me as if PSE was seeking some clarity here and if I'm hearing you, it's not necessarily available. This was intended to be more of a generic situation where you cover the situation where a public agency you want some law that says there's some \$150,000 and then you wouldn't want to foreclose the opportunity of participation _____.

CP: Inaudible

DK: Some other comments here with regard to the level of this policy — the \$200,000 -- some things back and forth. As I said, when we worked on this issue, we spent a great deal of time with the companies. This was the final agreed-upon point that we came to We thought it was appropriate and not unfair. We didn't think it was unrepresentative of what's being done elsewhere as well, so I think we're likely to try and stay with this range of a value.

Number 4 we already talked about was Avista's comment with regard to having a permissive statement there. Then CTED had a comment adding a number 5 that related to power quality saying that no utility could require a customer to meet higher power quality standards than the utility itself provides. I would choose at this point not to address this comment in this rule and the reason for it is that the Commission has launched a rule investigation and notice of inquiry relating directly to reliability and service quality issues. I think if it is determined that it is appropriate to do something on reliability or service quality that comes out of that, then maybe that would be reflected at a later time.

DM: Does anyone else want to comment on this?

WAC 480-100-151 Instrument transformers

Let's move to 151 instrument transformers.

JM: I had already brought up the one comment about this relating to the accuracy of the meter, so I think we'll discuss that later.

WAC 480-100-161 Portable indicating instruments and reference standards

DM: 161 is does appear there are a couple comments there.

DK: It was pointed out by folks from Avista that it appeared that -- of I guess that's for number 2 --

I'm sorry. PacifiCorp made a comment regarding testing every 12 or 6 months on this and I believe in the existing rule there is some requirement -- I think it is every six months. In the initial workshop, we had some discussion with the folks who were there about the fact that today's digital equipment is much more reliable and therefore probably doesn't need that kind of testing and I think we tried to make it a little more open in terms of how the language was here.

LP: When you say 'portable instruments' just define what it is that that means to you?

DK: These are -- well -- such as volt meter, amp meters, watt meters — those kinds of things.

LP: This does not have anything to do with watt hour standards in this section. The top of it says reference standards. I'm a little confused that the language is talking about an indicating meter and then it applies to a solid state one-hour standard? Maybe we don't have a grasp exactly what you're talking about.

DK: I guess we could have some further discussion on what's intended here. Again, this may be my fault in terms of trying to make some simplification of the rules — there was some things that I thought could be grouped together. Maybe we need to break them back out apart. The existing rule. There is a rule on portable indicating instruments and there is a separate rule on accuracy of test standards and in trying to do this with a bullet format I tried to have and some things that referred to portable indicating instruments and some things that referred to test standards and perhaps I muddled it.

DM: One consideration might be to separate those again.

DK: Yes.

LL: Just an observation that 480-100-176 a statement of meter test procedures requires that we have some of this same information in our tariff, so maybe this could be just moved into that rule or vice versa.

DM: Anything else on 161? 186 would be standard frequency. And 201 would be _____.

WAC 480-100 186 Standard frequency

DK: 186 standard frequency -- the current rule under standard frequency says that each electric company can adopt its own frequency for use on its system. Since we're an integrated grid, I thought that maybe we all ought to agree that 60 cycles is the right thing to use and then in terms of maintenance of that frequency, I was trying to find something that was generally used and could be agreed upon and chose Western System Coordinating Council.

JM: I talked to the contracts, the people that work on the Coordinating Council, and they said that it's a good requirement what basically the Coordinating Council is that you have to true-up to within a cycle every 24 hours, but if the Coordinating Council made a change and said every six hours, that may cost us a lot of money to retool our system to be able to do and we might opt not to do that and so if you had this requirement, you won't have the flexibility at this point.

DK: That's because currently Coordinating Council is a voluntary group, is that right?

JM: Right.

LP: I think really the Coordinating Council being voluntary, they have allocated so much of each utility's resources depending how big they are to contribute to maintaining the frequency. They don't set it — there's somebody in the world here — in the National Bureau of Standards sets the frequency and I don't know that to what end this particular paragraph contributes anything here because it's a pretty big thing to change our frequency.

DM: You might want you run this by the Attorney General. There's a line of authority . Can't delegate their authority. I don't know that that meets that legal test.

DD: Yes, that's what I was going to pursue and it seemed like maybe we just need to say the decision of the Western Coordinating Council as of July 22 — whatever the date that decision was made -- and reference it to a specific policy and if they change the ____ standard, whatever, then we would have to revisit that at _____.

WAC 480-100-191 Standard voltage and permissible voltage

DM: _____191 is also one that didn't generate any comment.

DK: This was rewritten primarily just for language clarity. We knew that since the reliability and service quality rule making was going to be getting along, they may at some point come up with some things that would affect this so we didn't want to make any changes now and then make changes again very shortly. I didn't see any reason to make changes.

DM: Inaudible.

DK: The points that were made by PSE on this was that number one, that we were asking for an aggressive timing on making the reports. I'm not sure which part of it they thought was overly aggressive. Perhaps it was that they needed to notify the Commission no later than the first business day following discovery. In the three years that I've been here and I've been receiving reports from the utilities -- I think that generally the utilities always notify me at least the next business day if not more than two business days, so in writing this, I knew what was currently happening and I didn't try to write anything that was more restrictive than what was currently being done by the companies. And then in terms of a follow-up, I didn't consider that 15 working day for a follow-up report was aggressive timing. I could be corrected on that.

RA: We were commenting that this an additional requirement. I realize that they're tying gas and electric rules together because the gas requirements have always been pretty much what we see here. We're already reporting to Labor and Industries and other organizations our accidents and incidents, and we just thought it was an additional requirement that perhaps wasn't necessary. We don't have a lot of problem with it. We can ___ the way it is.

DK: Generally, as I said, what I tried to do was to reflect what was happening in current practice. Pretty much all of this information is usually what I get as a report from the companies and the time frame is about the way I get it from them.

DM: Anything else on that?

DK: The comment here said it seems the rules should only apply to injuries associated with electrical shock, not contact with utility poles . Again, in writing this for clarity, the existing rule says any contact with company's facilities or plant and it doesn't say anything there about electrical shock, or not and we just reflected the same thing that's already in rule.

?? You probably mean electrical _____.

DK: Generally, it is electrical contact that we get, yes.

?: Inaudible.

DM: Inaudible.

?: I'm not sure that we've been providing that kind of information.

DK: Inaudible. Okay, we'll be glad to consider that.

DM: _____. Anything else?

WAC 480-100-x10 Safety

X10 Safety. Inaudible.

DK: As was mentioned by Judge Moss here, with regard to PSE made comment here that they thought maybe we should not indicate the year of the specific standards that are mentioned in here. If we were to do so, again, the Commission would be delegating its authority to set standards and rule and so I went based on information that I had there that said that we needed to indicate exactly what we meant if these standards or rules — federal standards or whatever — are changed and we decide that we want to incorporate those changes, then we need to take affirmative action to change our rule to reflect that there's been a date change or an update.

DM: _____there are expedited _____.

DK: The other comment, generally, from PSE was that the rule, itself, that all of what was in section two was not necessary. And the reason that staff put that in there was that they thought that it was a good explanation of what it was we meant by accepted good engineering practice in the electric industry.

LP: Was it your intent that you did not want to have the current national standard -- let's say the current edition of it. Would that be a problem rather than putting a specific date. Just as an example, like if I said, "Well, my utility has to follow the rules for the ANSII Code of Electricity Metering of 1975." Well, I'm not doing that. I mean that's . . .

DK: My research that I did, I asked our librarian to give me research from the various organizations as to what was their most current rule, so I didn't pick a date that I liked in here, I tried to pick. . .

LP: No, I understand, but I'm just for illustrative purposes, I just picked that as an example because I just happen to know that and we've run across the same issue in other states where they say,

"Well, in 1982 we did it this way and the standard." And I say, "Well, yes, twenty years later we've changed a little." And so, maybe would it be acceptable to just say 'current edition?'

DM: That gets into a problem. You do have to specify by date. Inaudible.

RA: I had the same comment as Lauren is I know the National Electric Safety Code is on a five-year cycle for rewrite and its next edition will be 2002. The National Electric Code is on a three-year cycle. It's next edition will be 2002, but they will not coordinate, and so we're all going to be pretty busy processing rule makings, but _____but if that's what we have to do, that's what we have to do.

LP: And I see C-12 here is the 2000 printing, and so. . .

RA: And so probably annually we'll be updating this section of the WAC rules.

DM: And that does happen when you have a number of rules -- that's exactly what happens and _____. The courts have been uniform in saying that's what will happen.

DK: In Section 3 there is a comment here from PSE talking about it being inappropriate to include hazards that threaten service continuity and that those kinds of hazards could be things like trees that are off the right of way that might fall across or any other kind of thing. Staff's intent here in using the word hazard and we'll be glad to try and be more specific on this meant utility plant hazards. So, for example, when the utility discovers that it has a broken cross arm with something hanging there -- something like that -- we would consider that to be a hazard that utilities should take prompt action to replace or repair. Not a potential hazard of a leaning tree that the company has no authority over and maybe it has even asked the customer if it would cut down and been denied that permission, so, we're talking about the utilities' own plant if a hazardous situation is discovered with the utilities' own property, that it should be rectified in a rapid time frame.

RA: That helps a lot. We were very concerned about the vagueness of threatened service continuity. It's kind of in the eyes of the beholder is the way we think it could be interpreted. We hope that that language can be tightened — that's all. I mean, the way you described it is appropriate.

DK: And then finally, PSE made a general comment with regard to the necessity of this rule at all and it wasn't clear that staff's standards would surpass L & I's standards. What staff was wrestling with was conversation and some interaction that we had with the folks at L&I that indicated to us that their rule and its application and requirement of use of the National Electric Code, et cetera, the way they interpret it and imply it, applies to how it would impact utility workers only. They do not consider how any of the company's actions might affect the public. And the Commission is concerned about how the utilities actions might affect the public.

RA: I'd love to talk to L & I. Their rules don't state that and they've never told us that, so we'll certainly pursue it.

