

**UE-990473 and UG-990294/*-
Gas & Electric Workshop
October 15, 1999**

Attendees:

Robert Rhule
Matt Steuerwalt
Scott Palmquist
Michael Karp
Linda Strand
Ron Roseman
Lynn Logen
Julie Marshall
Lois Douglass
Renee Webb
Sandra Tinne;
Nancy Holmes
Bruce Folsom
Hilary Prentice
Phillip Popoff
Liz Klumpp
Karl Karzmar
Onita King
Paul Roy

WUTC Staff:

Vicki Elliott
Graciela Etchart
Dennis Moss
Jim Russell
Pam Smith
Tani Thurston

DM: Introduced self as facilitator, not as a judge. Workshop continues from yesterday where most from yesterday are present today so he dispensed with going around the room for introductions.

Somebody has left up here, and I think we passed out yesterday as well — this is a revised draft of 081. I don't have that down for further discussion this morning, but [inaudible]

WAC 480-90/100-xx5 Customer notification

I have prepared an agenda for this morning and I'll briefly acquaint you with that — I'm

going to have a few comments initially on the custom notice requirements that we discussed yesterday. We're going to then turn to taking up the glossary issues that we had deferred because we wanted the consumer affairs staff present to discuss a couple of terms there and then we're going to go to Rule 106,2072,071, 051. To go back to 076, there was a interest in having the Commission engineering staff present. [Inaudible comments] They'll be here by the time we complete that, I'm sure, and then well take up fuel rules XX3 and XX4 096, 161, and then finally, we'll take up 211, 311. When we get to those, I'll tell you the page number on which they appear on the hand-out — I already probably made a mistake this morning.

As to the notice requirements issue. There was some discussion about that yesterday and I spoke with Penny Hanson of the Commission staff this morning and we have some

[At about 033, Tape becomes inaudible]

[Secretary's notes] Penny conveyed that she would really appreciate getting some more detailed comments on the notice requirements.

[At 040 tape becomes audible] It might be helpful to have information about what sort of notices you've actually had to issue over the last couple of years and what sort of burdens, if any, that has imposed and sort of alternatives you might suggest with respect to those individual types of notices. Information regarding the percentages of customers you've had who've actually visit business offices versus those who are like so many of us who get our bills pay it and I personally _____ and I'm sure that might not be true of everyone.

Cost data. That seems to be the — maybe the underlying problem in terms of the various alternative billing forms and formats and so if you have cost data in terms of what will it cost if you do it this way versus what will it cost if you do it this way, that might be a factor to be _____. And also, if you have data on billing cycles and how that would impact on the _____, maybe only 10 percent of the customers will end up _____ on a 30-day notice cycle or it maybe it _____. So, I hope that gives some guidance to what Penny's looking for in terms of her work on this rule and, of course, the staff will take that up as a group as well, but she gets to lead on that particular rule.

Okay, any preliminary matters before we launch into the rules? Okay, great.

WAC 480-90/100-021 Glossary

Let's start with the glossary issues. And the particular points that were reserved for discussion today with the suggestions — you know, I should tell you this is on page 5, the rule is on back on general rules, there were some comments from Avista and PSE regarding particular terms and those include proper charges, prior obligation, _____. About the extent of the discussion yesterday was the general point that we don't look at the term of the glossary that are used only in one or two rules if the definitions were to appear in the rules themselves. But that does not get to the heart of the matter which is whether and how these terms should be defined. We had some discussion yesterday about prior obligation and proper charges — I don't know how much

you might have on that today. Anything that we did not discuss at all — the question of whether we should redefine customer complaint as differentiated from customer inquiry suggested by PSE's comments, so let me ask _____.

VE: Prior obligation we talked about yesterday for definition, and once we have one, we'd be happy to put it in the glossary. Proper charges -- I have to think a little bit. I know that this issue first came up in connection with the old prior obligation rule which we rewrote and so I need to look through. I'm not sure we even used the term 'proper charges.'

TT: I think we used it in disconnection of service, so when they can disconnect is for proper charges. Unless we redefined it as regulated charges.

VE: Okay, and we can take a look at that. We haven't looked at that yet. And then in terms of defining a complaint versus an inquiry, as I understand, we have actually later today a discussion about the complaints and disputes rule and it might be best to wait until we get there.

DM: Does that work for everybody if we defer that discussion until we're on that rule or is there a need to discuss it earlier? Hearing no protest, I'm perfectly willing to do it the way you suggest.

And what rule is that?

096. All right that is sort of getting toward the end of the day, I'll warn everybody, you can give me another chance to tell me I can move it up. Okay? All right and we'll turn to the glossary issue, then, at that point, and let me ask if there's anybody who has any further comment keeping in mind our discussion yesterday on the proper charges/prior obligation _____.

Okay great. Then let's move on and we'll take that Rule 106 which is on page 49 in the consumer comments portion of the handout that we've been working from.

WAC 480-90/100-106 Billing Requirements and Payment Date

106 is Billing Requirements and Payment Date and I see that we do have comments _____.

TT: Under 1A. Cascade had comments suggesting that they're adding additional language. Be issued at intervals not to exceed two months is the drafted language they're adding 'or upon showing good cause at intervals as specified by the utility and approved by the Commission'. This allows for a utility to build quarterly et cetera. Staff was thinking that any exceptions to this could be handled by waiver of the rule, so petitioning for a waiver. So we're opening that up. Any comments on that?

DM: Okay, the suggestion is to use the waiver provision as an alternative to modifying the rule itself.

JM: I just have one additional comment. I don't know if we're the only utility exploring these options, but I think it's going to become more common that utilities bills — maybe certain customers on a different, more flexible schedule, so that's why we requested that language, but a rule waiver would work but it may be more burdensome as far as flexibility.

?: What are some examples of criteria to choose some types of — I'm not sure what you're . . .

JM: Well, different classes of customer, you know, in addition to the bi-monthly schedule perhaps a quarterly schedule for residential customers. It just depends on how it works out.

DM: I want to remind you to identify yourselves as you speak.

LL: Something that's come up in the past is the two month is not defined and I believe we had a customer complain that his bill was more than two calendar months because we bill some customers bi-monthly. The billing cycles can vary from 57 to 63 days, I believe. So if you're crossing February, you may include parts of almost four months pretty much as far as dates, but it's definitely more than two calendar months. If we could insert the word, like two billing months, or two — approximately two months — two billing cycles or two monthly billing cycles . Just to clarify that so when customers read the rules they don't interpret it as two calendar months.

MK: On the waiver process, is there any stakeholder notification at that point when there's a waiver request for other parties to give comments, or is it just between staff and the utility at that point?

VE: I think that when petitions are filed -- I'm not sure they're generally noticed -- I know that before any kind of approval or denial comes out they're on the Open Meeting agenda, but it's not the same as, for example, a rule making process.

DM: I think perhaps the answer is that the Commission's notice requirements as they apply generally to various types of actions that are taken that apply to this ____ as well. A single notice provision _____.

VE: No, it's kind of like a tariff filing.

MK: So it would come before the Commission at an open meeting

DM: Could do, or it might follow some other process; it would depend on what waiver was

being requested.

MK: I guess I have some concern if there's a waiver request to exceed two months for classes of customers and other parties don't have a way to respond to that. That's a significant enough issue to figure out some process that gives notification to these stakeholders.

LS: One of the concerns that I had as I understand this rewrite is that we do routinely look at bills for accuracy before they're mailed out so we have what we call ____ bills that for whatever reason they may want to look at specifically before they're mailed, and it takes a couple of days to get through them, so bi-monthly if we don't mail them out and let everything go billing the night that it should, I interpret it that we might be outside this rule. I was hoping for language that would allow for review of billings, so the billing period itself doesn't exceed two months, but there are time where _____ or you need to go back and get another re-read of the meter or whatever to make sure the bill is accurate prior to the time you mail it.

TT: Is the current language restricting that now?

LS: Well we're doing it, but in reading the current language, it depends upon how you interpret it?

DM: Let me re-frame that into a question. Is what's being captured here an _____. [A long comment in inaudible on tape -- secretary notes only.] In other words you don't want a customer being billed. Or is it. Lyn you mentioned a range of days is that mathematically going to come

LL: They vary from time to time, and when we set up our meter-reading scheduling, we try to not vary from one bi-monthly cycle to the next bi-monthly cycle more than a couple of days, so you don't go from, say, a 57-day bill to a 63-day bill. You want to go somewhere in between. During the year they do vary.

DM: Okay, ____ comments on 1A and 1B. Anything else on those two?

TT: Northwest under B added the words, 'and payable', so 'due and payable' and we agreed with that, so if there's anything else that needs to be said on that. So then we go down to C and Public Counsel suggested adding a toll free telephone number to that and we agreed with that. On D? Okay. I think all the companies have toll free numbers at this point and it shouldn't be a problem to accommodate that. And then under F. F says 'Show energy usage comparison of the same billing month of the previous year for the following: Number of days in billing, therms used, average therms used per day, average temperature per day. Public Counsel suggested adding the current month and the same billing month under F. We thought that would be all right unless there's added discussion on that. And then 1D, Public Counsel has also suggested requiring companies to list a toll free number as _____ staff comments and we were okay with that. Cascade

Natural Gas, number four, on the average temperature per day -- they suggested deleting that. They do not have the information available. We were okay with that. Are there any comments on that?

RW: We currently print the average temperature [tape inaudible -- notes only]. We do not print what you're now asking which is the exact. Would we be out of compliance? I got a copy of a bill that you could take with you and look and see if it complied. And in E, it indicates that there's only the rate for usage ____ kilowatt hour and again our bills do not have that breakdown as a tiered rate especially for electric _____. 700 and the other rate -- anything over 1300 is another rate. On the billing system ____ we have does not break it out like that on the bill. ____ conform. We program the computers _____.

DM: I'm sorry. I was going to ask if there are any other comments.

RW: We have a little bit of a problem in the average temperature per day for the previous year -- we don't keep that. We have it for the current month and then we show that and we also show the kilowatt hours average in the two periods, but we can't go back and do the prior period.

TT: Is that the same that Cascade was suggesting -- deleting that language and we were okay with that?

RW: We provide it for the current period, but not _____

TT: And so we're not going require it -- if you want to provide it, that's terrific, then.

LC: Liz Clump, CTED. As consumers move forward learning more about their energy choices and billing, I should think that's pretty important information as they're trying to figure out . . .

Tt: The temperature?

LC: Yeah. You know, because you're giving the same period from the prior year compared to this year and how are they supposed to know whether it's something they've done that's modified their consumption -- or just that it's been a warm year? I think a lot of people are trying to manage their load and that's the one way they know whether they're doing it or not. I mean, I happen to be a PSE consumer and they do provide it and it's really helpful, so I know that commercial and industrial customers sometimes have more data on tracking consumption and I think this is one of the few tools that the residential consumer has.

CR: I think that tools are good and there are different ways to get to it. We have a graph that shows the year's history for our customers and they seem to really like that because you can show each month what you've used. You know, maybe there are different ways to

get at the type of information that you're talking about.

TT: Then I would suggest we find a way to capture that so we don't just lose that..

DM: Okay, so the underlying issue being so that the customers has information regarding whether the pattern of use that's affecting the bill ____.

RR: I also think when your ____ rates increase tremendously — you know to the first 700 kilowatts are three cents and the next one goes up to five cents, that's important information, at least for the residential customer, ____ control their load ____ — if I go into this ____, does it cost me a lot more — maybe there's a way I can back, especially if they are a customer that has limited means — I think it's a good way to manage the energy, so I think this information is useful in my experience from it is City Light in Seattle which does combine exactly that information and, you know, you can compare one exact same month, you compare how much you use, the rate you use, the temperature it was last year, what it was this year, based on the billing cycle this year versus last year how much you use per day on an average so there is enough things that you could compare to go to the prior person's comments that helps consumers control their or manage their load — their usage, I guess, and I don't particularly care what the methodology is as long as it is able to give someone a comprehensive view of their usage and how they use it and I do believe when 500 kilowatts are at one, two, three cents and that then the next load goes up to six or seven cents per kilowatt hour, that's important ____.

TT: So you're suggesting to keep all this information in some format.

MS: I'm wondering for the Avista people if the billing system doesn't allow you to say 500 kilowatts at three cents 200 kilowatts at five cents, what could you print out -- what the schedule was on that billing, so you wouldn't have to break out on the billing system you would still have 800 kilowatts equals forty bucks, but you can show people what the rate schedule is, is that possible? I mean obviously, I'd prefer the other one, but . . .

?: Right. Well, we're not disagreeing it's important information, but we're very limited today on what we can provide. It's sounds easy, but _____. I see what you're saying and under our current constraints of our bill, that's hard to do. We mail that information separately, you know, in how to _____ with all the information and everything you ever wanted to know. about _____ and which of course we provide it on request, but. We'll look into _____.

DM: _____ you say you provide that information ____ bill insert or once or year or _____ but every month they get the information — it's just not necessarily — it's not printed right on the bill.

LL: Under 041, there's a requirement that we provide the tariff information and the rights and

responsibilities, and make it available annually and we provide it to all new customers at Puget also . So they are getting that information. But we have to keep in mind that changing this rule that minor changes could result in tens of thousands of dollars in costs of reprogramming; for example, one specific one mentioned, the fact that they don't have the temperature from the previous period there — to add that to a data base could be prohibitively expensive. The prior wording of this rule which was taken 480-100-041 said that we should put this on the bill if it was available.

NH: We also do a lot of customer surveys, and we just had focus group recently about what they want on their bill and customers usually don't get hardly any requests for any further information. What customers tell us is they want their bill to be very simple no matter how much they owe, so we've stayed away from complicating things, too, because customers don't like that either. When they want to know they get the answers, but to mess up their bills, they say in surveys and you can check around the nation, 'Keep my bill very clean; tell me what I need to know ____.'

DM: Let me see if I can capture — oh, I'm sorry go ahead.

OK: I was going to echo basically the comments of everyone here. Northwest Natural's in the same situation. We cannot show rates from the previous year and again it complicates the bill way too much, and just trying to remind staff that this is a bill we're talking about. It's not an informational sharing kind of document and costs can be extremely prohibitive. You're changing the size of your bill potentially if you have to add more information and the programming and all of those things. It's not that we don't think the information is important because we do provide a graph at this point, but when you start complicating it with other criteria, it becomes extremely cost prohibitive.

MK: Two things -- one is technology. I thought PSE had some new meters coming out that consumers will know their -- be able to see their usage by looking at the meter -- is that accurate? I thought I read that in an insert.

LS: We are automating our meters. That does not change their usage, however, they still can read their meters just like they've always been able to and if they wanted to subtract one day to the next and so on.

MK: I thought it made it easier for consumers to read the meters with the technology coming out.

LS: No.

LS: The second point is related to cost and tens of thousands of dollars and so forth for changes, but from consumer viewpoint, that may save consumers tens of thousands of dollars, so it's not a matter of just that is their behavior and their usage and their own

savings in their homes versus the overall system costs. So, you know, we need to look at both sides of equation there.

- DM: I have a sense that there is a consensus in the group that the information is important and should be provided to the customer and so they may track the usage ____ and we ought to be able to make copies _____, but that there's some difference of opinion as to what the best way to convey that information is. I think it would be useful for the staff to have from the companies perhaps a description of how this information can provide _____ and that would give the staff the ability to see if they feel that it is adequate to satisfy the consumer interest in being able to track and use this information and if you have data regarding the cost involved, that would be useful as well. _____ Cost benefits analysis aspect _____. To the extent you can provide that do so. _____.
- TT: G refers to taxes and any tax percentage rate that the taxes are computed from. Taxes must also be totaled to show a tax amount. Puget suggested deleting the portion that says that taxes must also be totaled to show a total tax amount. They're a little confused by what we're meaning there. Actually, we decided that that would be okay to delete that, so we'd like any discussion on that if you have any questions on that.
- RW: We do show that the tax that we got for the percentage _____. The amount of tax is broken out. That the percentage is not listed as a calculation within the bill.
- NH: Inaudible.
- PP: I guess one of the things that when we were looking at that I guess we weren't quite sure if the idea was to show each individual tax or, you know, is there supposed to be a percent of each of the individual taxes that are going to be applied and then a total of all of them or a total of each of the individual taxes?
- PS: I guess when we look at this, we're just trying to think of a way that the customers can read their bills and understand what they're being taxed and envision that you put in the tax percentage so if was, you know, Washington sales tax at 8 percent and that would equal a dollar amount for each tax you'd break it out that way and then kind of a total at the end -- at the bottom with all the different line items.
- TT: So you're not putting in all the percentages at this point? Or are you just putting a total down at the bottom?
- RW: The customer doesn't pay a Washinton State tax, the corporation does and at the bottom of the bill that indicates the portion that the company pays regarding _____ account, the customer may be billed for a city tax and we put in the dollar amount of the city tax that's applicable to that _____ to the customer must pay _____.

- LL: The present rule says to show the amount or the percentage which I think is a good way to do it because in the case of the municipal tax and the state utility tax, both those taxes are on the company -- not on the consumer, but they're included in the bill as is income tax somehow is included in the bill, too, in the rates that are processed, but that's ____ just state and local taxes, except for property.
- ?: There are some taxes as Lyn points out ____ which is already included in their rate ____ whereas as municipal tax is added onto the rate that is ____, so such to say the taxes leaves it wide open as to what _____ very well ____ property taxes _____. A whole bunch _____.
- DM: Some taxes are imbedded in the rate and other taxes added on to the charges _____
- PS: We wouldn't want things that are embedded in the rates. Our whole goal is so that a customer can look at a bill and figure out what additional to their usage gets them to the bottom line of how much they owe.
- ?: Can we just clarify the language so it reads that way?
- TT: Do you have a suggestion?
- DM: We don't intend to put you on the spot today, but perhaps you could contact staff with some suggestion, but if anybody has any, _____.
- JR: _____any taxes that are surcharged? _____.
- ?: [Tape inaudible -- notes only]Is it necessary for both of those
- TT: Is it too difficult to put both on there? It's a huge change? Because that's — that's what we're looking towards is the percentage.
- LL: There's either an RCW or a WAC requirement that we show the state utility tax on the bill and that's one that's either the amount or the rate, I believe . When we added that to the electric bills some years ago we are unable to show the amount because we do not have it at bill print time. It's included in base rates. We could add it by backing into it from the percentage rate, but so can the customer, but it wouldn't be totally accurate doing it that way.
- TT: That's a total amount and you don't have the total at bill time?
- LL: That's correct.
- TT: And that fluctuates all the way through over time?

LL: Yes.

CR: We had a problem with the totaling of the taxes as a subtotal, so if you were going to eliminate that, that would be good. And then one other thing. You might want to give some of these municipalities a heads up on these because in Yakima we've got embedded taxes and so it's not a line item for the customers currently, so some of the taxes, franchise fees and taxes, you might — customers might want to see that and I think that's a great thing, but you might want to tell the municipalities that you're proposing this because they might have a concern.

DM: Let's move on to H.

TT: Clearly identify when a bill has been prorated. A prorated bill will be issued when service is provided for a fraction of the billing period or when a rate change has occurred during the billing period. Unless otherwise specified in the utilities tariff, the charge will be prorated in the following manner. Flat rate will be prorated on the basis of the proportionate part of the period service that was rendered. Metered service will be billed for the amount metered except the minimum charges will be the applicable minimum as shown in the tariff. Pacific Power and Light -- PacificCorp said that they're discussing the ability to comply with this requirement with their customer service programmers. Is there any further information on that?

CR: For the taxing thing?

TT: On the prorating?

DM: We're on H

CR: We looked at that and there won't be any problem with that.

TT: PSE they suggested deleting number two. I think that's the only comment on H. Is there any other comment on H?

LL: In H ii, the use of the word 'minimum charges' in our particular electric tariff, we have basic charges that is a monthly fee similar to a minimum charge. It's just a wording thing or maybe minimum/basic? I don't know if other utilities use the word 'basic' or not ____.

OK: When it says 'clearly identify when a bill has been prorated, could that be as simple as a statement on the bill that says 'this bill has been prorated' as opposed to actually reflecting, for example, what the rate change both sets of rates?

PS: Yes, I think that would be acceptable.

TT: We can consider that.

DM: Move on to I

TT: Clearly identify when a bill is based on an estimation. A utility must detail its methods for estimating customer bills in its tariff on file with the Commission. The utility may not estimate for more than two consecutive billing cycles. I think it's the 'no more than two consecutive billing cycles' that's causing some concern with the companies and I'll explain what we've been seeing and this mostly we get from residential customers that they get estimated bills for three, four, five months consecutively and then they get a true-up and then it's higher and they just don't get the process — they don't understand the true-up process and so then apparently the company can't explain it to their satisfaction or they don't trust the company at that point when they're getting a higher bill and it just doesn't seem reasonable so then they come to us, we try to explain it to them — I mean we go through the investigation process. We have to then ask for the previous years' records to see what happened there and we try to explain this whole thing to them. And, we don't understand why estimations have to be more than two months, especially — and I'm not so much concerned about the weather-related problems we can't get access because of snow or ice or storms or whatever, but it's mostly the ones that I get concerned about is when there's debris in front of the meter or it's a locked gate or something because it's my understanding is the company has the right to access to that meter and why that can't get resolved within the two months period so that we can get regular billings. So that's why — and I've had a couple of those where in an apartment the meter is in this closet or something, but, gosh, there was boxes in there so we couldn't get access to it for four months and all I had to do was ask the company could you go out and talk to the landlord and have that cleared away so we can get some regular readings? It was as simple as that. So that's where this is coming from. That's where I'm coming from — that two months.

LS: I appreciate that because those are difficult questions for us to handle and explain back to customers, but working on the other, many customers will not provide us access and, I mean, we send out letters, we try to telephone them — certainly weather also would be -- you said you're not concerned about -- but as stated, we do have meters we cannot reach during snow times. So the two months does make it rather difficult. It would make it very difficult in many instances for us to be able to get the reads, so we work with our customers to try to get the reads. We sometimes don't get any response back. We even leave door hangers. We try to go out and get special reads. We try to make appointments with them. We do all sorts of things to get those reads because we do realize the difficulty of the ____.

TT: Do you ever initiate the discontinuance of service where it says access to premise is the reason for disconnecting service?

LS: We have threatened that in times past, if you want to say. It's not a place where we

would like to go because, of course, we're trying to work with our customer satisfaction, too and keep our customers satisfied, and, of course, they don't like that threat, so it's kind of a Catch 22,. So normally, what we find is the customers will eventually give us access, but it takes a lot of work on our part and often it takes many months to be able to resolve it.

TT: I understand. I'm just wondering if that part in the disconnect rule is ineffective to you then.

LS: I wouldn't say it's completely ineffective because I know it's been used, so, no, I wouldn't say it is, but it's certainly not where I would want us to have to go each time, but now we're up to the two months so that means the third month I'm going to tell them we'll disconnect your service is you don't ____, by gosh, I think you would probably get more calls from that sort of response from [end of Tape 1 Side A].

[Begin Tape 1 Side B]

CR: If you wanted to include a specific time for an estimated bill, I would suggest four months is a more reasonable time frame. That's currently what we have in Oregon is a four-month rule and even that presents us with difficulties with our customers who don't want to provide access. And we hate to go out there and disconnect people because we can't get access, but we have a process in place where at month three if we're still estimating, we send a letter to the customer that says we will disconnect your service within X days. We try to give them 30 days, but you kind of get there -- you've got to read it before the fourth month, so. And we do go out and we disconnect and we hate to do that. Our customers don't like it either, but usually what happens, it comes down to the 29th day of the 30 days and they'll let us get access, but it's somewhere -- you know, we don't like to go there, but I really think two months is way too short a time and I also think that you need to make allowances for remote locations. You might not get there for four to six months. We have radio towers that we will not read for maybe six months and the customer is aware of the situation. So I think we need a little accommodation for those types of situations as well.