CR: I just had a question about the 72-hours notice and whether there was some opportunity for flexibility there. If we could put instead 'as soon as possible' I know you're probably trying to nail it down, I'm just working on a situation right now where we have a potential hazardous situation — it's on the customer's property and we're trying to get access to that property and it's

being denied and we're going out there with attorneys and it's really a mess and it's been a lot longer than 72 hours, I assure you, so there are those situations that come up that puts the company in difficulty in getting the access to the situation.

DK: My only concern there would be that the vagary of that kind of language might be that the companies say, "Well, as soon as possible for us is as soon as we could budget it which would be next year." So, I wouldn't want to get into a situation like that. I understand there are constraints — I would hope that perhaps by being specific about this, it might even strengthen the company's case about why we need to get on your property because look, the Commission's rule says that we have to correct our hazardous situation. I'm willing to talk about that but I would like to try and stay away from real vague language, if we could, figure out how we can accommodate both of us.

CR: Maybe we could add something about with adequate access or something along those lines if you want maintain the 72 hours.

DM: Phil, go ahead.

PP: I just wanted to ask the group since there's whole bunch of engineering-type folks here. I'm not an expert at all in the NESC and the NEC that are referenced in X10 Section 2 . I guess two kind of questions. One is, is this rule intending for these sources to be guidelines or would those be strict standards that if we don't comply with everything that's in each one of those that we be out of compliance with this rule. The second part of that question is, I guess, a little broader and that is, are all of the provisions and all of these sources are they all conflicting?

RA: Yes. The National Electric Code is code designed for building wiring essentially -- it's a little more complicated than that, but that's the way you should look at it is for buildings and the RCW 19.28 preempts us from meeting that requirement. Specifically, it's written in the language. We do meet the NESC -- all of our standards follow it and that's what we design to -- that's one of the reasons earlier we were talking about the latest edition -- we do follow the latest addition, so we want to make sure that the WAC stays current with that. But there are conflicts and there are rules that overlap each other that describe the same things between the National Electric Safety Code and the National Electric Code.. We feel the NESC presides, if you read the preambles of both of those book, it's pretty clear that they do preside over utility applications.. So, referring to it here, I think there is a precedence to which one's you'd use that's typically the industry and traditional and so I don't see a conflict between them. We can work it out.

DK: Do you see the Commission creating additional problem here by referencing this as examples of good engineering practice?

RA: No, as long as its understood as examples, especially when you refer to the NEC — 99 percent of that code is about things that are not utility.

DM: As I read this rule it does appear that these are examples -- inaudible. This does not state the utility must ____.

DK: Perhaps in number 2 there we could replace the word 'standards' with examples and be very clear about what we mean there or more clear?

RA: That would be fine.

DM: Inaudible.

LP: Just throw out another idea, would it be better if we don't put in NEC since as Rich said, it's really for the customer side of the thing and really doesn't apply to us and perhaps while the NESC does, but it's the Electric Code would be superfluous in this context.

DK: That's a possibility. I adopted this language from some examples that I found from other states and there was another state, I think North Carolina, had this kind of language that I pulled and put into ours.

LP: I think the electric utilities is a little sensitive about the NEC and we don't want our exemption kind of taken away and there's efforts every year to do that. By putting it in here, it might imply something that's not intended.

RA: I would have taken the same approach that Lauren says because he's right, we're very sensitive about this, but earlier at the very beginning we talked about these rules being customer requirements also and the NEC applies to a lot of service entrance facilities that we interface with pretty regularly so we do use those rules in setting up our point of delivery, point of connection kind of rules, and so I don't have a problem with it being there for that reason — that gives the customer the requirement they have to follow them too.

DM: Anything else? Well, we're exactly 12 o'clock. I ask that we have a 90-minute break and that has been built into the schedule but I understand people need to go places to eat ____.

Accounting and reporting rules

[This tape is identified as "Accounting Group" Stakeholder Workshop and is not numbered as part of the set of tapes for October 14th and there is a note that says "approximately the first 15 minutes not available." Nothing meaningful could be heard until counter #236 when I began to hear the conversation, but since I had no notes, did not know who was speaking]

MS1: My thought is it's okay to submit those and use the rule and strain too much to allow that to ____

MS2: I think that's my question. I think you told us that it's okay to submit those balances, but I'm not sure that the rules will tell us that.

Inaudible.

____ obviously probably know that we would prefer to see the allocated control, but the current rule ____ provide them yet. ____ change ____

Well, I'm just suggesting that by the language it's not clear.

FV: Does everybody agree about what should be submitted? Is it just a draft ____ a t this point.

MS: Well I think in the preceding paragraph on the Commission basis reports, it specifically identified the cost allocations to get to jurisdictional

The following conversation is starting at Counter #236

FV: It's just a cross reference, so _____. What about 043? Promotional advertising?

WAC 480-100-043 Promotional advertising

MS: Promotional advertising.

FV: _____ demonstrated that _____

MS: My position was that by putting in that clause it basically takes the rule. In part because you could be advertising Watergate or _____ and that is more the load-building activities which this is trying to prevent. So, I don't . . .

FV: But actually we are — we state in our ____ that actually load building can benefit the ratepayers.

MS: But it may not be to the _____ interest.

MS: If this were 90 and not 100, that changes _____ only natural gas.

MS: I had considered that _____ is a gas related one and not an electric-related one, but still, I don't think that pure and simple load-building activities are necessarily in the public interest.

MS: Inaudible

FV: No, we're not and we're just saying that if you add the suggested language, it's still the utilities' responsibility to demonstrate that there is a benefit. Staff is not going to be willing to ____ any rate cases saying that should be excluded. It just gives the company the opportunity to agree that it should be important. Right now the way the rule stands, we don't have the opportunity ____ there is any benefit.

MS1: I think the language provides for that because this may be included in rates and may not be,

MS2: Either.

MS1: Yeah.

MS2: Nor may be. . .

FV1: No, your rules, the way they're suggested, it says that they cannot be in there.

MS1: No 'may'; it's not 'can'. That's what I mean — am pointing out . . .

Many voices speaking at once.

FV2: The words 'neither' and 'nor'

FV1: Put the 'maybe' sign.

FV? Inaudible.

MS3: I agree, and I took this only to be applicable to gas. [Inaudible].

Tape becomes inaudible again except for MV1:

MS1: I think what staff wants is exactly for the utilities to bring the issue out and argue and prove that its beneficial — whatever — and I think that's permissible under this current rule. That's why it's 'may be.'

FV: Inaudible.

MS1: Because it says 'neither nor indirect expenditures may be included' so it's not absolute, but it's going to be excluded.

FV1: That's absolute.

FV2: That's absolute.

MS ? : I tend to agree — that's absolute.

MS2: Oh.

FV: ____ would be about whether it's commercial advertising, and then you would say it's not commercial ____ public service — blah-blah-blah— and someone else says no, this is public advertising — blah-blah-blah— inaudible

MS1: And then we don't want to have the utilities arguing that's it's permissible to include it because the rules say it's permissible. It's like shifting the burden to the staff to prove something.

Inaudible conversation

FV: I believe the language that we were suggesting maintains that burden of proof on the ability because it says 'unless the utility can demonstrate' — that puts all of the burden on the utility to demonstrate that it is appropriate. And so that the language that it's excluded, you guys can exclude it unless we can prove that it's correct to have it in there.

MS: It's my understanding this rule came about because the — that this type of an argument was coming up case-after-case-after-case, and the Commission kept saying that this type of advertising to grow your load is a benefit to shareholders. Now, I would assume that the argument from the companies at the times was that there's a benefit to the ratepayers as well and the Commission had voted rule ____.

Inaudible conversation takes place.

FV: Are there any other ideas to hear on this one?

MS: I think we hear what you're trying to say. ____ interpretations of it or ideas, so ____.

FV: I think we'll move on and continue the conversation ____ before staff has to suggest any changes.

MS: Is there a ____ — I mean I know there's a list, but I haven't gotten ____.

MS: No, we haven't done a lot of that.

Inaudible conversation.

FV: I think we're getting kind of to that stage. [Inaudible] Incorporating the changes that we talked about [inaudible] what words to use and everybody taking a cut at that — and that's the kind of thing that I hope you will find useful. [inaudible] There's a lot of stuff we want to do, but we're just ____ have time for it and staff was too busy doing other stuff to do it earlier. [inaudible]

MS: Inaudible.

FV: Okay, let's move on to . . .

WAC 480-100-211 Retention and preservation of records and reports

FV: Actually, though, is that list . . .

Inaudible conversation

FV: Any concern about the record preservation rule? Following ____ standards.

MV: Inaudible.

FV: Paragraph two says if you don't like it, scream.

MV: Inaudible conversation.

FV: Section 1 would still apply.

MV: Inaudible

MV: Well, this is kind of my rule. Well, let me review your comments. I think ____.

FV: Inaudible.

MV: Actually, I think it would make sense ____.

MV: Yeah, I think that's a good suggestion. Yeah, I think we can cover those comments in our revised _____. ____ you're asking for. You want to tighten it up to be a 12-month period rather than a

period could be up to almost two years long. _____you want them to buy all additional data with a data requirement that you're adding here.

FV: Well, we were supposed to finish up at 10:30 and then we were supposed to break _____. So why don't you go through this fairly quickly and _____ comes back _____.

MV: We're running parallel sessions, so we're not going to do anything until 1:30 here.

FV: Oh really.

MV: Yeah, there's doing — unless you guys want to go right to the meters stuff.

Mostly inaudible conversation concerning who is meeting where and when.

*****LUNCH*****

DM: Our first goal is to provide, and the overriding goal really is to provide information to the staff, because as the staff and the Commission goes forward with the process and determines a set of rules and specific rule language to be presented to the Commission, then, of course, after that we _____ process _____ CR 1 and 2 which are actually a set of proposed rules.

Inaudible.