RW: I have access to some research data through the NGAEEI and have been checking into the regular utilities. There were 95 companies that responded in reference to what their regulations were that pertained to this particular issue and it varied anywhere from three to six months on average

DM: So what I'm hearing is a couple of alternative solutions and one would be a more extended period of time and the other would be perhaps ____access _____.

Let's move on to J

TT: J says, Clearly identify determination of maximum demand. Utilities providing service

to any customer on a demand basis must detail in their tariffed filing, the method of applying charges of ascertaining the demand. The minimum time allowed for payment after the bill's mailing date must be 15 days, if within the state of Washington, or 18 days if mailed outside the state of Washington. It's number two. Cascade is concerned about the mailing time frames to add three extra days would extend the normal noticing requirements of disconnect for the following billing period. This mailing date time frame is, as you've noticed throughout some of the rules, and the disconnection of service rules we've added that in there. We're concerned that as companies have moved out of the state and have issued billings out of the state, that reduces the time down for the customers to receive their bill. Fifteen days has already been reduced down somewhat. We're thinking that a few extra days when the company has taken that position to mail from outside of the state would help the customer in that and that's our position on that, so we've opened that up for discussion.

LL: Just a formatting. The two should probably be K. And as you said, Tani, your concern is from mailing outside the state and you used the word 'from' so if we inserted it would be 15 days if mailed from within Washington State or 18 days if mailed from outside the state. Because when I initially read this, I thought, "We're mailing bills to someone that lives outside the state and we want to disconnect the service? They don't even live here."

NH: We're doing some work right now to evaluate ___ and from the post office and from the vendors that we talked to, it changes the mailing by one day. From Atlanta and Sacramento, it's one day, and in some case some of our customers will get their bill a day earlier _____. It's very complicated about how the airlines work and all the trucks and all the stuff, but it's interesting — 18 days is generous from what all I've found because we have the same concerns. Like wait a minute, but it's going to change it by one day they tell us and our references _____.

PS: So this won't affect you guys at all, then, so _____

NH: Well, _____ this depends on _____.

DM: I think the suggestion is that you might want to do 16 days rather than 18

Would that solve the other problem that was raised with respect to billing cycles _____?

JM: I think if you stipulated from the state of Washington 15 days, that we would be fine with that. We've done similar studies to the outsourcing issues and they're all assuring us that it wouldn't add any more than one day, so we found the same information.

CR: We've done the same work and it's one day is what we're told because different zones. It doesn't matter anymore what state you mail it from, it's a zone. And if we took all our bills and mailed them from Vancouver, Washington instead of Portland, Oregon, it's still the same -- it's that one extra day to get the two zones, so I think 15 days is plenty. If we

added another to that, we could live with that. We had the same discussion in Oregon not too long ago in the administrative rules. Quite a debated issue and the Oregon Commission staff came up with the opinion that it's discriminatory as well to have this requirement, so just for what it's worth, it was rejected in Oregon.

RR: I don't have a strong opinion about it, but I do know that in the rules that ____ legal papers and say Washington there's a different allotment for service of papers ____ instate and out of state, at least the courts have recognized ____ but they recognize there's a difference allocation of time frame instate and out of state ____ process ____ mails and stuff like that. I don't know if that's helpful to you or not ____.

DM: I'll make a ____ calculation that it may have some application ____ several of the companies have investigated this and that sort of information is available. And it might be possible provide that information and let staff know. ____ This is what we have found. I suspect in the court room ____ and perhaps ____ To the extent we can have better information where companies or organizations have done studies that would be helpful to convey that to the staff ____ and of course this is an opportunity ____ .

WAC 480-90/100-072 Payment Arrangements

Anything else on 106? Let's move on to 072 Payment Arrangements rule.

PS: There was a number of comments that we need to discuss centered around the allocation of partial payments. PSE commented that there were costs involved to provide this information. Public Counsel commented it should apply to the primary heat source. My thoughts on the primary heat source is that that sometimes changes depending on. . . You know, people sometimes burn wood and like their lights on.

MS: [Tape inaudible -- notes only] I've been reeducated. Sometimes the primary heat source changes.

PS: Yeah, yeah. So, I'd like to open that up for discussion. I think there'll be some.

DM: So we're focused on Part I.

PS: Yeah, I think most of the comments were on the allocation of the payments.

[Some inaudible information discussion takes place.]

DM: 072 Part I.

[Inaudible informal discussion as people find their places]

PS: The payment arrangements and it talks about, you know, if the company bills for both gas and electric and a customer makes a partial payment -- they owe \$100 and they pay

\$50 -- what do you do with their payment? And our rules point out that it should be equally applied to both accounts, so if you pay \$50, then \$25 goes to the electric and \$25 goes to the gas. If you don't -- if you haven't on your bill -- payment -- made a point of putting you know, if someone pays \$50 and says I want \$40 to go to electric and \$10 to go to gas, then you would do that, but if they don't make a choice. . .

NH: The way our system was designed, in compliance with all the rules at that time, our bills display separate amounts — both gas and electric very clearly. When the money comes back in the door, it's in one total bucket — it's never separated again, so from a programming standpoint, it's major and everyone, I think, has seen _____. The other thing is from remittance standpoint, to put on the bottom of the stub for a customer to designate, you'd have to add a lot staff _____ just to cover because today if you've ever watched remittance, it's just automatic, so this is a huge difference. No customer has ever asked for this — ever. In the history of customer service, we've done surveys in our company to designate. So, to me it complicates things for customers and we already do so many other things to avoid shutoff to work with customers, we've got payment arrangements of every kind. To me, what I understood from before is we're putting this in place for protection so their service doesn't get shut off. Well, we've already got prior obligation, we've already got winter payment plans. This is punitive to us. I can't speak for the other utilities and I don't think it's worth \$5 million to the other consumers to have to do that.

TT: My question is per the disconnection of service rules, when you send out the notices detailing the amount for the electric service, that's required in the rules. How do you know how much for the electric service the customer needs to pay. How do you know how much for gas?

RW: There's an account balance that's accumulated once the bill's generated.

TT: For electric only and for gas only?

RW: Inaudible response.

TT: So both their electric and gas is jeopardized at the same time?

PS: If a customer got a disconnect notice.

TT: I said for both services?

PS: How do you choose? Because I have gone through complaints where the customer has both types and they want their electricity on because that's their heat -- whichever -- and I have spent hours going back through and reallocating those payments so their electricity can stay on, and they don't mind if their gas gets disconnected, or vice versa.

NH: Now under your scenario, if we prorate \$25 to gas and \$25 to electric and your bill is \$200 and you're behind in both — we can shut off both your services — we can't afford to go to your home and shut off both your services. And shutting off gas obviously is more difficult than shutting off electric, so we shut off the electric service. So you owe for both.

And you don't disconnect the gas then?

PS: No, but if it's gas and electric accounts, then you keep the gas account on — even if their primary heat source?

TT: Unless a customer designates something else?

NH:

TT: Does the customer get to designate which service they want disconnected?

No, and I don't understand why they should because they owe on both. You can't run your furnace without — your gas is of no value to you at that point. I'm kind of confused about why this is important.

LK: I think it's important. We used to have more competition in single source suppliers and then consumers did have the choice and they could say, "You know, I really need the lights on; I'm going to forego the heat." Or, "I heat with electric. . ." You know, granted, if you have gas, you only have hot water if you don't have electricity though hot water is still something. I think this is important that they're able to either prorate or direct it and I think you're penalizing the consumer by being a dual fuel company that doesn't give them that opportunity to direct their payment. And in fact they might choose electricity and that's the first one to go in your case.

NH: But a customer has never even asked us to do that so I still don't. . .

LK: So, I guess, my question is do you ever disconnect customers for insufficient payment, and if you do, then, it seems like a problem you need to address.

NH: Do we ever disconnect customers for insufficient payment?

LK: Yeah — I'm guessing you do.

NH: Yeah, every day. I'm not following -- I'm sorry. I don't understand. I still don't understand if I get to designate, it doesn't change the outcome.

MS: It might if you pay enough to cover one service.

NH: And you gave it all to that? So what you're saying, then, I have the ability to manipulate this so I never have to -- like in the summer I could go without my gas all summer and not pay, is that what? And only pay my electric?

DM: The underlying problem appears to be that when a customer does not have the financial means to pay both bills and the customer _____ that the customer should be able to designate which service to choose to go without. Now the problem is complicated by the fact that we're talking about a situation where the customer has not called the company and asked and said "We don't want to be a gas customer any more. We need our electric or we can live without our gas ____." This is a situation where there's already arrears so that's the problem we're looking at. The underlying problem is ____ give the customer choice and then _____ .

RW: I want to address how a Commission complaint might look going forward with this type of refinements. If a customer had indicated that they wanted a portion put to electric and a portion to gas and divided in that manner and the next month they didn't ____ and the next month they designate, how could any company ever track what it was they were doing on a month-to-month basis? And coming back when a customer finally gets disconnected and asking why did you apply this versus this, how would you ever know how to keep track of that on an ongoing basis and how to explain that when one month you had this and you have millions of customers, how would you go in, or how ____ customers go back in and say, let me ____ that stub and see what it says, that would be so -- the records for that would be enormous.

RR: I know in the telephone area, this is exactly what happens — they allocate, you pay amount, you owe long distance and toll, you can't lose your — you keep local service and they apply the first amount of the bill to cover your local service so that's preserved and then your toll is treated separately because they could toll block and stuff, so they're trying to keep the essential service — the telephone — the local service — and their willing to maybe get toll blocked or ____ or lose their toll service, so they do keep an allocation. If an industry, but I'm just saying that it — there is some precedent in utilities for exactly this approach. I mean it's not like it's coming from Mars — I mean, there are other utilities that do it. I appreciate that maybe it hasn't been done in Washington before. My understanding is regardless of what you do is only really disconnect electric regardless of what the payment is just because that's the easier way to disconnect a customer — gas is more complicated. Is that right?

RW: It's too complicated for the customer because the arrangements for reconnection ____

?: It's more complicated for the utility to disconnect electric.

NH: I would just like to say that I think that this solution is just the wrong one because we have done so many things already to work with customers on payment arrangements and all of that stuff that— who this is protecting, I'm not sure. We have prior obligation

things and we have all kinds — we talk to thousands of people a day and work with them to not shut them off and those customers who are willing to work with us and make partial payments aren't the ones we shut off. If the customers are willing to help and contribute and we have people who specialize in working with agencies and networking funds — they're not the ones we're out shutting off. They're the people who just don't pay anything, or don't pay attention or don't care or wait to be shut off knowing _____, so I think to spend \$5 million or any millions of dollars is protecting the wrong group. It's not fixing the problem for the people who really do care about. working.

BF: This would cost us about \$5 million a piece to redo the computer programs and we're talking about anywhere from 12 to 14 percent of our customers who make a partial payment, so what we would have is a two percent rate increase to take of, say, 14 percent of customers who make a partial payment and of those 14 percent, I don't think very many actually involve disconnect. So there's this big issue here. Does the general populace of our customers incur a two percent rate increase for a small problem? That's kind of the issue.

JR: [Tape inaudible -- notes only] I think the problem is that you don't guys done have a move this requirement to the disconnection rule and say

VE: I don't think it works for Avista because it's all in the same pot. By the time a customer is ready for disconnect, you don't know how much of that amount is for gas and how much is for electric because it's all in the same amount.

[Inaudible background comments.]

LS: Currently we have separate accounting systems, so we still have each and even though we're moving forward to a new process, I believe — and I'm in the learning stage still — but I still believe we will have it by product type.

TT: My concern is disconnection of service. The rules state and our draft states the customer should have the amount owing for electric and the amount owing for gas and when you put them together, the customer will not know for each service what they owe and you can put it together in one bill, but the amounts need to be separated so that they know which ones they should pay towards to keep which service they want on and it gives them a little bit more information to help them strategize their financial situation.

MK: The fact is they need both on if it's winter and they've got gas heat to choose between the gas heat and having lights on or refrigeration and so forth. I mean, that's not a choice that anybody needs to make. I mean, to choose between one or the other — I saw comments in here applying to heat and so forth — but for many people having lights on when it dark and cold is as important as heat, having your refrigerator running, and so forth and so it's very difficult this year when we should make sure we take the time to really problem solve it.

PP: While I think that we may very well be able to track the amounts that folks owe, I think one of the things that I've been very nervous about even asking the folks that are working really hard on pulling our combined billing system together -- even to ask them what it's going to cost them to reprogram to be able to allocate this way because at that point, when they have to stop implementing and start backing up and saying, "Okay, to make a billing adjustment, it's going to cost them time that's going to pulling them away from getting the billing system put in place in the first place which is one of the reasons why we haven't provided a real robust estimate at all of what -- forcing us to allocate or giving the customer the choice to allocate payments. But, I guess, one of the things that the folks from Avista made a very good point is that doing this particular thing is really - - will definitely cause us to increase our billing costs and I'm not sure that given all -- as you mentioned -- all of the other options that are available including making payment arrangements and whatever have you, that this specific way of getting at that issue is really going to be cost effective.

TT: How are you handling that now when you just get partial payment for both . . .

LK: Currently, what we do is -- we do if a customer designates it and we catch it on the snub as we are doing opening -- we do allocate as they request. If they don't, what we do is we look at the amount does it equal total due that's on the bill stub -- yes or no. If it doesn't, then we say, does it equal current due on the bill stub because we have the current billings for that account that show both the gas and electric. If it matches that, then we go that direction so that it would be back to the current gas and electric. If it doesn't match either of those totals, then we do try and allocate based on what the current gas and electric bill is. But it's a difficult routine, and I will say that that causes some questions from customers, often, because they wonder how on earth did you decide to put \$32-\$32 on this account and \$66-\$24 on this account, you know, when I mailed you 100 bucks. So sometimes it causes those questions from customers back who say why didn't you put it all in one place or the other -- you know. So I think it's -- when I read this originally, I thought this might be quite difficult for the customer as well as some rather significant changes for all of the companies.

MS: I'm wondering if you have a combined billing system and you go to disconnect all your customers on your customers for both services, if you come to reconnect, what's the positive you've acquired there? Is it 2/12 of the total? So it's really not, if you just disconnected the electric, you asked the ____ Because you have one bill.

RW: When a customer opens an account, they're opening for both services. Their deposit is based on what the average bill runs for that address. The average bill is based on a combination of the two services at that address.

MS: So if wanted electric service, but not gas service, ____ based on ____ for both services. Or if I reconnected, _____.

- RW: If there was a customer that was out there that had gas and electric histories are broke and they said, you know what? I don't want my gas _____ read that off, we could definitely go back in on that individual _____, but if their gas and electric were high, there _____ ever say _____.
- LL: Right now the way that the rule is wording, following up on what Linda said, the customer makes a partial payment and doesn't designate where it's supposed to go, they could have a past due amount on one service if they've designated a previous payment and then we get a payment that is equal to the amount that we sent a notice out on, but instead we allocate the payment between gas and electric and we go out and shut off the electric because they didn't pay the past due amount.
- VE: How would PSE propose to allocate partial payments if the customer doesn't designate?
- LL: I think we'd look at past due first and apply it to whatever's the oldest, whether it be gas or electric and apply it to the oldest receivable.
- VE: And if it's all current, but they didn't allocate, then we'll prorate it.
- LL: We'll prorate it.
- LS: If it's all current and they pay less than the total amount due, _____
- VE: So, the only difference between what you propose and what we've got here is that first, you look at past due and then you go here.
- MK: I was just kind of looking at this issue and thinking I agree how absurd it would be to spend \$5 million at a shot times number of utilities to fix something that is probably a fix for a fraction of the cost I'm thinking about those who can't pay versus won't pay so I'm thinking about low income and thinking what would it take financially to fix this situation for those folks and its probably a fraction and the amount there would be invested in a system fix, if that makes sense. If there are folks that can only pay a portion because that's all they can pay and I'm getting it back, how many customers are there like that in your utility, what would it cost to subsidize the difference to keep them on both fuels and it's probably a fraction of the \$5 million for your company and I'd rather see the money go directly into a program at a fraction of the cost than into a structural fix that's probably not even a fix anyway. Does that make sense? So I'd rather be able to work with the companies on isolating out what that problem is and the amounts rather than a computer fix that's a fortune and on going and I think everybody would be better off . Again, so defining those who can't pay versus those who won't pay, I'm not here representing public counsel but non low income folks, so I'm thinking of the percent that are low income that are in the position and what does it cost to fix that.

DM: One point I hear emerging from our discussion is that to the extent this is a problem, it's a rather highly individualized problem and that a single rule may not be adequate to really address the underlying issues which is the customer who has made _____.

?: I think that very clearly sums it up. What I hear Avista saying is that it's not broken, why do we have to fix it and the cost of following this rule for probably all parties to adopt this rule is going to be very ___ versus the benefits which it sound like it will be minimal. I think the house rule is onerous and the companies should be allowed the flexibility of _____ in the past _____ .

DM: So the suggestion is to shift the solution to this underlying problem to the discontinuation of service rule. Thank you very much and _____.

VE: The only thing I wanted to clarify from is that from staff's perspective, this is not particularly, although it does affect them, a low income issue. My point is kind of twofold. One is that services should be separated so that customers know and can make choices about how they make their payments and my other point is and maybe this does have to do with the disconnect, is when all the bills go into the same pot, so to speak, then this inequity -- the customers are not treated equitably -- then what happens is customers who have both gas and electric first of all always lose their electric first and they don't even have the choice of losing their gas if that's what they think they need to do and then secondly, they're treated as that whole amount. Their electric service is treated as the whole amount -- the electric and gas and so then when they go to reconnect, the deposit is based on that whole amount. Well if I have to pay a deposit on electric and gas to get my electric back and so to me it is not simply a low income issue - it's really an equity issue. And those customers who have the same company for electric and gas, are treated differently than customers who have separate companies for electric and gas.

NH: [Tape inaudible] That is not an answer I'm fond of.

VE: They designate where those payment go and if they can't pay the whole amount, then they get to choose what is going to be disconnected.

NH: So has a customer asked you for this? I have way more people to ask me to pay by credit card, to get an e/bill in the bill -- there's so many things customers are asking for, I've never once in eight years of customer service had a customer ask me this question.

RR: Because they never knew they had the right to ask it, you know? I mean, they aren't sitting her studying these rules. I know through telephone which I do a lot of and a lot of energy stuff years back, people who are trying to keep their service try any way they can to come up with a methodology that would keep them on the service. This is one approach that works -- that's why I presume staff is throwing it out for discussion, so I think it's little _____ question to say in your eight years when it's never been available

and you wouldn't have thought of it yourself for a customer to ask you that question. I mean, you might disagree with it and think it's a total waste of time and all that, but I just don't believe that customers will come up and say, "Let's think about how will be prorate this and stuff, but I do know people who deal with low income energy agencies are always trying to figure out well if I could rob Peter to pay Paul to keep this going, okay?"

NH: Us too. We do the exact same thing — same thing.

LK: I appreciate the challenge involved and I don't support the formation of rules just to add a two percent rate increase to address what might be a minor problem. But on the same hand I'm watching what's going on nationally and I see electric utilities starting to sell cable. I see telephone companies considering selling electricity and while you might think they're automatically packaged, electricity and gas, I don't think they're automatically packaged and I don't think they're automatically packaged with telecom and cable and I'm wondering about a pattern. Are you eventually going to get one bill from one company that sells forest services and I can't tell them well you don't assume I didn't pay the cable and disconnect my cable but gosh keep my electricity and so while we might come up for some reasonable solution for this, I'm still concerned about Vicki's issue. I mean, I think people ought t be able to indicate what it is that is most important to them that they're willing to continue paying for and not be penalized by being served by a multi-service company.

NH: Right, and we at Avista agree -- you know, customers want one bill. In our surveys, they say why can't I have my cable on my electric and gas bill, but we would like to separate the funds, too, but you know we've been a combination utility for many years and we're so used to this and our customers are so used to it, maybe we're not taking it as seriously as that, but you're right, if there's a lot of service that we're not suggesting that this is necessarily right. We're just saying it works. Very few people would designate it if they had the choice. The remittance cost just alone without waiting for people to designate, so I agree with what you are saying, it's just for it's a unique problem.

DM: From Avista's perspective, we had a suggestion earlier from one of the PSE representatives about addressing this disconnect point in time. That's a point in time which is important. That perspective as well the point in time in which a customer is about to lose a service or both services?

VE: Well, that's important. _____.

MS: [Most of the comments were inaudible on tape] I just want to raise two points here. One was the point that was raised yesterday about _____. The second point is, I can foresee down the road where we have separate distribution companies _____ and you going to get partial payments and your going to have to deal with that. And we're going to have to

think about that _____

MK: I'm not sure that you don't have to do that today if we haven't revisited these rules for 28 years and you project forward X amount of time and the industry is changing as fast as it is then I guess one does have to kind of look ahead a bit and anticipate what are some of the things and the trends and there's a saying and try as best we can build that in.

PP: I believe that in our open access pilot that we did work out what to do with partial payments on the energy versus distribution. Do you recall? I thought we had worked that out in some way.

LK: _____ distribution so they didn't get cut off

PP: Well, you know, energy without distribution isn't all that great, but . . . we can look into what we've done, but I guess the reason why I wanted to bring it up was because that is an issue and I recall a lot of people talking about how we worked out some resolution. I don't know if any staff recall off the top of their head how that was resolved either, but I mean it didn't require a rule to do this and I guess that's just what I wanted to mention — just because there is an issue that may come up, doesn't mean we need a rule right now.

DM: _____ discussed this fairly thoroughly at this point and it obviously appears _____

RW: I just want to say one thing. I'm a little bit confused with the whole workshop from the onset that to me this is an addition of a rule, it's not a clarity of a rule. And I just don't know how this came about. I mean, not that we haven't brought up ideas and things like that, but it's like this is a big issue to our company, in particular, and it's like an additional rule — it isn't going back to what the intent of Governor's Locke's executive order was and so.

DM: Let's reserve that conversation for the break. Let's move on then, to the next point here, and get some discussion on this.

PS: Number two, I think, that was talking about if there was a delay in the billing, the utility must offer payment arrangements that are equal to the length of time the customer waited for the bill and PSE wanted to delete due to utility error and we thought that was acceptable and that takes care of Northwest Natural Gas's comments. The next one, number three, this was allowing customers the option of an equal payment plan and Northwest Natural commented that we should get of 'in general' so that's fine. PSE wanted to delete some information on the historically information is not available. The utility will base the amount on projected usage. I wasn't sure about that, I thought maybe we would discuss it. How do you determine the projected usage, I guess, if you're going to base it on historical, or you do you base your projected on historical.

LS: How we do it today is that if it's a new construction customer who's never had any usage, we try to reach some kind of agreement based on the size of their home and experience that we both have. Once they go through billing, however, then we do project what percent of one bill equal to the overall percentage because we've got that little historical graph that would show _____. So that's the way the budget would be computed on the gas side. I honestly don't know how it's computed on the electric side.

LL: I believe it's done a similar way on the electric side. I know that at one time I developed a chart by thousands of square feet, what the average bill was based on some research that we did, and we used that to develop the budget payment amount. And then there is the budget billing system itself has review checks in it and if it's a new customer if they use more than we projected, their billing will be adjusted. It's not based on projected usage, it's based on historical at that point, you know, and it varies in the way the program is set up [end of Tape 1 Side B]

[Tape 2 Side A begins]

TT: [Not on tape]

LL: For a new customer, a new construction, we don't have any historical usage, we don't have any —

?: [Inaudible comment]

LL: Well, we base it on historical usage of all customers of a similar-size house — not projected for that customer.

RR: But didn't you say, _____

LS: We could set somebody immediately. For on the gas side, if this is a new home for you, then I can start you on the budget immediately by us doing our — by looking at all customers by the size home that you have and the equipment.