And that's the overriding goal. Within that is the purpose today of identifying underlying issues. There may be disagreements on the surface that don't really get to the core of the problem and the core of the problem with what I mean when I say the underlying issue and that's what we want to identify and then identify the alternative means of addressing these underlying issues and that may be some language and _____. So that's what we'll have for today. We also want to — and this is the third form of _____ — we want to hear from staff today in terms of their responses to _____ stakeholder comments that have been received _____ participate in that discussion and also each other. There are various competing _____ I think that's a fair word — _____ various and _____ and in some cases _____ and we want to identify where those places are and see _____. In that connection, I want to go over just a few ground rules so the conduct in this type of proceedings — it is not an adjudication — it's rule making proceeding; it's a cooperative effort in which the entire group is working as a team to develop the best possible set of rules _____ and this is the first time _____, so this is an important undertaking _____. Remember, it is important to share your comments with the group. Sometimes there's a tendency to hold back that gem and take a staff member aside and discuss that. Well, it's better if we can get all those sorts of things out _____.

Remember that the focus of the workshop is to identify problems and work on solutions to those problems. We want to put this on problems and not people. Inaudible. _____ from reviewing these materials and that a tremendous amount of effort has gone in _____ participants _____ to get away from _____ and lets focus on the problems and not on the people and to the extent there may be some contentious issues among some of you — and this is not the forum for this. There are other opportunities to deal with those issues _____. Please treat everyone with honesty, dignity, and respect _____. Listen and listen accurately to what others have to say, appreciate _____.

Inaudible.

I do mention the materials that we're working with today. The staff has pulled this together and there was not time for complete integration, but I think in terms of the consumer rules, there's ____.

Consumer rules

Now it's my intention to modify the agenda just slightly. On this section this afternoon, we do have a request to treat certain rules first because we have some people present who have something and may have something to say on those rules, but then will be able to leave after that and since we're going to be here a long time today and all day tomorrow, I wanted to accommodate that request, so we're going to first take up four rules I have ____ 90/100-046, 056, 076, and 161 _____. After that it is my intention to follow the more or less serially through the rules by number. I've may deviate from that slightly if I see one that looks like it may ____ discussing ____.

So, I think that's all I have to say up front and _____.

Introductions made around the table. [end of Tape 2 side B]

[Begin Tape 3 side A]

WAC 480-90/100-046 Application for service

We'll begin with 046 which is at page 11 of the handout. I received yesterday alternative language. There was an e-mail yesterday that included some ____ pages than what appear in the packet — I hope everybody received that . If not, copies are going around now. his is an on-going project at the Commission _____.

Who for staff would speak on this rule? Is there anybody primarily responsible for this?

Inaudible conversations.

KW: The only change is to part four. The rest of the rule stays the same.

Inaudible conversation.

DM: The does make it quite clear. How about on two. Inaudible comments.

VE: Our comments on number two aren't very definitive. We're still looking at those issues and talking with our legal staff and continuing to consider our concerns are with privacy issues and what companies may and may not be allowed to ask customers as identification when they sign up for service, so that may not be very helpful today, but we're still looking at that with our legal staff.

DM: Let me ask if any of those who had commented or other who are present today wish to offer any comments or suggestions with respect to the need for particular information on this sort of thing.

What I pick up from Vicki's comment is simply that staff is analyzing the legal aspects of what can and cannot be legally required and is otherwise open minded _____. And so we benefit from hearing from the companies' needs perhaps _____. Inaudible comments.

CR: I thought the list that Northwest Natural provided of the types of things that you could ask a customer for looked pretty reasonable as a good starting point, so maybe that's a place to start from, but I'm glad staff is looking at this rule a little more because we were very concerned that you just allow the customer to decide to give you whatever they want to decide to give you -- like a grocery receipt or a fishing license -- and who knows. So I'm really glad that you're looking at that with the idea in mind to at least have a list of acceptable identification that people are used to submitting -- like driver's license or social security numbers -- things like that.

DM: Carol, is there anything in this list that Northwest Natural provided or maybe all of things in this issue regarded as being essential _____. What items in the comments here of _____ consider to be essential to its needs, if any.

CR: I think the driver's license is good, social security number, passport, and certainly the certificate of citizenship -- all those are good things along with the immigration, naturalization, temporary residence cards. I'm not familiar with the employment authorization card, so I couldn't speak to that and the equivalent photo identification -- that might be getting a little too nebulous, but I'm not sure what that would be.

DM: What information is it that companies are seeking _____?

CR: Pretty much to be able to identify the customer you are talking to and ensure that, in fact, is the customer's social security number, driver's license, so you can match those types of things up with maybe credit issues that you've seen in the past and just to ensure that the person who they say they are is really who they are.

MS: One thing I can think of is a lot of time in this area you see a lot of military identification. Remaining comments inaudible.

CR: That would be another good idea, I think.

DM: Okay, and that's really what I'm trying to get at here is what the nature of the information _____ investigates it further and perhaps identify _____.

LL: I think another category of information that needs to be added here because this rule could be read that we can ask for this and we can't ask for anything more. If a customer is requesting a new service, we need to know the capacity, you know, how many amps or whatever the equipment that's being installed wattage is in order to engineer the service. So, we have to be able to ask all of that type of detailed information. On the existing rule, an application for service was kind of what we considered that -- where they would have to fill in a form to give us all the information and the details of where the meter is going to be, the service entrance -- that type of thing.

DM: Inaudible.

LL: Yes, because before it was just an application and we considered for existing premises, an

application was taken over the telephone and this is the type of information we got, but for new construction, generally, we would have some kind of written information as to very detailed engineering requirements.

DM: And that would be another type of _____.

VE: I don't think that when we re-drafted this, we intended to preclude gathering that kind of information.

LL: No, I don't that you intended to, but that was just a concern that a prospective customer may look at this and say, "You can't ask me that." Well, how are we supposed to engineer it if we can't ask certain questions.

TT: Do you have an application you could give us for new construction?

LL: Yes.

RR: I'm curious as to -- are all applicatios for service done in person or are some done over the telephone?

CR: I think over the telephone, virtually all of them for our company.

DM: Any of the other companies want to comment on that?

OK: When we're talking about a service application where it's a simple move in-move out type of thing, typically it's over the telephone. If we're talking where a line extension is involved, we will often have a signed application or contractual arrangement with that customer.

RR: I guess my point is the obvious which is maybe the criteria that you're looking for _____ would be fine for a face-to-face _____, but over the telephone it creates _____.

DM: I think that the suggestions that there might be some need for flexibility in the rule to accommodate the circumstances under which the applicant is actually interfacing and interacting with the company. I that essentially it?

DL: This is a point of clarity about what happens in the event where a utility _____?

DM: I don't know the answer. I don't have any answer.

VE: I don't know, Dennis, ask us that question sometime, not here, okay?

LL: I'm not an expert, but I would think that would be a wholesale transaction subject to a jurisdiction by _____.

SK: It may depend on your definition of _____.

[Many of the following comments could not be heard on the tape, so secretary's notes have been retained as given]

- DL: Utility intrastate. I think it would depend on what class of customer. If it's a small company
- DM: Dennis, I think your question raises another point to be considered in the context and the context is commercial customers. A business is not going to have a driver's license number and social security number. So that's another aspect _____.
- We have a number of comments on subsection number three.
- VE: On number three we thought that what PSE suggested would be useful and would also then take care of the concerns expressed by the other commentors.
- PP: After writing up these comments, somebody in the company mentioned to me that oftentimes customers don't want a specific date -- they just want to know if they can get service and I don't know if that needs to be reflected in the rule or not.. Maybe that's in the definition of an applicant and when they become an applicant versus just an inquiry.
- RR: I don't understand that comment. When would a residential customer call up and say I'm moving into an apartment next week and I'd like my power turned on. Would they say they don't care when next week?
- PP: No, that was generally like for new construction with a developer who doesn't have a real tight schedule developed yet, they're just kind of wanting to know is gas available, when, sort of time frame.
- VE: We'd probably not consider that an applicant.
- MK: What caught my attention in number three was when the service date cannot be met that a notifying customer on the service date is pretty late -- people take off work to be there and so forth -- even a day's notice. I know personally working with utilities and others. You know, when I have to take off time to stick around home for a whole, notifying me on that day doesn't help me, so _____.
- DM: Let's move to four. A very short rule that did generate a comment.
- KW: This part four was changed as you can see to add a part about master meters. The point here is to discourage customers from creating a master meter system, the reason being that we have questions as far as how they maintain and operate the system. Inaudible comments. So, what we're trying to do is eliminate _____.
- DM: Any comments from the stakeholders on this particular _____, go ahead.
- DB: Does this apply to resale only when you say you can't master meter from one building to another? We have customers who have campus situations _____.
- KW: Well, again, it does have the provision you have to come to the Commission for approval. We would like to discourage those kinds of systems because if you do have a situation like you're talking about _____.

DB: They're required to meter every building and when _____. They may not be taking the case of the transport customer. So therefore their costs are going to go up by, in the case of PSE, just to put the meter on.

[Note from transcriber: Because the microphone gives off a constant swishing noise and when people did not actually speak directly into the microphone, they could only be heard on the tape faintly, intermittently, or not at all.]

DL: [Tape inaudible]. [These notes were taken by secretary]. What we want to do is provide some flexibility in terms of getting gas to their appropriate facility. In this case what we want to do We want them to be aware of the safety requirements. If you choose to do so without adding additional meters. That gives the utility companies the flexibility. The effective date

SK: [Tape inaudible] Existing master meter operators would be grandfathered.

DL: Inaudible.

SK: [Tape Inaudible] Clarifying is exactly what we are talking about. In this rule that is what is used. Defines a small gas company so we know exactly who we are talking about. Approval . It really sounds like the goal is . Customers need to know what they are getting into up front. If we're just talking about education.

DL: [Tape inaudible] You might have also in . I think there's some . If building is not appropriate.

DM: Okay, I should have mentioned at the outset, too, of course, this is not the only opportunity where you-all can interact with the staff. _____, particularly something like this where additional information needs to be identified _____. You know, it doesn't always happen _____ emphasize it by _____. I would encourage there to be follow-up.

SK: [Tape inaudible] I have one. A big what is the serving utilities . Or is the serving utility utility what that responsibility is. Who fell through on their

PP: Just to build on Stephanie's comments. We've suggested moving the existing 4 or least the proposed 4 to the part under the customer's responsibility, to kind of clarify that issue — that it's not our responsibility, it's the customer's.

DM: So some clarification as to who's responsible here and then incorporate language to capture that. And this relates back to _____.