RR: Then you look at that one month and then you do it, but on the electric side you don't do it -- is that what you're saying?

LS: I think what I heard Lyn say is that on the electric side they're doing something similar. I think what you were concerned about is that you thought projected usage for that residence, was that what you were thinking?

LL: Right, I mean, that's what it seemed to imply that we're going to project usage for each house.

TT: We were thinking projected in a very wide range.

- DM: By doing it the way Linda ____
- PS: Well I also think on the equal payment plan too you guys tweak it every four months, right? I mean, you have to base it on something and the projected would be square footage, so I think we're talking about the same thing. It's just that you guys I think were thinking more into the word projected than we were.
- LL: I think that's probably true. Another comment is that there are other utilities I know have had plans where it's a budget plan of a type where the customer is only required to pay half of their bill when we send it out and this is used primarily in bi-monthly situations and in the month that they don't normally get a bill, they are billed the other half, so it isn't based on historical or projected usage really; it's based on actuals.
- PS: So they're basically choosing monthly billings.
- LL: Monthly billing when we only read the meter bi-monthly
- PS: They're paying partial payments.
- DM: There may be an opportunity to return to that. In order to achieve that result, we would need to ____.
- PS: Public Counsel had a comment and I think that was just some verbiage that we were fine with -- just adding 'past due' to the balance. And 4— I think a couple of the comments, public utility -- I think there was some confusion when a customer contacts utility regarding a delinquent account or to avoid a delinquent account, the utility must offer extended payment arrangements appropriate for both the customer and the utility and then this is where we talked about the six-month payment arrangements and I wanted to clarify that the intention on this was per customer, so it would be a one time — not per account.
- RW: It would mean that a customer at any one given time could ____, and then never again would we ever be required to do that for the life of their service with us ____? And would this be a requirement that you offer ____?
- PS: Before disconnect — kind of like their last chance to take a large bill and try to, you know, they'd pay a one-time six month payment arrangement, pay that amount plus your current charges, normally.
- RW: [Tape inaudible -- notes only] Current bill plus one sixth
- PS: Then you would disconnect.
- RW: And then just be able to track that at one point you did ____

- PS: Offer us — yes — and had failed to meet those ____.
- MK: I'm just trying to think about the moratorium. I wonder shut-offs where these — for those on that these huge bills accrue in the spring and then in order to deal with that they need, you know, a six month period. It doesn't mean that a year later or three years later or anything else that that wouldn't be the same situation by nature of the moratorium itself -- the reality of it, and so I guess I'm not comfortable about this one time forever in your life kind of approach and I think it would warrant a little more discussion.
- DM: Anyone else want to comment on this?
- MS: [Tape inaudible -- notes only] I didn't understand that it was a once forever .
- DM: Okay, well after hearing from both of you, it sounds like you might want give this some more thought and perhaps share that with staff in a written comment.
- PP: I guess our other comment was not just trying to keep track of customers over the whole life, but also we weren't quite sure why — we had talked about this at the last workshop and I guess we're not sure why that a six-month payment arrangement is necessary. We already have the flexibility now, assuming we still have the flexibility to work out mutually agreeable payment conditions. And, you know, if you're talking about a customer that we're going to the point of disconnect, they probably haven't paid for awhile and now you're extending that out. I guess if you're saying you can disconnect them as soon as they don't agree to the six-month payment term, but I just . . .
- PS: I think -- at least it's been my experience that when we do have a customer that's just about to be disconnected and we try to enter into arrangements and work with the companies, normally it's three months, which is very cost prohibitive for them if they're trying to stay current, you know, you guys will usually only stretch out three, maybe four? So we're just trying to make it, especially when, you know, the bills are large and they're combined so they're even larger, so you've got an electric and a gas customer trying to make payments -- that this would allow them a little more flexibility if they're seasonal workers for that six months to, you know. . .
- PI: Will the customers be required to put some sort of down payment on this six-month plan?
- PS: Generally, it's the one-sixth -- you know, you make the payment and then you stay current, you know? It starts, you know, when they're threatened with disconnect and you then enter into these arrangements and then they pay the first payment.
- DM: Any other comments on this one?
- MK: The clause about appropriate to both the customer and the utility. What are the options?

So if there's plans that aren't mutually acceptable, does it go to the Commission as a mediator? What are the options? I mean -- that seems to be -- the ball's in the court of the utility as far as leverage there and so, it's not the best negotiating position when you're not on a level playing field with working things out.

PS: That's the current language and always the utilities, they can make arrangements, you know, and then we -- I'd be out of a job.

LS: I wonder if ____ having to be required to offer six months, though, is going to be good for the customers in the long run? Because we do try certainly when we work with customers -- we don't want them calling you. Obviously, that's our goal not to have them all you, so we're trying to work with them ahead of time and go through all the options and I don't know if that always the best thing for a customer, then, so I wonder if we should consider that. The way I read it now, we have to do this if this really became -- and so then I'm wondering at what risk we're putting the customers as well. So when six months is over and as we said, if it's a one-time thing and six months is over, and then you know. . .

DM: [Tape inaudible -- notes only] It might be appropriate to reverse a and b?

LS:I would not like to see the six months required. I think that we work with our customers. Now granted there are times when we are unable to do what it is they ask because sometimes people say well I'll pay you \$10 for the rest of my life and that's just not ____ when there's \$300 or \$400 a month. I think that we as a utility try to work with customers _____. We ____ customers satisfaction ____ and we certainly don't want to come out and shut them off.

LL: All the discussion on this rule and been in the context of residential customers, yet it doesn't specify this and I wonder if maybe we should. Are these types of things appropriate for our commercial business. You know, if a Safeway Store doesn't want to pay, can they spread out their payments over six months? Why? It doesn't serve a useful purpose, I don't think.

DM: Residential was the intent.

LL: Right. And budget payment used to be limited to residential but with the option to the company to put other customers on there and do put others on their primarily non-profits and that type that have -- their income is fixed over the year or something like that and they can't handle the winter peaks. Limited commercial because the system isn't designed to calculate amounts for commercial.

DM: We've had some overlap. I'll focus ____.

Okay, it does not appear that there is ____ end of the comments on the rule. And we're scheduled for a morning break. Take 10 minutes and come back around ____.

*****BREAK*****

DM: Revised draft of 076 gas version.

WAC 480-90/100 071 Discontinuance of Service.

VE: In number one, the first one was from PP&L and they suggested that the customer give the company five days notice before disconnect and I just kind of wondered if that's what other companies thought and if that's kind of standard now and how it works.

OK: That is standard for us; it is in our tariff.

VE: It's in your tariff?

DM: Anybody else?

VE: A comment from Cascade Natural and they want us to add that the utility can ____ . How do you handle that now?

JM: That's what we do. I'm not sure -- if we can confirm that the premises is vacated, then we will disconnect service.

VE: Right. But the piece about ____ utility ____ disconnect service ____ sometimes you don't get access — you don't know no one's there?

JM: That's a possibility. I'm not sure why she put the comment in. The only time we wouldn't be able to access the premise is if there was a locked gate or something like that and that's a possibility. And I can check on that.

VE: In number two Northwest Natural wanted to add some language.

DM: Does anyone want to comment on number two?

VE: Under C PSE had a proposal which we were fine with. My question was are you proposing that an addition to C or replacing it?

PP: I think we were thinking, you know, I can check. I'm not sure that . . .

VE: We were fine with it; we just weren't sure [inaudible].

And then we didn't have any comments on D or E. On F we had . . .

RW: I had a comment on E. This rule right here currently states that we can disconnect the customer, but ____ agreed upon payment plan. This has been in the rule in the past ____ today. [Inaudible]

VE: That's the way it is now.

RW: The verbiage that follows further in the rule that indicates conditions of reconnect go hand in hand with this. To make a payment arrangement, it does not say you can never disconnect them again. It indicates to make a payment arrangement, you can disconnect them. One of the reasons — part of the verbiage of putting the condition of reconnect going forward is that _____. Here they can turn them off if they break it. It's in the rule. It's been in the rule in the past.

VE: I'm confused. I don't know what your point is.

RW: If a customer gets disconnects it and reconnects their service and make payment arrangements on their account balance and they break their payment arrangements, right here it states that the reason that we may disconnect is due to a broken payment arrangement.

DM: So you could disconnect them again on _____.

VE: You're talking about the difference between a prior obligation and a current -- that's what you're talking about, right? If they made a payment arrangement on a prior obligation.

RW: But it doesn't _____. A broken payment arrangement is a condition that you can disconnect the service for.

VE: Okay, we need to clarify that. So we'll talk about that. I see you point and I didn't see it before.

DM: Did you have any specific rule language or would you be willing to work on that proposed specific change to help clarify it?

RW: No. The rule -- the way that it has always stated and what it's stating here is that if they make a payment arrangement and they break it, you can disconnect their service. Yet staff has always said that you can't disconnect their service if they were ever disconnected in that past and made a payment arrangement.

DM: Oh, so you see an internal conflict

VE: And we'll talk about that.

DM: Staffs going to work to resolve that.

VE: Public Counsel had some comments.

MS: Inaudible.

DM: Are we just talking about organizational issues here?

VE: Well, now, it's with notice or without notice, but I had some clarifying ____ and I can either do it here or we can do it later.

MS: It might just be that I misunderstood. We can try that later.

DM: Is anybody else concerned with this ____.

LL: I noticed in several places, the wording after conducting a thorough investigation has been answered and wondered what your intent was there. I'm looking specifically right now at B -- what kind of investigation are you envisioning by putting that wording in there?

VE: This is what we did. We actually moved these. These had formerly been in where the company had to provide notice. And so what we said was, you know, if there's nobody in the home, you know, if it's vacated -- an apartment or whatever, and the company knows that, then it doesn't make sense that they have to notice before they disconnect. But, the reasons that we put after conducting a through investigation was, you know, we don't really have to go hire a private investigator, or something like that. But what we wanted to do is say you can disconnect without notice, but please be sure that it's vacated and unoccupied, and maybe that's a site visit or knocking on the neighbor's door or something like that. Does that make sense? Our other alternative, if you're comfortable with that, is to put it back in the place where you are required to give notice. We were trying to give the companies some flexibility and when they didn't have to go through the notice process. And so, the two that you mentioned, we moved there, but we put thorough investigation just to say you can do it without notice, but make sure you're right.

LL: Yeah, I just wondered if you had any specific things in mind as to the type of investigation.

VE: I don't think we had anything specific.

DM: All right let's move on then.

VE: Down on 3 A and Cascade Natural had a comment and we said, "Oh, yeah, you're right." Then we come to D. This was that you can disconnect for willful waste of natural gas ____ or imperfect piping equipment or otherwise.. Public Counsel had a comment that the customer who's paying for the service does not always have control over the equipment, so they wanted to add some language that said that where tenants do not have control over the condition of the equipment, they would ____ required to report violations to an

appropriate authority ____ to require the landlord to repair defective equipment ____.

DM: Any comment on that?

MS: [Tape inaudible -- notes only] I like the idea. You guys can tell me how we can make

LL: Do you have any idea who the appropriate public authority is that can require landlords to ____.

MS: {Tape inaudible}.

LL: I don't either.

LS: I guess another question I would have is there are times that we do not always realize that the person -- the customer is, in fact, a tenant, because we do things over the telephone, they may misrepresent the fact that they are homeowners. I can see this being somewhat difficult and we might not know they are _____. If you're saying tenant as in renter or are you saying just the person who lives there?

MS: Tenant as in renter.

LS: Okay, there are times we do not know we have a renter. People don't always tell us the truth, so what I'm saying is this might be sometimes difficult as well.

LL: On the electric side, in my experience, I don't know if we've ever disconnected anybody for this reason, so I don't know if it's _____.

RR: _____ it seems like there's a safety issue or something? Someone is _____.

LL: There's a separate rule on safety, and we know what to do there.

RR: Well, what does it mean -- I just don't understand it-- imperfect piping, equipment, or otherwise. Improper or imperfect. Does that mean it doesn't mean code? You say it's not a safety issue because you say there's another safety section. I just don't know what it mean. It seems like if it's a safety issue, then the company is incumbent upon dealing with that safety issue if it's come to your attention and then you could sue the landlord, you could do whatever you want to, but if it's a -- so that's why I just can't, I mean, I'm just not sure what it means.

MK: What's an example?

TT: It's in current rule. I've never dealt with it.

?: We've dealt with it on the water side -- waste of water, but on natural gas, I'm -- I don't

know.

VE: Maybe we don't need it. Maybe companies can think about whether we even need it.

PP: I'm kind of guessing that this is kind of a holdover from days gone by when, you know, energy conservation was really intense with oil embargos and things like that. I mean I don't know. I've no history at all with it, but I'm guessing it's that sort of a thing is to try and _____.

VE: Maybe companies _____.

DM: Let's move on to 8, if there's no comments.

VE: G. Number 4 there was no particular comments right here but this has to do with being able to identify with the amounts due for gas and the amounts due for electric and what this does is that and there's a similar rule on the electric side, and what it says is that you cannot disconnect one service for amounts owing on another service.

DM: Inaudible.

NH: I don't think we'll need to rehash all that — it's the same thing.

DM: It's the same problem previously identified. Those comments should be taken into account.

Okay, this brings us to medical emergencies.

VE: Medical emergencies there was some comments about the four hours. We thought we'd just talk about that. We put that in there simply to be more clear about reinstating service on notification of a medical emergency.

NH: Four hours from what?

VE: From the time you get the medical certificate, I would think. Oh, yeah, the call from the customer because that's _____.

TT: If the customer is disconnected and they call you and say someone in our household has an medical issue and so then you go through the process, and you say, "Okay, this is what you need to do, we'll reinstate your service; we'll restore your service." How long can the customer expect to get their service restored?

NH: I'd say anywhere from 30 minutes to six hours.

TT: Six hours? A day? Within the day?

NH: I'll bet it's under four hours. I'm — being held to a standard like that is kind of hard only because we're so lean in the field and we don't have a lot of people wandering around ____.

TT: So we're getting half a day, so ____.

NH: In a big town — it's hard to guarantee, that's all. I think most of them happen very quickly.

PP: Talking to our folks who do this sort of thing, what they were a little bit concerned about is that you mentioned that we'll give you half a day, but that's not if the call comes in at 10 o'clock at night. You know, perhaps they've been out — wherever they've been — and they come home and realize that the power's been out. It's not like we have a full staff of people wandering out throughout the night to do this work. That was the thought.

TT: What is your suggestion on that then?

PP: We had as soon a practical.

LL: Has it been a problem?

PP: It's not like we want to wait. We're certainly not ____.

LL: We don't want to be in the newspaper.

TT: Twenty-four hours would work -- is that ample?

LL: The customer has been notified ahead of time that their service is going to be disconnected and, you know, and they're well aware of this and if there's an outage caused by a storm or something like that, they're not notified and very often we're not able to restore their service within four hours even if there really is a medical emergency. And so they know to make arrangements.

TT: Inaudible.

LL: Inaudible.

LK: You know, If everyone's volunteering something less than 24 hours, I just as soon stick with it. You know, you start offering 24 hours and things slide to that sometimes when cost pressure exert themselves.

RR: I remember working on this with Patsy Dutton, the _____ and I do recall having people who have sick children and they maybe knew they were going to be disconnected, but

had other issues to deal with and they didn't attend to that for whatever reason, but there is a serious medical issue going on there, I think it's incumbent on all of us at least until it is proven -- you know, that the person's better or whatever arrangements _____ as quickly as possible and I agree that _____ a 9 to 5 business hour _____ up to Noon, up to 1 o'clock if it has to be done that day and it has to be done at Noon the next day or something. It's a serious issue. It doesn't come up a lot but when comes up, it's one of those things that just explodes in everyone's face. I remember this woman who had two young kids and they had some kind of — it was some piece of medical equipment that the kid needed to breathe through the night, and, you know, she maybe should have had a battery pack or whatever. She didn't; it was a big deal. I think it was for Puget and actually calling Puget and making them aware of it they went and dealt with it, but I really think for everyone's safety we ought to try to keep -- to make it as positive as possible _____ we ought of figure out a reasonable time frame.

TT: I think what Puget is saying is that they get the call at 10 o'clock at night because they have 24-hour customer service, you know 12 hours.

PP: We'll check with our folks and explore that in a little more detail. I guess the current rule has no requirement and I don't recall that being a problem. We don't want folks going without power that are in this medical emergency.

PS: I don't know if it's a problem, but I know when people call us and we talk about medical emergency and they question how long it will be, it's nice if we could say we know it'll be within eight hours, but I don't have a battery pack, I need it sooner. But if you say 'when practical' — right — so I think it would be nice if we could give them a time frame that we could _____.

: It sounds like it might be useful if the companies come back with information regarding I think _____. _____ what would be the amount of time required to respond. _____ That information could be gotten back to the staff and staff could consider _____.

Anything else on this medical emergency aspect?

VE: Northwest Natural had one comment.

OK: I would like to make another statement. I think it requires re-reading this rule again. I put on the table if potentially is it necessary to better define medical emergency? For example, a customer could claim a medical emergency that may not be life threatening, but it could be that we would be required to go out the same day where going out 24 hours might be appropriate? Again, I would like to further review it and would probably provide comment, but maybe there is some need t clarify maybe levels of medical situations.

:RR: My understanding was, isn't there a doctor or some certification from a medical

personnel — why put your judgment in as to what is or what is not a medical emergency when the person's doctor has to fill out a form that says that we believe for this patient due to their issue that it's a medical problem.

OK: I think the real issue is life threatening or not. Aggravating a condition might be one thing that could result in an eight-hour delay being appropriate. Life threatening where a medical piece of equipment is required would — could possibly require response of time different.

RR: From cold to pneumonia would be okay, but if they need a respirator, that wouldn't be okay.

OK: A cold I don't consider a medical emergency.

RR: Okay.

OK: There can be abuse with this, I guess, is the point.

RR: But why -- again, the abuses have to be extremely rare, so what do we do? Do we write a rule to deal with the extreme situation or do we write a rule to try to encompass the basic medical problem here. I agree with you I bet you there are some abuses, but do you make a rule so abuse swallows up what we're trying, I think all of us are trying to accomplish which is address when there's a serious medical issue.

OK: I understand. I just put it on the table to see if there is some consideration that should be given.

TT: If there is one more point on this, though, this has to do with aggravation of an illness and I'm concerned that the companies would make that determination of what's going to be aggravated cause further complications and do they want that liability, so as the company I would be concerned with taking that on without being a physician.

DM: I think we've slipped over into 5A here. _____ It does appear to me to take it out of the hands of the company _____. Is there any further comment on that? I think Onita got her point on the table. Okay, I guess we can move on.

That brings us to 2B.

VE: Under A there's a comment from Cascade on ____ name of the patient and our legal staff has told us when we did the water rules that this 1 through 4 that we put there is the only information that we can require, so that's where that came from.

LL: I just offer some comments on how I advise people within PSE to handle these medical emergencies that they may have a problem with leaving the customer -- or the need for it.

There's nothing in the rules that prohibits us from calling up the doctor that certified this and asking and I've done that a number of times and on ones that I'm sure were wrong, I've had doctors say "I just signed it because the nurse gave it to me to sign." And so I say, well it's this patient and then he says he says, well I withdraw my signature. It's not needed. You know, I explain how the rule works without discussing the bill with the doctor. So you can police these without becoming a doctor yourself.

DM: B?

VE: And B. Matt, do you want to comment?

MS: We suggested a longer period just because for those patients, it is a ongoing _____ going back to the doctor _____ in the case where it's a longer illness _____

LL: I've never filed an medical emergency, but I've been off for an extended illness. I was off three months from work and I was in seeing the doctor all the time anyway and had to handle my short term disability paper at work and that was no problem at all because I didn't have to make any special trips or anything — that was always there.

MK: I'm wondering, for folks who don't have medical coverage and have to go back and possibly incur the expense of going to a doctor what that poses for them financially, so I like the 120 days.

DM: Does anyone else have a comment on the period of time involved?

CR: I was just wondering is this something that can be handled over the telephone or if, in fact, it requires the visit to the doctor?. I think some of our customers might do this over the phone, so I think the sixty days seems reasonable to me and if somebody needed a renewal, can they not just phone?

NH: Inaudible.

MK: I agree with you because it is existing condition. If it's new, you have to go in person. If it's existing, it's probably a good argument for that.

DM: Shall we move on? I believe we're up to C2Aiii? This has to do with the time frame for mailing. We had comments about that.

VE: What we have in the proposal doesn't change anything from _____ language; that this issue about contact is not required in attempts, so we haven't changed anything.

DM: If nothing further, then we'll go to 5G?

VE: Cascade's comment we thought was fine so that _____. I just wanted to understand the

rest of Cascade's comments a little bit. So that means that there's a disconnect charge for every disconnection in addition to any connection or reconnection charge and ____.

[End of Tape 2 Side A]

[Begin Tape 2 Side B]

JM: [Not on tape]

VE: The current language says that now. This is -- what we proposed isn't different than the current language? It says that if you go out and you don't disconnect, you can still charge them a site visit.

JM: [Inaudible]

VE: So you're asking to change that so that every time you go out to disconnect, you can charge them whether you just ____ or not.

JM: Right, right -- because we're making a visit.

TT: It's to be payable at the door?

JM: Regardless if they pay it or not.

TT: Okay, well okay, because I was getting confused that it says this fee should be collected regardless . . .

JM: No, not necessarily that fee collected -- we would bill it.

TT: Okay.

VE: We'll talk about that. Because I wasn't sure exactly what you meant.

DM: That brings us up to J?

VE: J was also Public Counsel's and this was where a customer can designate a third party and if the utility believes that a customer is not able to understand then they can consider a social agency ____ . Public Counsel wanted to add that they need to ensure that the agency they chose is willing and able to engage in that process . I thought we'd just throw that out.

DM: Any comments on that from stakeholders?

PP: We haven't obviously gone over this particular piece in much detail at all, but I guess the only thing I'd be wondering is it might be convenient if we're going to be trying to

coordinate with social agencies, it might be nice to figure out who they are and who they might be and I'm not sure if each individual utility should do that or if that's something that the Commission coordinates -- I'm just throwing that out. I'm not saying which one it should be or shouldn't be.

DM: The rule as written appears to put that obligation on the utility, so your question, whether that's the appropriate ____.

TT: The rule actually states: "When the utility discovers that the customer appears to be unable to comprehend the impact of the termination of service, the utility shall consider an appropriate social agency to be the third party. In either case, the utility shall not effect termination until five days after provision of notice to the third party. The utility shall discover which social agencies are appropriate and willing to receive such notice and the name and/or title of the person able to deal with the termination situation and shall inform the Commission on . . ." And that last part we kind of threw out, about informing the Commission of that. But, I think what we're trying to do is kind of keep close to what it was saying already and that the companies were already supposed to deal directly with the social agency. Does that answer your question?

?: Sure.

DM: Any other comment on this?

LL: I apologize. I'd like to go back to Item G on page 32. There was some discussion on it, but towards the end it reads "When disconnection does not take place due to payment or payment arrangements made by the customer with the utility representative, the utility may assess a fee." "...does not take place due to the payment or payment arrangements" is new language and right now when our collectors go out, very often they will leave a notice rather than do the disconnection because they know the customer; they go there every month and if we can't collect our cost for going out and leaving that additional notice on their door -- they've already gotten all their other notice -- then our choice is to disconnect their service even though they're not home; otherwise, we have to make another trip out there. So, we go out and disconnect their service, it costs them \$40 to get their service reconnected. Or, if we leave a notice on the door, we bill them \$9 for the visit. And it seems like the customer would rather see us leave another notice and give them another chance -- even though they had to pay for that chance than the utility in order to reduce costs disconnecting service.

DM: Is the suggestion that we need an additional provision in here to cover that?

LL: Just delete "the due to payment or payment arrangements made by the customer."