LL: One comment is that it says that the effective date will begin at the close of the rule making process. We need to provide for facilities that are under construction or something like that -- are commitments that have been made to customers who may be affected by this rule. I'm not sure how to do that, but some kind of a transitional period.

DM: [Tape inaudible] Depending on a critical moment in time.

OK: It's not regarding 4. I'd like to go back to a question on a comment that was made. Recognizing that clarification is still being obtained through staff on the legal aspects of customer information

and the issues surrounding that, could you at the same time get clarification from public counsel as to why they would think a regular report of those points in time where we request identification is a necessary thing?

MS: I can tell you right now _____. And what I'm informed by the _____ is that it's very difficult to identify red lions without some sort of sense of who's involved or what's going on. And there are limits to the things that _____ ask you to do. One of the things that we can ask you to do is report what's going on so that we can some sense of what's actually happening.

OK: Is there a problem with this issue in the state?

MS: I don't know what you're doing.

OK: Okay, so you don't know if there's a problem because you don't get the information.

MS: Exactly.

DM: Anything else on this?

RW: Two other items that were not identified under items of interest that might appear on our application would be employment which is a reason or a condition of a deposit. It's not listed here that we could ask for that or what-not, so I felt that it should be clarified that we should be able to ask for where they work in order to determine whether or not a deposit is required, and also co-tenant spouse information. If there are other people within the household that owe a bill, it also indicates that we can required a deposit if you've had previous history of delinquent balances, so the information relevant to co-tenants and spouses also should be required on the application.

DM: Okay, on that point, I think I'll return to the _____. I think it would be useful for the stakeholder representatives, particularly the industry, I think, to provide staff with a list of what exactly they feel is needed, what alternative means there might be for securing that information from the customer and some, perhaps, explanation of why they _____. With that level of detail, it might be easier for staff to identify a _____. It's also legally acceptable to include in the rule _____. I think that kind of feedback would be very useful. I don't think we need to try to complete that at least here today _____, so that would be helpful. So, all right, anything else on this rule?

WAC 480-90/100-056 Refusal of Service

That'll bring us, then to 056 refusal of service. I see there's a parenthetical note, I guess that would be former 121, is that what that means? Yes, somebody said yes, so that would be yes.. There were a number of comments on this one. Actually, it appears to be fairly extensive comments. Who's going to take the lead from staff?

TT: The first comment is from PSE and they had just asked to on number 7 to change the word 'when' to 'because', and Commission staff was okay with that unless somebody else had some other problem with that. And then public counsel had some comments about number 6 or 7, I think, I'm not exactly sure where we're going with that. It looked to me like there were some comments from public counsel on fraud issues surrounding whether a customer is known by the utility to

have fraudulently obtained service. We had thought that the fraud issues were addressed in our disconnection of service rules in that maybe that should take of his concerns about investigating under fraud and issues around that, so unless there's some other issues on that. . .

DM: Move on to 8.

TT: Then eight has to do with prior obligation. And I guess I'll start off by saying that we have read through the comments and we are very understanding of why the companies are concerned about this issue. We understand the other side such as the consumer groups' issues about this. Commission staff are very concerned about those customers who we feel need some extra assistance in their financial situations in order to keep electricity or gas, whatever, as long as possible in order for them to work their situations. We feel an obligation to that although we do understand that we want to work through the situations where there are customers that tend to abuse this opportunity and so we want to work with everyone on that and we want to be able to reduce that situation of abuse for the companies, yet protect those customers that need the extra help in this state. So that's our stance. We were looking for some information to help us determine the appropriate balance for that. We weren't quite getting what we needed, or we thought maybe we would like to see, so I guess what I would do is open it up. On that balance is what we're looking for. We're not interested in throwing a prior obligation out the door. We're not looking to be that drastic. We want a balance and so that's what we're looking for and we'd like to work with everyone concerned to get to that balance

OK: Would it be appropriate to have a separate set of prior obligation rules specifically for low income individuals so that the prior obligation rule is not broadly applied to all customers..

?: Inaudible.

OK: That's a very good question. There are already some winter rules for special treatment of low income customers and there are some qualification requirements established there. It's possible that they could be applied in this kind of a situation as well.

DM: One suggestion is to break the rule down to keep a balance by having different rules for different classes _____.

RR: [Tape inaudible -- notes taken by secretary] I guess the rule has been in place for 20 years. This issue has been discussed numerous times. Keeps. I don't think you can look at income, because people are employed and then all of a sudden. I think keeping this system based . I think creates insurmountable problems. I think we're attacking something and provide tremendous benefits.

JM: I guess we don't agree with that and we don't consider this rule to really protect the low income and there are other avenues for the low income to achieve help whether it be the energy assistance or the utility-funded programs which we use a lot and what we see is habitual abusers and that's what we'd like to resolve and just because a rule's been around 21 years, we've argued over it year-after-year is right, but we don't see it as a real assistance to low income.

MK: Just a reality check on the Energy Assistance Program and getting eligibility for low income households. The block grant reached its peak in 1985 at \$2.4 billion, nationally — it covers around \$1 billion now and it meets a fraction of the need there. The agencies that administer

those programs can barely — a fraction of clients that they can serve because it's not needs based — it's an allocation — have a hard time determining the eligibility _____ between the eligibility for the existing clients to have that wide open means that the resources need to be in place somewhere to determine their eligibility to meet that low income from a practical standpoint.

PP: In our comments we were just recommending that the winter low income payment sort of thing be used as a guide because it's something that's already there. Maybe it's not adequate, you know — I don't know what is. But I think one of the things we've been discussing here is that the Commission -- this is what gets to be very difficult about dealing with prior obligation is that I think is that the Commission has no way of dealing with that kind of issue. The Commission's not set up to be able to deal with social welfare problems and I'm not sure if -- you know, I'm not going to say there is a perfect government agency that is -- but, you know, one of the things that we were encouraged by listening to staff's comments, even in the first set of workshops, about being open to look for different ways and, you know, one of the things that the Governor wants all the state agencies to do is look for ways to come together and to coordinate with each other to solve problems. There's plenty of opportunity in the rules to work out payment arrangements with customers. While we might not support a one-time six month kind of a deal, it's not that we would never offer that either, so you know, while I'm not sure I have a perfect solution, I would think there's some government agencies within the state that are adept or provided the specific responsibilities to take care of those sorts of issues. So, I'm not sure what they are and how we go about involving them.

DM: Are you suggesting that there might be some sort of coordination between the Commission's rules and the rules and activities of other agencies that deal more directly with the social welfare issues?

PP: Yeah, exactly.

VE: I just wanted to relate a story. It kind of has to do with Julie's comments and Ron and Michael's also. Last month there was a person that I was trying to help find some assistance to pay their power bill because the company that they were working with was not willing to make any further arrangements. And this person — it was one those people had recently become unemployed and then the spouse moved out of home and they had no source of income and it really was a fairly temporary situation, but it was very real at the time and the company was going to disconnect the power so she and her two children on that Friday and I could not find anyone to help her. I mean, my heat funds were gone. We tried the CAP agencies -- they said they had no more funding left -- and this is October and it's not really even when the real cold season started and all of the assistance programs that I could identify -- and I probably have more resources than the average person who needs help -- I couldn't find anyone to help that person, so I think relying on existing programs is not particularly the answer.

PP: You know, even something that transitions into working out a solution -- it's hard. What's difficult, I think, is that without any ability to screen out people that are just flat-out don't have to pay the bills because they just pay a half of a deposit every once in awhile, is to have that final last safety net, you know, is one thing if there's some kind of direction or some kind of attempts to establish that in the proper agency.

MS: There's a note at the end of this section that I think is from staff. And it seeks some objective evidence, and I think it might be really helpful to this discussion if we could get some objective

_____ so that everybody is talking about the same type of facts, so that we had a better sense of the scope of the problem and so that the companies might be open to providing _____ [tape inaudible]

RW: In our comments back to this initial draft, we did supply some data regarding the dollar amounts that end up in a prior obligation and we end up writing off on an annual basis to the tune of about \$600,000 every year in comparison to our Idaho accounts that have absolutely no dollars written off as a prior obligation. Yes, we each have write-offs for just closed accounts, but the portion that was a result of prior is definitely significantly higher in Washington than Idaho because there isn't a prior obligation rule. My thought that I wanted to convey was that if prior obligation were to continue to be interpreted as it has in the past, where when a customer is disconnected, you're not allowed to collect that delinquent balance at that time and, yes, we reconnect the account for half of a deposit plus the reconnect charge, would take one step further and say we're allowed to make arrangements that are acceptable and then provided that the customer keeps those arrangement, their service stays on, but if they break those arrangements, we should have the right to discontinue their service for those broken arrangements on the account balance that we disconnected for. That's what I would like to throw out to say would that be an acceptable way of addressing a compromise to what currently is written in prior obligation?

DM: Okay, before we hear the response to that, let's see if there are other companies that might be willing to provide the sort of information _____.

CR: We provided information with regard to the percentage of our write-offs which is 16 percent of our total write-offs in the state of Washington where a customer based for Washington's 8 percent, so it's quite significant to us compared to our other states because of the prior obligation, so we'd be happy to provide dollar amounts in addition to that if that would be helpful for staff.

KM: We did provide some information — some very basic information. We don't have track exactly of the numbers you are looking for in our write-offs, but we gave some real good examples of what is the norm and it averages about \$225 that we're writing off that is connected with the prior obligation, so that was just to give you an idea of what we're dealing with.

?: Inaudible.

DM: Any other feed-back on that.

RR: The point is what data are we looking for. I don't think you can say that your uncollectibles are X and in another state they're Y and they don't have a prior obligation to _____. If people can quantify that — that it is prior obligation and what I would be interested in knowing whether we're throwing out the baby with wash here. I mean what percentage, what are your uncollectibles in Washington and what the ____ is prior obligation and what has _____ happened in Washington. I know in rate cases that we've looked at _____. Maybe some direction from staff rather than just give us information, maybe there is some ____ empirical information that makes some sense rather than just the bald face that collections are ____ more from the uncollectibles _____. I guess people don't not pay their bills because they have the money and they're going out partying. People don't have the money. [Tape inaudible from here to end -- only notes from secretary] The State and Commission have the responsibility to try to look through their policies that people are able to maintain this basic service. There has to some

commitment on the part of the customer. I'm very concerned. They don't have a job two months
[end of Tape 3 Side A]

[Begin Tape 3 Side B]

PC: [Tape inaudible] What's more interesting to me is the distribution of customers. But you need to show me that in some way that I

MK: Just following up on the data, I've always been interested on what percentage of the \$600,000 or any of the other amounts here are attributed to low income and why and what data there is. My experience with other utilities is that that data is not collected _____. So, there's always been a lack of data _____.

NH: I agree the data is necessary. We can provide that. We have a fairly new system and since it's been implemented, we track this separately. It's all collected separately -- it isn't about the \$600,000 being lumped with anything else. It's all very clear and I think that your point is a good one, but it's difficult to track low income. But one thing we could perhaps look at is people that have received energy assistance or other agency-kinds of payments assuming they qualify for low income. We could pull some of that stuff, so we're happy to do that. But I disagree that people pay because they can't. We have a lot of people that can pay and won't pay. There's four different categories and one is the unwilling and able category. To generalize that we punish low income customers is really, I think, incorrect. We have all kinds of different customers.

DM: Well what I'm hearing so far is in the discussion is that everyone recognizes that there are categories of non paying and some of them might be thought of as the people who are unable to pay because of circumstances beyond their control whereas others might be put in the category of those who can pay but won't pay. _____ and it does also seem to me to be consensus in the group that these two sets of _____ might be treated differently and that there's a need to capture a _____. Further, what I'm hearing is that there is a need for information — the data. _____. It also seems to me that it might be useful to do some follow-up in that regard _____.

RW: That was a great job recapping, but we didn't come back to the question that I posed -- if the prior obligation rule were to remain in existence, would it be an acceptable means to add to the rule that the balance that we disconnected for is the balance that we then make arrangements for -- that the customer's expected to pay and in the event that they are not able to, we're able to disconnect and again they would be half deposit. It isn't that they would be ever permanently denied service — that we would have a deposit that's collected for reconnect. We set arrangements. If they break the arrangements, then the account's disconnected again. We would apply the deposit, a new deposit would be requested and then set new arrangements. It isn't that that balance that they were ever disconnected for is just non collectible ever again — that's what I'm trying to express. And I don't know if that's something that is direction towards trying to come up with a solution, but I think that's really what we need to come up with. I know that the data will help identify that, yes, you're right. Your collectibles are this and you're right ___ that because of certain reasons and yes there's low income over here and we've got people that are just not willing, but really what we need to come out of these rules are what are we going to do about it and how are we going to move forward with ideas and ways we are supporting everybody's needs and getting some finalization and conclusion to what we're trying to accomplish here.

- DM: Okay, I think was well stated. I think it captures the underlying problem which is the need to recognize here that both satisfies the companies' need to have arrangements ____ be able to place arrangements into place and that will allow ____ collection of that money ____ yet at the same time satisfy the consumer's need to not be without an important and basic and vital service. Inaudible.
- TT: I think I'm a little confused. Right now, not even speaking about prior obligation, when a customer gets past due, then normally the company makes arrangements and the customer doesn't follow through with that and it doesn't go into prior obligation for whatever reason, then the customer gets disconnected, customer pays deposit, half a deposit, reconnection fee, and gets restored; they can make payment arrangements on the balance owed, what is the difference between what you're proposing here and what the normal practice there is?
- RW: Currently, we are not allowed to ever disconnect for an amount that we had disconnected for in the past. That's the dollar amount that was due at the time of disconnection — what we consider a prior obligation. Moving forward, what I envision or what I'm trying to describe here is that account balance is a collectible balance -- it's just we aren't going to require it for reconnect -- we'll accept half deposit and work out a payment arrangement. And so it is something that is included in future disconnect notices -- it's a balance that's collectible -- it's due from the customer. If they never pay and they move away, of course, it would end up going to a write-off situation, but it isn't something that we no longer ever address or ever expect the customer to have to pay.
- TT: But the customer can be disconnected for it if they don't keep their payment arrangements. To me, with all due respect, that's saying we're doing away with prior obligation and we're going to continue disconnecting the service unless the customer keeps the payment arrangements. And that to me -- I'm hearing that as not any different than, say, a brand new customer never had a past due before, that there's no prior obligation any more, they can be disconnected, they can be reconnected, half deposit reconnect, and that past due amount keeps coming -- I mean it's still attached and if they don't pay, they get disconnected again.
- RW: In the current rule it says the utility cannot permanently deny service. Permanent deny would be to say we're not going to reconnect you because you owe for a bill. To me, if we accept to reconnect for half deposit, we have not permanently denied service, but we work out payment arrangements, and maybe that's where the six-month mandated arrangement comes in or amount or time frame that's written that if they're disconnected for non-pay and they're considered a prior obligation, that that prior obligation is a required set of arrangements -- you allow them X amount of months to pay it off and if they break those arrangements then they should be able to be disconnected for and go back to half deposit.
- LL: The second sentence on this is a definition of what the prior obligation amount is which I think is an excellent idea. However, I disagree with the definition for a number of reasons because by adding the amount billed to the customer which could include a bill that was mailed the day before — the customer hasn't even gotten it — and he's disconnected, it encourages companies to tighten up on their credit policies, especially to anybody that has gone prior before. They say, "No, you cannot go beyond 20 days," or something like that because it's not appropriate for us to make any further arrangements because we know we're going to lose on this customer. So, we'd rather disconnect and get half a deposit without having two bills outstanding instead of one. And

that tied in with the amounts of the deposits that we're able collected which, in winter, do not cover the amounts of the bills. If you have two bills that are now included in prior obligation, we don't recover it through the deposit and that's the idea of a deposit is to recover some of these things.

VE: I don't think that was our intent. I think what our intent was I think what we meant by the amount billed to the customer was the amount included on the disconnect notice, so if there's a bill subsequent to the disconnection notice, it wouldn't be prior obligation.

LL: That's been a topic of discussion in the past -- in fact I got a legal opinion at one time as to what could be included under this rule and our attorneys said it was only what we had put on the notice that at the time Commission staff's position it was anything that had gone out the door to the customer.

VE: Okay, now what our intent was the disconnect notice amount, so we can clarify that.

BF: This morning you asked us to remind you to take the language on page five and definitions of prior _____ and include it in _____.

DM: Okay and so we did have some -- there was a suggestion this morning with respect to the general rules _____ there had been some comments and suggestions and included in the term prior obligation and there was another term, too, proper charges. This came up this morning and committed to this _____ would be the time to comment on those as well. [Inaudible]

LL: On the definition of what amount is included in the prior obligation, it's my feeling that it should be limited to energy amounts as we're all talking about here -- the requirement to have electricity there. We bill other things also that I think we should get paid for like installing a new service to a house. We've had people building a brand new house, go prior obligation and they don't pay for their service to their house. That's happened and I don't think that's appropriate. If they've got money to build a house, they're just choosing not to pay us. Or if we don't bill merchandise any longer, but I know that _____ but I know we're still billing some -- but that should be separated out even though they're tariff charges it seems like we should be able to collect those because we're talking about the energy service being aware of threatened to disconnect for charges _____.

?: Inaudible.

LL: To not have them included in prior obligation -- in the definition of the amount that's prior. So if they don't pay for their _____.

[The following comments beginning with LL and ending just before CR speaks are all inaudible with only secretary notes as shown. Please note that the inaudibility of this tape is due to the fact that those who could not be heard were those who did not speak into the mic. I was able to hear anyone who came to the mic to speak, but for those who did not, the static from the machine made voices inaudible when speaker did not use mic.]

LL: Linda's telling me we don't disconnect for merchandise right now. But on a service line, we do disconnect for it and . . .

DM: So you would

LL: That should be separated out. We talking

MS: So you're wanting to be able to disconnect

LL:

MS: I know in some other areas like in phones you can bill. I guess I'd view .

LL: ON a sur

MS: I kind of like that to be talked about a little bit.

DM:

CR: I guess if nothing else is done in prior obligation and we need more time to study this issue because we have some of the same concerns that staff does about the person that's truly in need and how to get to that person. Perhaps we could at least look at limiting it like we've suggested to once every 12 months so you don't have the repeating prior obligation or also limiting it to just residential customers. Because now the way the rule reads, I assume commercial customers — industrial customers — could use prior obligation, so at least if we could do that, that would be appreciated.

MK: It seems to me that the system is working pretty well as it is. If you look at just the dollar amounts with prior obligation and you take the low income incidents in the population out of that, it's \$100,000 and you look at that in relationship to the gross operating revenues and so forth, it looks like that most, I mean, the very great majority of people whether they're low income or not, are, I think, this is working, and the only problem I have about going back in collecting money even it's spread out over a period of time, it's a math issue when you look at people working full time at minimum wage and you look at the take-home pay and then you deduct what the average housing costs are and you go down the line with child care, transportation -- whatever -- it's not there, I mean you can't collect money because the money isn't there and so when you weigh all those things, it seems that part of the quid pro quo of a regulated monopoly that this is a small price in the scheme of things _____ gross operating revenues.

DM: Okay, unless have something that's truly new, we've been on this for an hour and fifteen minutes and _____ moving along _____.

PP: We'll be happy to pull together whatever data we have.

MS: I know that on the phone side you're not allowed to disconnect for _____. I would hate to see us go down that same road. I would like to know if anyone currently bills for _____.

DM: [Tape inaudible] I think we heard from PSE .

RR: [Tape inaudible] I would just like to make sure that staff has . When WWP, WNG and maybe Puget. I believe I'm correct that these people tend to pay their rent and utilities because they

view. I'll

RW: In response to Matt's question, we do have products and services that are billed on our customer's bills, but they're never included in disconnect notice or disconnected for or anything like that — they're separate — in fact that's within our computer system.

?: We used to have products and services. We're back away from those. They are billed, but we do not disconnect for those.

OK We don't in the state of Washington; we do in the state of Oregon, but we do not disconnect for those _____.

DM: Okay, we've taken such a long time on this, it would be a good time take a break for _____.