VE: That was Cascade's suggestion to us, so we'll consider it.

DM: That brings us to 7. Remedy and Appeals.

VE: Public Counsel had a comment on these -- these provisions shall be included in a consumer brochure and we kind of thought we'd already covered that in 041 ____.

MS: Does that cover that ____ process or is it just talking about ____?

VE: Inaudible.

MS: Okay.

TT: You might look ____.

DM: Okay, and then 8?

VE: And then 8 is payments of a designated payment agency and we say that it constitutes payment when the customer informs the utility of a payment and the utility has verified the payment. Public Counsel had some comments about that it should not be contingent from what I understand the comments it should not be contingent on the utility verifying the payment, but just that once the customer said they made it, then the utility stops the disconnects or reconnects. Yeah, and currently, it says what it says in ____; it's not new language.

MS: And I think the point was ____ what happens _____. We were _____.

VE: But I think what happens now is that it is true a lot of cases, the responsibility is on the customer, but if the customer has the receipt number and generally the utilities will take that as ____, so they don't necessarily have to actually talk to the payment agency, but a customer _____ paid here's what I paid and here's my receipt number and then the utilities _____.

MS: They give receipts whether ____ check, credit card ____ ?

NH: As long as the verified _____. As long as they understand that _____. The key is ____.

DM: Any other comments on this rule?

JM: I just wanted to go back to the first -- number one in that section -- just to clarify our comments. Cascade made a comment that needed clarification. On page 26. What we were intending to request was language that clarified that if we can't access the premises we have verified that the premises is vacant that the customer would still be responsible for the usage and it wasn't addressed in the language of the rule, and that's what our intent was.

TT: Okay, when we said -- just to clarify your clarification -- what we said was the customer will be responsible to pay for service taken at the service address until the utility can confirm that the customer has vacated the premise or that a new responsible party has moved in. Am I not saying that correctly, then?

JM: Well, I guess we were just wondering if we needed language that said that even though we could verify that it was vacant, but we couldn't terminate the service because we couldn't access the meter, then they'd still be responsible for that period that we couldn't access the meter to turn it off.

TT: And access is for any reason?

JM: Well, typically it's because they lock a gate or something ____.

TT: When we make it general, is it okay to just say access — without access?

JM: Yes.

DM: Okay, anything else on this rule?

LL: Page 34 paragraph 7 Remedy and Appeals, it has been our experience on occasion in the past that we have a customer who is, say, disputing a bill and wanting a meter test, and then wants to be present at the meter test, but won't schedule a time to be present, so we can't disconnect service, we can't test the meter, he just continues getting service. So in effect, he's refusing us access to test the meter and I think if we put in something here as long as the customer was not in violation of any rules also?

DM: In other words, if the customer is denying access, then ____.

LL: On the electric system, anyway, we can always disconnect at the transformer or something like that ____.

PP: Access here refers to the customer being present, not their meters, so their meter could be there and just unencumbered.

DM: Does staff have any comments?

LL: Just to add a phrase at the end here, you know, except if the customer is in violation of rules such as providing access.

DM: Inaudible.

[Many inaudible comments — all talking at once.]

VE: I understand your point and I agree.

DM: If you can come up with some specific language that would capture the suggested solution, _____.

Okay, anything else on this? Okay, let's move on, then, to 051 on page 14.

TT: [Inaudible on tape -- notes only] We missed a part

DM: On page 36 for most of us. Staff have some response to it, or _____.

VE: On this one the certification period for — I think this is the medical emergency — and currently it is 30 days and we did change it to 60 days and largely we did that in view of what the same comments that Public Counsel had that 30 days does not -- many times they get renewed and it seemed that 60 days was more reasonable with the experience that we had.

TT: The other thing it kind of goes along with a new rule that's in there that talks about restricting customers to have two medical emergencies in 120 days period and 60 days if. The customer needs a length of time, then 60 days and then they renew and that's another 60 days that equals 120 so they get that period and if they need another one, then they're into a new 120 time span. The two times two restrictions is to help reduce some abuse situation of that medical certification emergency opportunity, so we were trying to help out by restricting it two times, but if you need two times, then you get two 60 days. Does that make any sense?

DM: Do we have any other comments on this?

VE: the Northwest comments, we thought that was fine. Their questions in three and four both about the types of facilities, we actually got those from DSHS and DOH, so that's where the listing came from — those are the ones that _____.

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DM: Given the time available, I think I want to close the morning if we can without running too much past _____ instead of _____, let's go to 076 which is somewhat more brief. [Inaudible remaining comments.]

KW: This rule went out and we had some comment from PSE and so what we try to do is address those concerns and as you can see where it's highlighted, hopefully, we can address those concerns.. The first comment came out of Northwest Natural. If you look at the first draft, this might be a second first draft, and in the first paragraph, they had some concerns about the word 'equitably adjusted' and they suggested including 'recovered', so hopefully that was addressed when we put in a statement according to the utilities' tariff.

OK: That's fine with NW Natural

KW: And then there were some comment from PSE and they were suggesting that to give notice when a master meter system is set-up to the customer installs his system or changes it in some way what they'd like to do is be notified. So here, again, first we have the customer who needs to tell the utility that a system is installed or changed and then we ask, again, that the company come to us and let us know that the system is in.

PP: So, I guess, if we're going off of this, the revised draft sheet, is that what we're looking at? And so, was your intent that — so in the first section the rule says the customer has to tell the utility that it's creating a master meter and then in the section, you want then, us, to pass that notification on to you?

KW: Exactly. It might relieve of some . . .

PP: Okay, right, I guess the — of course the intent there was to sort of — so we didn't have to be actually in the middle, I guess. And the only reason, I guess, this could cause us some concern — or one reason it could cause us some concern is that it looks, the way it's set up here, is that we're still on the hook to notify you even if they don't notify us.

KW: Well, you couldn't notify unless you knew, correct?

PP: Right, but then if you're out there and you find one, and you come to us and you say, "Hey, how come you didn't tell us?" And we say, "Well, gee we didn't know. But the rule doesn't say we tell you only if you know — or am I missing that in here?"

DM: To use your suggestion that there should be some language added that would say "Upon notice to the utility or discovery by the utility of the existence of such a system, then the utility has the obligation?"

PP: Yeah, something —

KW: Something like that?

PP: Right, right.

KW: That sounds better? Discovery?

PP: Yeah.

DW: You don't want to held responsible for something you don't know about.

KW: Well, that was the intent not to leave the responsibility on the companies.

LL: We're just looking at the gas rule here. The electric rule had different language in it and the present electrical has different language and in particular, it's in what is now Section 5 of this 480-90 rule draft. Interruptions of service. Reading from the present rule, "When it is necessary for a utility to make repairs or changes to the facilities, the utility may, without incurring any liability, therefor, interrupt service for such periods as may be reasonably necessary and in such a manner to minimize inconvenience to customers." And here's the language that is not in the gas rule. "Provided, that, when practicable, such interruptions shall be during working hours regularly maintained by the utility." If we're going to adopt the gas language for the electric rules, by eliminating that from the electric rule, it could mean substantial cost increases to the utilities by customers requesting that we work on overtime rather than straight time.

KW: Which I can't answer for the electric rule, but . . .

LL: I just wanted to bring it up so that we don't adopt the language in this rule and just put it over into the gas rule and say this must be okay.

DM: Are the two intended to be the same?

JR: Inaudible.

DM: And then ____ can take that point back on the electric side and there may need to be a difference.

LL: I have no idea why there's a difference between the present rules and as far as possible, we try to work on straight time to keep our costs as low as possible and keep our rates as low as possible, so . . .

DL: _____. Certainly whenever you interrupt service from an electric point of view it's entirely different when you interrupt services for gas. Interrupting services for gas typically would require a crew to go out to each of the services and disconnect or shut off the service ____ where an electric you don't have that _____. It's just a matter typically of a switch. You throw a switch _____. So what we've attempted to do here is to look at the possibility of ____ as well as the possibility of a _____. So we've built in these two different scenarios. Liability and that sort of things is addressed in section C of the regulation _____.

KW: The next comment came again from Northwest Natural in paragraph two and they were asking about the term 'equitable split' again. You might take the same approach and have them go to their tariff if there's some dispute about costs and I hope that's addressed too. And PSE mentioned their concern about the interruption of service and how it's defined where we're talking about interruptions due to repairs or what we would call 'scheduled interruptions' versus 'forced interruptions' where you might even use the term 'emergency'. So what we did is split that off at that _____. I know I'm going back

and forth between the two documents, but . . .

OK: I think it does help in the revised version to specify ‘firm gas service’ so that I would assume eliminate the interruptible customer issues that I think this definition would have addressed, is that correct? I think that this is sufficient.

DM: I think we touched on that yesterday.

That would bring us to five.

KW: There was also another comment from Northwest Natural about the standard pressure. In the original rule there was some — there was discussion about the standard pressure and I put that back in there.

?: So that was intended to stay?

KW: I can’t tell you about what was originally intended because the person who worked on this is not available right now, but And there’s just a slight change to the last part about the record of interruptions and that was a concern by PSE again.

PP: So you weren’t helpful in clarifying — but it’s any customer rather than . . .

KW: Than 25.

PP: So, I mean, you know — we’ll have to talk with our engineering folks about this, but I know that Stephanie’s concern was that that issue should be consistent with 480-93 and I’m assuming that you’re hoping to change 480-93, is that what that’s basically getting at?

KW: You mean — what portion of 480-93?

PP: We’re talking about the records of interruptions.

KW: Her concern was that you have to report if there’s 25 or more customers that are interrupted and if you’re currently having to do that in 480-93, you shouldn’t have to repeat that again. What we’re saying is you have interruptible customers and now you just keep a report — we’re not asking you to report that to us, but just maintain that report. I don’t if that makes sense as far as distinction between the two?

PP: I’m not the best person to be talking about that, but it does say the gas utility must keep a record of all unscheduled interruptions. So you’re saying that exists in 480-93? Not the 25?

KW: The difference in 480-93 is that you have to -- once that occurs, you have to report to us

by telephone. Here you just maintain a record and it doesn't have to be 25 -- it can be interruptible customers..

LL: On 5B the Forced Emergency Interruption, there's a difference on the electric system and it may apply also to the gas, I'm not sure, because I don't have as much background there. The provision that no curtailment of firm customers will be allowed until all interruptible customers have been curtailed, on the electric side the interruptible customers have to receive a certain amount of notice before they can be curtailed. If we have what the Western Systems Coordinating Council, we have under frequency, under voltage provisions that are automatic within our system and it shuts off everybody if there's a problem rather than have the whole system collapse, we shed load and those things happen automatically and we don't shut off — we don't pick and choose between interruptible and firm customers at that point, so there's kind of several layers of that.

DM: This is something that should be taken into account ____ drafted language.

LL: Definitely on electric and maybe on gas also — I'm not positive.

DM: Do we have anything else on this. Anybody else have any comments on this rule?

It's 12 o'clock and as yesterday, we scheduled an hour and a half for lunch, so you'll have time to get down to Top Foods and get your fried rice and get back and so we'll . . .

*** LUNCH BREAK ***

WAC 480-90/100 051 Deposit requirements

DM: [Not on tape] Opening-coming back. Section 051-starting

VE: [Tape opens with] a comment about the guarantors and I think Northwest Natural had the same comment later and so we were fine with that — we will make those changes. The next one, PSE's comments, I actually put something on the easel. This one's really confusing even when we looked at it, and so I actually had to write it out. And this is what happens. I think part of the confusion in the six months and 12 months and the ____ notices is because the current rules are really in conflict. In 051, in (1)(a) it says the customer can establish credit if it has service during the last 12 months and for at least six consecutive months, they have not had too ____ so that's where the two notices comes from. And then in 051 (3)(b) it says "the company can require a deposit if the customer had service during the last 12 months and has received three or more delinquent notices. So this one says two in six months and this one says three in 12 months, so they conflict with each other because there's really no difference between establishing credit and paying a deposit -- they're the same thing. So that's why I think the confusion between the two or more or the three or more and the six months and the twelve months came up, so what we ended up when we talked about this before the stakeholder's meeting what we ended up with was using the twelve months and the three notices — that

seemed to be — the companies' comments were in favor of the 12 months and not the six months, so we decided to go ahead and go with the 12 months and the three notices. So that's kind of in response to PSE's comment in that I think another company had the same comment. I think Northwest Natural had the same comments for that.