****BREAK****

WAC 480-90/100-076 Service Responsibilities

DM: 480-90-076 Service Responsibilities. There are a number of comments on that from various stakeholders and staff is going to respond.

VE: Maybe we could put it over until tomorrow?

DM: Okay, well, I'll apologize today so those who perhaps cannot attend tomorrow who wanted to discuss it and give him the opportunity now _____ any additional comments they might have and staff apparently will be better prepared tomorrow to respond _____. Does anybody from the stakeholder side wish to comment further?

SK: [Tape inaudible] Kind of dealing with the master meter issues. Not getting into the position of . Three or four years ago we went through where . We want the customer to be on the line.

DM: Some obligation for the customer as well. [Tape inaudible]

DL: [Tape inaudible] That's one of the concepts that we had under 046.

WAC 480-90/100-161 Complaint meter test

DM: We'll with that we'll [tape inaudible] and we'll go then to the other one that was identified to _____ scheduling and that's 161 which those of you with page numbers, it's 52. That involves the combinations of several additional rules and perhaps some other changes as well and we did have a number of comments from the stakeholders on this _____.

PS: I think the difference in number one of this rule is the part about testing and reporting to the customer the accuracy of the meter within 10 business days, and I believe the original rule had 'initiate' and we've changed it to 'test and report' and that has basically put into the rule what we have always practiced historically on complaints that report back and we've always, if there's been a problem with meeting with the customer or, you know, because it must be there that, you know, we've always kind of given a little bit of room to the companies, but, yeah, that kind of just puts into practice our policy.

- DM: Any comment on that ____?
- PP: Especially for the gas side, I guess if we've always had the latitude, then I'm not sure why it has to go away.
- PS: I think we're clarifying what we have done.
- DM: I think the ____ staff is putting into rule what is a fact or practice and capturing the unwritten policy in writing. Does that clarify the point Phil?
- PP: Well, in our comments on staff's initial draft, you know, we commented that we're generally kind of concerned with trying to capture practices that go beyond what the requirements to the rules are in this kind of a rule making process where we say, okay, well, in practice we've gone beyond what the minimum requirements of the rule are and to now try and capture as rules, you know, would start to create questionable incentives for utilities to continue to strive to do better than the minimum requirements for the rule and that's basically the reason why. I mean, I'm not sure if there's a problem with the current rule.
- PS: Well I think there's a timeliness that is important when there's a meter, you know, so I think it's important to be timely on matters like this.
- JM: [Tape inaudible. The following are secretary's notes] With a Commission complaint, you don't test the gas meters in the filed. For the gas meters you have to remove the meters and replace it. Typically we have a weekly it could easily be two weeks before we see that meter and have it tagged. Something with a little more time. What you're requiring there is special handling of a meter
- SK: [Tape inaudible] There's a customer coordinating issues. You usually try to coordinate it with the customer. Ten days could be very tight.
- PS: Well, we can look at that stuff — yeah, that's fine.
- CR: I think we're the ones that recommended a little more time -- 15 to 20 days and the basis for that is like you said with the coordination with customers, oftentimes it takes longer than the ten business days. And not only that, we need to coordinate the meter test when the customer wants to be there, but then after the test, we send a letter to the customer that tells the results in real plain language, so there's no misunderstanding, so that's happens after the test and we feel the 15 working days is probably the minimum that we could accomplish this. It's also the 15 days is part of our merger commitment in the ____ Power merger and the whole company is planning to that 15 days. Lastly, we've got other state requirements, like Oregon we have 20 working days, so I think the 15 would be for us a very good compromise.
- DM: [Tape inaudible] I think staff has that point in mind and
Let's look at number two.
- MS: [Tape inaudible]

PS: Northwest Natural had a comment that staff thought that was okay. We had no problems with that comment.

DM: Let's move on to three.

PS: Two comments from two representatives and the first one from PSE. That was fine. So yeah, number three had _____. That comment was fine.

DM: Doesn't look like we had any comments on four let's go to five.

PS: Public Counsel had some comments and I think when I reviewed the comment, I kind of thought we always had done that in the past. They had a comment about — we always — I agreed — I thought — I think they were confused, or I was confused.

DM: Well, let's see if we can clarify the point.

PS: No customer should ever be disconnected for a past due amount ___ meter accuracy.

DM: Inaudible.

MS: Inaudible.

VE: Well, can I. Currently, if a meter — even if a meter has been to be inaccurate and the person ___ the company is about to back-bill the ___ and _____.

TT: The reason we allow the companies to back-bill is because the statute refers to discrimination rates and we use that as the basis to allow the companies to back-bill.

VE:: Our legal statutes told us that — but if you know an amount is due from a customer like you have an obligation to _____.

RR: [Tape inaudible] Was this a recent legal opinion from your legal staff?

VE: No.

MS: 1970's, I believe.

RR: The statute oddly says that you can't discriminate on rates and what they are meaning, I believe, in that section is that you can't charge customer A and then give a promotion rate to customer B. This is a situation that is not -- I don't think that statute intended for that. I was just curious about it. I mean I have talked to the lawyers about that, but I don't think that statute is applicable here because you are discriminating. The company puts a meter in, they give all this literature and says we'll try to keep our ___ as accurately as possible. The customer relies on it, ___ have a contract paying their bill, so then all of sudden for there to be a mistake and the customer being forced -- actually, I have a recent case -- I can't remember, it went back two years — and the person came up with a \$2,000 or \$3,000 bill which was a huge back bill and it seems to me that there's some contractual obligation -- the customer is paying his bill, ___ and all of a sudden there is this huge error — does the customer maintain the meter? Does the customer certify that

the meter is ____ accurately, or does the company say, "We're installing the meter and to the best of our knowledge this is working fine." So, I have some doubts that this is a discrimination rate. I mean if you look ____ history of the statute it talks about ____ it would be basically unfair to ____ promotional rate with one customer in order to get ____ not to someone else. But I wonder how far — is this a new section on the rule that says that you can't go back more than six months — is this something new?

VE: Yes, The six-month limit is an addition.

RR: I guess what I would ask you to do is ask you ____ to find out whether he ____ that to be an accurate interpretation ____.

VE: We'd be happy to do that.

DM: That's a useful suggestion.

LL: Is it the intention that this apply only to inaccurate meters, but does it apply to stop the meters? Where I think the customer should very well know that their bill's wrong.

RR: So you would be sending them a bill but it would show no use.

LL: But maybe we go out and check and there's no lights on, so we think, "Oh, they must have gone on vacation." And after that initial time, we don't check again.

RR: I think is an area that we ought to have some discussion compromise on. I mean, I'm not opposed that — in the situation I had, the person lived in a mobile home park, he had three kids, he was disabled and in a wheelchair and he had all of a sudden a \$3,000 bill and ____.

LL: I can understand that and it's always PSE's position on those types of situations if their backed only for two years, we extend arrangements for two years.

RR: I think that was the situation, too, but it was still -- I think that's included in the rules now.

SK: I just wondered if PSE's comment was clear. Throughout the rule it's talking ____ [tape inaudible]

TT: And we understood that unless somebody else had some questions, but we understood that.

DM: Okay, that would bring us over to six then. There are a couple of comments on that.

PS: It's new to gas but has always been in the electric, so we were just trying to do it now to have some consistency.

CR: Even, if it's been around awhile, I'm not sure what value the customer has in getting the meter manufacture name and the meter number, and the manufacturer number . We've been trying to design a letter that's simple for customers and easy for them to understand, and gives information they need and these two features aren't included in our list and I'm just wondering, is it necessary? Can we eliminate it or is there a reason?

PS: Actually, the Commission may require that you provide us that information; you wouldn't necessarily have to provide that to the customer.

CR: So leaving it out of the letter would be okay.

PS: I think that'll be fine, yeah.

LL: We had an earlier discussion about the manufacturers and Utilities meter number that sometimes they're one and the same, and maybe it would be more appropriate to say manufacturer or utilities meter number?

DM: Okay, anything else on 161? All right, what we'll do then is go back now to the beginning and take 041 and that's Information to Consumer.

WAC 480-90/100-041 Information to Consumer

PS: Public counsel commented and on number one each gas utility must provide the information needed for its customers and applicants to have obtained adequate and efficient service, public counsel added all types of information described in this section shall be provided upon request to customers that listed business offices. It think that's what your main focus is on that comment, is that the information provided at the business offices and that was what it was stated in the existing rule, right? And you would like to retain that?.

MS: I was working off the information we had last time about the difference between the business office and _____.

PS: Payment centers? Payment agencies?

MS: Inaudible.

TT: And staff agreed with that -- that's pretty much what the current rule has, so unless there's some objection to that. So you're just asking for the information to be listed -- business offices?

DM: Okay. Any comments. Let's move on to two where there are a number of comments.

TT: PSE had comments about adding the utilities processes rather than our verbiage stating the rules that relate to establishing credit using processes in that and processes is an existing rule now and we were okay with going back to processes, so unless anybody has any questions about that? CTED asked for brochures that the brochures be produced in foreign languages available for distribution, so we're going to open that one up for discussion.

OK: What foreign languages and where would we get the information in print?

RR: [Tape inaudible] Does PacifiCorp do in Spanish

CR: We do some of our brochures in Spanish and also I think on some of our notices might have that also. And we do it in the service areas as needed depending on the population. I think it would be preferable to us -- this is something we do for customers and that we want to do and maybe it's

as needed because I'm not sure that you could just say it's a rule that you need these languages.

LS: We provide information via different languages when the customers come through on the telephone system or if they walk into a walk-in center. We do have a language bank available that we use throughout the company, so while we may not publish all of our brochures in different languages, we certainly have the availability to help the consumers.

?: Lengthy inaudible discussion off mic.

MK: ___ consumer brochure does the utility have the responsibility of putting all this information in there, or does the Commission have some generic consumer information that applies to all utilities and then the individual utility in addition to that adds on its own?

TT: We don't provide any information ____

RR: What are the little pamphlets?

TT: That's our Commission pamphlets and brochures that we have written to hand out to consumers.

RR: Do you provide those in other languages other than English?

TT: Spanish, anything else?

MK: ___ there's core information that is generic to all the utilities and that's the responsibility of the Commission and beyond and above that, the information that's specific to the utilities that they do that so there's consistency throughout the state.

DM: Inaudible. Okay, we covered some language points. I think there's some ___ perhaps.

TT: Northwest Natural pretty much clarified some of the language stating in number two just changed detailing to 'that explains' and adding 'at a minimum' for their brochure and we were find with that. [Tape 3B ends]

MS: [Off tape].

DM: [Off tape] Just editing the sentence.

[Tape #4 starts here]

?: Inaudible.

TT: Okay, so you are adding that -- or you're moving it to the end. Okay, any comments on that? Cascade is saying that some of this information is already detailed in the billing requirements and it's not needed here in this rule. This rule is for applicants who have not received bills yet and that we thought . . .

JM: Yeah, I see that and I just think that she didn't notice that when she wrote . . .?

TT: So you're retracting that?

JM: Yes

DM: Okay, let's go on to Subsection 3, then, and we again have a couple of comments.

TT: This one has to do with at least once a year, the utility must provide a bill advising its customers how obtain several different pieces of information. And CTED has added 'between September and November' in there because that is when customers need that information most, and so they're advising that's when the information about how to obtain that information is provided to the customers. We're open to that and open to the companies' response to that.

DM: Inaudible.

CR: First off, on number three, I think we provided comments earlier that could we do this in a bill message -- did it have to be a bill insert? I still don't see why we need an insert and why we couldn't use a message and . . .

RR: What's the difference?

CR: You put it right on your bill. I think people might read it more than the inserts that just get put in the recycling, but I'm not sure. Secondly, I see where CTED's trying to go with the time frame because of the agency information and the heating issues, so maybe instead of getting so specific - - actually it would be easier if we did it on a bill message during the those months, but a bill insert is tougher because we have slots in our bills and we have certain -- they get full with many different things that are going out, and it might be tough in these three months to make sure that you have the slot for this, but a bill message would be a lot more convenient for us. And lastly, with regard to the list of programs available to serve low income energy households, I'm not sure that we know the programs, but we know the agencies, so maybe we get together and make sure that we've got the agencies and the phones and where people can go?

HP: I'd just like to echo your comment about needing to retain some flexibility in how we actually communicate to the customer as to the availability of this information. We also have the same situation in terms of slots in bills and physically actually inserting a message during a particular time frame during the year could potentially cause hardship with other required information that we need to convey, so having the flexibility of either doing that as a bill print message or having no time frame restriction would be of benefit.

TT: One additional thing that they've included in here is they're saying that includes an information request form. Do you have some comments on that?

OK: I think that would imply that it would have to be an insert and we're trying to get away from that if possible. Probably a number to call -- a telephone number would be more appropriate.

DM: Inaudible.

TT: Public counsel asked again about the multiple languages -- providing this in multiple languages. And also, provided in multiple languages and districts designated by the Commission. And a

copy of their consumer brochure provided in multiple languages and districts designated by the Commission. We wanted to know what are districts? We weren't sure about districts.

MS: [Tape inaudible -- notes only] The sense was that we had some success during the merger.

DM: [tape inaudible -- notes only] The underlying issue is

MS: You guys know better than I do where those customers are right now. [Tape inaudible]

TT: Is this a different situation than what we were addressing before? We were talking about customer information before?

MS: [Tape inaudible -- notes only] Maybe it's just put in

TT: Is it the same thing?

MS: Yes it is.

TT: Maybe on my sheet, it's just put in the wrong place, okay.

DM: Okay, let's move on to four.

TT: PSE and Northwest Natural actually had similar. I think it's clarification about our high and low billing periods. We had in here a clear summary of the high and low billing period provided to the applicant. And there was some questions about that and we took note of your comments. And I agree with the comments unless someone else has some questions that you're just providing the high and low and not a summary of the high and low per quarter, but just the high and low for the year, is what I am understanding you to say. If there's further discussion on that, we'd like to hear it.

OK: We would just like to concur with PSE that it's probably more appropriate that it's the gas bill amounts as opposed to the gas usage. We left usage in on our comments, but what we would provide would be the high and low gas bills for that customer.

MK: I think it's useful quarterly and seasonally for consumer education [tape inaudible].

TT: Any discussion on that?

LL: I agree with your comments on affecting their behavior, but in the past I know we had concerns about giving out this information and it affecting, say, a real estate sale and that we would then be involved in litigation because the seller didn't like us giving out his information to the buyer.

MK: How would the quarterly versus annually be [tape inaudible]?

LL: I think quarterly is providing a lot more information and a lot more data where as just giving the high and low in round numbers, you don't know how many month and applicant doesn't know how many months are at that high level and how many months are the low level -- maybe 10 months out of the year the average high is ___ two months out of the year ___ commercial

business or something like that.

RR: I guess I'm not following. Are we just talking about energy usage and how much they use and the last quarter what the high was and what the low was _____?

LL: Yes

LS: Normally, what customers do, they want some kind of an idea of the billings of the house and so by giving them the high and low, I've never had anyone that wasn't satisfied with that. You know, if you just told them, well the low bill for the year and they usually say, obviously, that's summer usage, if it's a gas bill, and you say yes, you know, and the high bill in the winter was whatever it was -- obviously that's winter bill. And they have always been comfortable with that. I've never had anyone ask me for anything more specific than that, so evidently that seems to satisfy what customers are looking for, so they'll have some idea of what to expect..

DM: Anything else on that one? Can we move to five?

TT: Number five has to do with the customer rather than the applicant requesting account information. Northwest just added the previous 12 months, so they wanted to fine tune the time frame of that and we were okay with that, unless there's some questions on that.

OK: I think 12 months is flexible. The underlying thought here is there may be some limitation as to how much information we have in our system. It could be that three years might be available, but certainly I think it needs to be defined about how far you do go.

DM: Looking at six.

TT: In our last stakeholders' meeting it was suggested that the Commission should obtain all the information -- and I don't know exactly the right words that was used, but it's basically the brochures, the pamphlets, the bill inserts that the companies are providing to its customers and we talked about that at great length and we thought that when it really had to do with regulated services, not so much if the companies are selling a radio or something like that, but really what it had to do with regulated services that it would be very helpful for us to know what the companies are providing to their customers because many times we get calls from customers saying, "Hey, we just got this in the mail and what's this all about, okay? We don't know." And so, it would be very, very helpful for us and PSE has some concerns about that -- why we were needing it and that's basically why and I added -- and I don't know if it's helpful to you or not, but I did add in my writing here that it should just be limited to the regulated services, not to anything else that you're offering. So, it's mainly like maybe the bill messages -- something just to tell us what you're telling the customer so we kind of get a heads up and then it's not that we would maintain that for 10 years or anything; it's just, you know, we would file it and then flush that out as time went by, but it just helps give us a sense.

LL: I think that's a good goal; however, I would think that it would be hard for you to read -- if you're going to use similar language in all the rules of water and telephone and everything -- to read all the inserts that go out from all the companies and be aware of what's in them.. I think it would make more sense to provide them on request and then we'd always be glad to fax a copy down of anything or something like that.

SK: [Inaudible on tape -- notes only] I was just hoping we could go back to 480-90-46.

SK: [Inaudible on tape -- notes only] It was previously defined . Was that an intentional change or unintentional. Reestablishing service. That's a little bit of an ambiguous.

DM: [Inaudible on tape -- notes only] We may not have anybody to respond to that today.

SK: [Inaudible on tape -- notes only] On number 5 there's already a WAC rule and we were just proposed to keep this consistent. To specify .

DM: [Inaudible on tape -- notes only] I'm going to jump ahead to 081 Service Connections. We had some discussions about 081 and 086 this morning. There may some further discussion now.

SK: [Inaudible on tape -- notes only] I think that logs into

KW: Inaudible.

DM: Inaudible.

KW: [Inaudible -- notes only] Did they get a copy of revisions.

DM: [Inaudible -- notes only] Maybe that can be circulated tomorrow.

086.

WAC 480-90/100-0 91 Access to Premises.

Let's go ahead with 91 Access to Premises.

PS: This is just the access to premises. PSE had some comments. This basically revolves around when you do work on an easement restoring the property back to the way it was before you started the work and PSE has some comments and I guess I'd just like to open it up for discussion.

VE: One of PSE's comments was where____ and this is actually something that we get quite often in complaints and so that's where it came from.

TT: The complaint, basically, is that the company has dug up the customers' property and then leaves a mess. I mean, that's just kind of blatant what it is. But in looking at this and kind of discussing it further and trying to figure this out, we know that there's easements, we know that there's right-of-way, we know that customers have their property that they pay taxes on and that they're trying to keep up the value on their property. We don't have a full understanding about the easement and who maintain that. I mean, is that on customer's property, what's the right of way -- we really don't have much understanding. We really want to be educated. When the company does go on customers' property, who's really liable here for that? That's the discussion we're trying to open here.

PP: You're right this is a big, this is one of the reasons why we're hoping not to have to deal with the rule because this is a very difficult kind of issue. And one of the things that we had thought, you

know, originally going back is that it can be difficult, you know, when you're trying to deal with somebody putting an extensive amount of landscaping in an easement on their property (and sometimes customers don't realize that), but it can be very difficult when someone puts an extensive amount of landscaping there and then we're kind of sitting there looking at it and saying, "Oh my!" People who do that kind of work for our company really try to avoid damaging people's property to the full extent possible because they're the ones that are right there in the customer's yard and they have to deal with the customer face to face. It's trying to kind of balance those things of saying — it's difficult because the customer's the only one that has control over how much it's going to cost us and thus other customers to pay to restore the property. It's not like saying we're saying we don't want to do it The other issues that have come up when talking with different folks across the company our issues with driveways which get to very difficult issues sometimes when you're talking about a, you know, imported hand-laid marble driveway from Italy kind of thing where the driveway actually extends beyond the customer's property into public right-of-way. Certainly, we try and restore the property, but once again, I don't where they got the marble from Italy kind of thing. I'm not sure if there's a need to have a rule like this -- certainly the customer is always going to upset and even if we had this rule, you're still going to get customer complaints, I'm sure.

PS: I think the majority of complaints we have are not that the tiles have not been put back in the driveway — it's that the holes are left in the middle of the Beauty Bark and they're not put back - things like that — we've gotten very few that there's been a problem with their trees not being replaced.

DM: [Tape inaudible -- notes only] I see there's some suggested alternative language here

PP: Inaudible.

DM: Inaudible.

RR: So the person complains that PSE did something inappropriate to ____ easement _____.

PS: That is part of the problem that, you know, normally we don't go out and do a site visit, but, you know, we'll call the company and ask them to go look at it and those are the difficult ones.

RR: That's the important thing — you try to say to the company, we . . .

PS: We try to mediate as best we can, yes — that's the extent of that. Customers have sent pictures, you know?

RR: Do you assess damages?

PS: No and that's the hard part, yeah.

DM: Okay. Does that cover the _____.

PP: We also recommended deleting on the installation of property side simply because when you, well, Lyn can probably speak to that.

LL: And I don't know if this is true of the other utilities, but under our tariff, the customer is responsible for providing the trench and restoration on the initial installation so that's why we wanted 'installing' deleted because our tariffs would then conflict with this rule.

VE: Inaudible.

LL: We do the installation; the customer provides the trench and fills it back in according to our specifications.

TT: Are we mostly just addressing performing maintenance?

LL: I would say that a majority of the claims that you get are maintenance work, not installation work because contractors know what to do or they think there's a problem with the restoration that they think we should be responsible for because on the right-of-way it's probably our responsibility to do the backfill in some situations.

WAC 480-90/100-xx5 Customer Notification

DM: XX5 Natural Gas Customer Notification. [Tape inaudible]

PH: To respond to NW Natural's comments. Staff's proposal is to remove customer notice requirements out of Chapter 480-80-120 and put them into individual industry's chapters. PSE's comment is that section two does not appear to include any exceptions. I agree that it's not really clear on what the intent is. The intent is you do one notice -- not prior and one after. If the criteria meets subsection two for after Commission action, you would not have to pre-notify those customers, so it's kind of a choice. If the company wanted to you're not precluded to pre-notice those customers either, but that's a choice that you would have under this proposal. Public Affairs is requesting a copy of the customer notices for the same reason as we talked about earlier, is I receive all the customer calls from the customers on company's proposals and a lot of times I work with the companies -- but not all the time-- on notice and my notices are all crossed out, x'd off and drafts and I never get the final copy and so it would help me respond better to your customers and answer their questions. Subsection three 'notice assistant' has been changed. The intent was not to mandate. The intent was to offer assistance and we've changed that. I think that's all the comments on this issue.

DM: Does anybody else have anything else on this proposed rule?

PP: We didn't make a whole lot of extensive comments on noticing provisions because I think what we were hoping to be able to do -- and that's why I'm thinking this isn't one of those little "fellers." Yeah, but what we were hoping to do is to try and -- the existing language which this is somewhat structured on is pretty cumbersome. We were hoping to kind of back up a step and talk about the reasons why you notice customers and the cost effectiveness of the various things both why you notice them beforehand or why you notice them afterwards and how -- those sorts of things. So, that's why we didn't make extensive comments because we were hoping to kind of take a step back and look at that from a bigger picture kind of approach.

DM: Bruce, would it be better to hold your comment and thoughtfully respond or go ahead ____.

?: It ties in.

DM: Go ahead.

BF: We also didn't have comments on this section because we wanted to have the discussion on what the intent is. The clarifying question we would like to pose is currently we have a 30 day effective notice to tariff changes. It appears, if I read your rule that this would turn it into a 60 day notice rule. We wanted to have a dialogue around what we want to do and what's on this.

PH: The reason for customer notice is to educate your customers on what companies are proposing in front of the Commission that may impact them, give your customers an opportunity to choose to be involved in our processes here at the Commission. The clarifying questions from the company on their proposals and things like that and from the Commission as well on our processes and how we do things here. This is nothing new. This is something we've done for years and the industries have all done these notices as well. It's to inform, education and involve on the issues and the proposals through the companies. What triggers the customer? A company's proposal, you know, that has impact to an existing rates, rate increases, and things that may impact a customer service. They don't make the proposals; the industry does. As of the 60-day notice requirement with Avista, this has been something that the Commission has done for years and your requirement is 30 days prior to the effective date and how the company does that is up to the company. For example, US West currently when they schedule a proposal, it's part of their planning process and what they do is they go to their billing cycle — they go to the last half of the billing cycle and that's where they start their notice from so that they can assure that their customer's get 30-day notice prior to the effective date. There's another way the companies can achieve that is because your billing cycles is what's causing the problem with the 30 days prior to. You could use bill messages, bill inserts, direct mail. You could use inserts for most of your billing cycles and in the last two sections, direct mail those customers to meet the requirement. There's different ways that you can achieve that and I guess I would throw it back on the companies — how have you met this requirement throughout the years? I'd be interested in hearing that.

OK: Not to question that staff has not understood that this kind of notification has always been required, we were not familiar with it until about two years ago because our notification had been limited to a posting in this offices. There can be extensive costs associated with doing the bill insert and/or a direct mail. We have a smaller customer base here, but I know that most of you don't, so I think that needs to be taken into consideration is the issues associated with this kind of notification.

BF: The rules proposed says 30 days notice prior to request ____ the company _____. I have thought the current rule was 30 days prior to effective date. Am I mistaken ____ current rule? There seems to be less clarity around the current rule and more clarity around what you propose is what I'm suggesting which is how I go from 30 days to 60 days.

PH: Can you say that again? Sorry, I was _____.

BF: Your rule says 30 days, basically, prior to us filing.

PS: 30 days prior to the requested effective date of your filing.

BF: If we have a 28 day billing cycle. We need to have all customers notified in those 28 days prior to us filing on 30-days notice. That's how I read your proposed rule.

PS: Right, it's very burdensome. It's kind of ridiculous.

BF: And as I see it, this substitutes for the existing 30-days notice required by RCW and actually current WAC as I read it. So what I'm trying to do is clarify how two mesh.

DM: When the utility files for a rate change let's say they file on October 31st for a rate change to become effective on November 30th -- that would be 30 days. In theory, you could send out a special notice on October the 30th and meet the requirements of the rule. Or, and this is perhaps where the problem comes in, if you include that notice in the customer bill, some customers are getting billed back on the 2nd of October or 5th or 15th, and so that adds days -- you have to add the 15 or 20 or almost a full month perhaps. Is that the problem?

BF: Basically, yes. Right now we file on November 1 for an effective date of November 30th. As I read your rule, we need to start the billing cycle on October 1 and run through a full month before we actually _____.

MS: Inaudible.

BF: We're posting tariffs in the customer payment locations in our outside offices. When it comes to rate changes we run it through cycle coincident _____, so we file for a rate change on November 1, we basically start the billing cycle _____ rates be changed at that same time, so there is a 30-day effective notice. Granted not all customers receive 30 days notice in the mail, but that's how we've been running the thing so far.

VE: When is your last billing cycle of the month?

??: So somebody can get a bill on October 30th and it says your rates are going to be changed November 1st?

BF: [Tape inaudible] from a practical standpoint. What we're really talking about are what I would all call maintenance tariffs -- a little this a little that, but yet what should be a 30-day effective notice appears to be a two-month deal and _____ small tariff change, the cost benefit that Phil was talking about just doesn't seem to be there.

DM: Is there a practical problem in terms of your planning horizons and time frames to do it, let's call it thirty days earlier? Is that a part of the problem here?

BF: It's not for a major filing because we build in plenty of timing and planning. It's things that come up that just need to happen. About the time we have an idea and it's made it through the company and the right tariffs is approved, that's about the day we come up with the rate and terms and we file it. It's not as if we've got the six-month master plan and we know that in month three we're - - so it's more just routine _____ filings and _____.

DM: I think I understand the problem _____.

- CK: [Tape inaudible -- notes only] I think the sixty days that Bruce is talking about. They take sixty days to get the last notice out. This would be particularly cumbersome. But it's a routine filing that a company makes
- PH: On PGA issue under the draft that would be an after-the-fact notice that would be like a bill message on the billing where the rate changes because even if we heard from every customer on a PGA filing, it probably would not change the outcome of that with the way that those filings are structured, so under this draft you wouldn't pre-notice those customers.
- CK: [Tape inaudible -- notes only] The need for the notice at all. It is provide
- MS: [Tape inaudible -- notes only] Public counsel does not have an extensive mailing list.
- CK: [Tape inaudible -- notes only] One of the reasons for public counsel involvement is to . Given that as long as public.
- MS: [Tape inaudible -- notes only] My point is if you are continuing to close business offices then you are by default. One way or the other I'm not very excited about that.
- CK: [Tape inaudible -- notes only] Because it's very expensive . Even to send them. I think there's a point here where it's not a
- OK: Maybe there are other alternatives to notification, possibly newspaper notification requirements . We do this in Oregon where we notice in the three major newspapers within the area. That is a much more cost effective method of notification than a direct mail or bill insert. Possibly, inclusion in a radio ad or some other thing that's already planned or beam or electronically on the Web site. Maybe there are other ways of doing it that are just as effective besides direct mail or bill inserts.
- MK: Notification to every customer, I think, is a basic need for things that affect their _____ life _____, but I imagine that there's probably some variations of need on different types of tariff and who they go to and lead times and so forth. I'm reacting to ___ rate increase of decrease _____ versus some tariffs that don't directly affect the residential sector and so forth and figuring those out and I think there should be some way to meet some of the concerns here on subsets of this list. They shouldn't necessarily be treated all the same.
- DM: Tape inaudible.
- BF: I'd like to take that idea and run with it. There's really two reasons for public involvement from my perspective. One is to let customers know that prices may go up and have a chance to influence the process and that's really what you should be looking at. The second reason is for more arcane filings, some of our better ideas as staff and Matt and Michael know have come from our stakeholders — what I would call our expert or interested stakeholders. And it seems like every one of our filings that it's not a large rate increase. It really gets their attention. We try to CC public counsel and that's where a lot of public input comes in and so if we can kind of look at maybe that paradigm, we're a better utility from having the key people know what we're doing and influencing process. And then there's the rate cases and that's the distinction I'm trying to make and maybe there are some alternative ways to get public involvement that may not cause us

to slow down a filing or incur costs. [end of Tape 4 Side A].