DW: Okay, anybody else have any points on those? It's clear enough what staff's proposing to do?

VE: And then PSE had the same comments as Public Counsel, Northwest Natural and ____ we're going to change that, so we'll do that.

?: Inaudible comment

VE: In the current rule?

?: Yeah, but I mean I thought said you'd gone to the three or more in 12?

VE: We did — that's what we're going to do. This says. . .

?: Is that in our . . . ?

DM: No that's not in your packet.

?: Oh, okay.

VE: The packet has the six months — we'll change that to 12. And then I think after that we're on to 2. One of the comments from PSE is that 2 can just continue as part of number 1 — you know, that you don't need to break it. But we did because 1 actually applies to an applicant or a customer and 2 applies to only an applicant. So that's the difference.

Oh, let's see and then one of the issues that came up with a couple companies here is the issue of credit reports — commercial reports. Staff is just pretty much opposed to commercial credit reporting simply because, well, for two reasons — one, I think it's notoriously inaccurate at times and the other thing is, I'm not sure that a commercial credit report really reflects a customer's ability or willingness to pay their utility bills, and so we have at this point are not inclined to include any kind of commercial reporting establishing credit.

DM: I think we may have some comments on that.

?: We just couldn't hear what she was saying.

DM: Oh, I'm sorry. Do you think you got the gist of it or shall we go back over that?

Could we go back over that?

VE: Yeah. There is a couple commenters who wanted us to allow credit reports as a way to establish credit and not pay deposits or pay deposits. For customers and staff at this point is not inclined to do that. I think commercial credit reports — our problem concerns with those are two. One is that they're notoriously inaccurate and hard for customers to change when they are inaccurate. And then the second point is that I am just not convinced that commercial credit reports reflect a customers' ability or willingness to pay a utility bill.

DM: Any comments?

PP: Well, it's kind of hard to track all of the changes that have gone on in everything, including our own comments. I think what we tried to do is change this to make it a little more clear that what we're trying to offer to the customer — for this to be the customer's option. I know last time in the workshops, folks had mentioned that it's kind of a tough thing to take somebody who doesn't have a lot of money any way and force them to pay for a credit report. The way that we've tried to reflect this is that this would be an option for the customer if the 12 months didn't apply, of employment — you know it's an option — I mean if they think — if they have a good credit report, you know what I mean — so that — it's either they could choose that instead of paying a deposit although I guess if their credit report comes back they're going to also have to pay a deposit, but it wouldn't be required for them to do a credit check.

VE: So this is basically — if a customer decides they want to do a credit, it's not — you're not.
..

PP: Well, forcing them to do it.

VE: I'm just saying that's how you would rate customers.

PP: Right.

?: Then what would you use it for if _____.

PP: Because there's the other options of how a customer can demonstrate that they're credit worthy. We weren't talking about eliminating all of those. But if they can show the 12 months of consecutive employment, that's fine — we don't have to do a credit check.

VE: But it's the customer's option about the credit check.

PP: Right. Either that, or they could just pay us a deposit, if they prefer. Because that's kind of what happens. By dropping that entire section, the existing language says there's, I believe, there's something about . . . the two credit cards is offered as an option — here it

is — it says "demonstration that applicant is a satisfactory risk by appropriate means including, but not limited to the production in person at listed business office of two major credit cards or other credit references which may be easily and quickly checked." So we were just proposing to strike out the example, I guess, of using two credit cards.

VE: Okay, we'll consider that.

OK: Just kind of an anecdotal thing. We did just recently have a customer protest the fact that we asked them for their employer information and so giving options is probably useful. She felt it was absolutely none of our business who she worked for and for how long.

LC: What happens if someone doesn't have credit, neither bad nor good, and you do a credit check, and it isn't a bad — they don't have bad credit. So do they qualify as, okay, no deposit, let's sign you up?

?: Inaudible.

?: Yeah, you do a credit, well what does that mean? Well, what's passing? Is bad failing and anything else passing?

?: Inaudible.

PP: Yeah, we haven't thought of exactly what a definition would be, so we can talk about it.

LC: That seems pretty critical to me and if the interpretation was bad credit failed and everything else qualified, though, well then that sounds like . . .

PP: Even if you left the existing language that was there right which is I guess what we would propose to do, but strike out the including — providing two credit cards, then I'm assuming unless — I could be mistaken — the utility is the one who's determining what is satisfactory credit risk. Including, and I believe that's also in the section on the deposits, you know, when ____ with a guarantor is that the utilities is the one that's determining if you're satisfactory or not and I'm not sure that that's been a problem before — I'm not aware that it's a problem, but there are probably other people you could ask. I mean, I'm not sure that it has to be defined.

LC: That's a perfect example, you know? They probably don't have back credit. They don't have any.

PP: But they might not have satisfact — well, I mean, if they have no credit, is that satisfactory?

LC: And that's what I'm asking.

- PP: Yeah, I — you know we could think about it and, you know, we're willing to talk about what that is.
- VE: Phil, could someone in your office scope that out a little more and come up with some criteria that you would use?
- PP: Sure.
- DM: And if the other companies can do that as well, in terms of how you evaluate whether the credit is satisfactory under current practices, then that can be taken into account to _____.
- RR: My concern about these credit reports ____ and I don't think customers realize -- I mean if you go ignore them, then that's one thing. If you go ignore them, then why ask for them? I don't think a customer realizes the errors until they get them and then try to engage and try to get them corrected or they dispute them or they say I paid that off or whatever, I mean, I'm not saying they're all harmless in the situation, but trying to find out what the right story is and trying to get someone to accept the right story and change the thing, so people make judgments and they're used a lot and there's a tremendous amount of problems -- not the utilities so much -- they're used with people trying to get houses. And then the person tries to get a -- and this is the way I know about the correction. I write Equifax, I send an affidavit from Nordstrom saying that the person paid off the debt. The person who keeps getting denied would like to rent this apartment and six months later? Guess what? Still. It's like I didn't write anything, you know? And they're just fraught with problems and I think lend themselves to be abused and I don't know -- I guess it's one thing you could ask the customer whether they would want to do it, but I don't think the customers will be informed about the possible or potential problems with those _____, so it would be kind of an uninformed consent. And I have some problems with it. This is an issue that some other utilities not in this room tried to do in the past and we just found so many problems with that _____.
- DM: Anything else on this? Go ahead.
- KL: On the guarantor section in paragraph (1)(b), the wording used to be "furnishing a satisfactory guarantor" and now it's "furnish a guarantor that is established credit with the utility _____" which is fine itself but I can remember cases where we had an applicant that we knew from past experience was not going to pay his bills and that applicant was trying to get his grandmother to be the guarantor and we chose to say that's not a satisfactory guarantor. We're not going to accept that guarantor because she's on a fixed income and I'm sure she's going to pay the bill because she has excellent credit — this grandmother does — but because of the wording, we had the latitude to refuse that guarantor and protect that grandmother. And I'd like to maintain that. I agree, though, that usually we look for somebody with good credit, though, and that's a good change in here, but I don't know how to really suggest that and maybe you have some comments in that regard. And then the other portion — the guarantor's only responsible for the amount on the disconnect notice. That's fine if the customer — if it's going to become a

prior obligation because we're going to then collect a half of a new deposit and go forward because we probably won't take a guarantor then. So we're not a risk, but if, as happens in many cases, once we disconnect, we don't see the customer again — they're gone. They move out because they're close to eviction or whatever. I don't know the rest of the circumstances but as far as we're concerned they're gone, and then we have not only the bill that we disconnected for and possibly close to two months more service if we extended them already. So that was a concern some way — it's not a big concern, but . . .

PN: On 2(c) I guess I have some difficulty with that where we are not able to collect security deposit for an applicant who owns or is purchasing a business, that's fairly difficult for us to determine if that person is really is owning or is purchasing that. And all we have is the word of this person saying I'm not renting; I am buying. And I guess I'm not understanding what is the reason for (c)? Is that an existing rule?

VE: It's existing.

?: Yeah, that's been around for ages, but ____ I mean, it's not an addition to the rules.

VE: No, that's in the current rule.

CR: It was worded differently, though.

RC: It was worded differently and now that you stated that this other requirement ____ is for applicant, I assume that means that they not establish full credit ____ option available to an applicant. Like a person who has established ____ credit because they own their own doesn't mean you can't charge a deposit.

VE: That's right. Section 2 deals with applicants only so they're brand new customers, and the current rule — actually this is the same as the current rule — the current rule says "applicant owns or is purchasing the premises to be served." And I think the notion behind that is that if [end of Tape 2 Side B]

[Tape 3 Side A begins]

CR: So if somebody has not paid their bill and then they sign up for service as a new applicant, but they've done this in the past — not paid a bill — it's okay to get a deposit from that customer even though they own their home? You know, they're coming back as an new applicant, but they've done this before when ____.

VE: Yeah, if they've had service within the prior 12 months, under (1)? Yeah, that applies to new customers or current customers.

DM: Okay, anything else on that?

VE: There's one on (2)(b) Public Counsel and CTED and Northwest Natural all thought that the full time employment history should just be consecutive history — that full time did not need to be a requirement so we'll take that out. And then Northwest Natural — I think we just already answered that, but the criteria that needs to be met is 'or' — you have to meet one of them, not all of them. I think that's all on (2).

DM: Okay, anybody else have anything else on (2) or can we move on to (3)?

Looks like we can go ahead and move on to (3).

VE: Okay. (3)(a) Public Counsel proposes to strike that and I just wanted to clarify for them that — two things. This is already in the current rule and this is only if there is a prior customer that has a past due balance at the same service address — the balance has to be from the same service address.

DM: In other words this would cover the situation where, for example, I have a roommate and the electricity has been in my name — or the gas — and we haven't obtained our bills and so he says okay my roommates ____.

VE: We call this the rotation of roommates rule. That's exactly — that's what it's designed to do. But, if your brother that lived somewhere else didn't pay his bill and then he came to live with you, that's a different thing. It's only if his past due bill is at your address. Explanation of clarification. Vicki answers question and gives further clarification

PM: What happens if your brother has a past due bill and it is given to you?

VE: Well then you have a bit of a -- well, no, because he's not currently living there. It also says they currently have to be living there. There's a prior customer living at the residence so if he leaves, you are not responsible.

PS: It depends on if you're listed as a co-tenant on the application.

VE: Yeah, it depends on whose name and all that ---

PS: Yeah, you get into those troubles where they say ___ or divorces, separations, ____.

?: Inaudible long comment by male voice.

DM: ___ since they have to be living there ___ it would be only extraordinary situations where people are getting divorced and still living ___ same _____. Okay/

VE: And then Avista's comments had to do with commercial credit — we already covered that. I think we're done with (3).

And then in (4) Public Counsel had comments for non residential applicants and this is the same as current language — we did not change that. And we're not inclined to ask for recording, but you can argue with us about that if you want to.

?: Inaudible.

DM: Well, why don't we keep moving while Public Counsel is giving this some additional thought. Number (5)

VE: (5) -- the deposit amount how you base it and Puget Sound had some comment about 2/12 of the estimated annual billings and my only question was that it seemed reasonable to base it on actuals and so why would we use estimates if actuals exist? So that's my question.

LL: I can think of one example years ago where I used an estimate based on a particular customer because they moved frequently and they always used close to double what any prior tenant had used -- I don't know why, but they did. We took the history, doubled it, and that's what we based our deposit on that.

TS: Inaudible.

VE: Inaudible.

LL: And the other reason would be that a house could have been vacant for the last 12 months when somebody moved in -- we wouldn't want to base a deposit on a vacant house.

VE: Well, we'll give that some consideration — I didn't think of that.

And then on (6) ___ you had a comment — we were fine with that language, so we'll add that in, and the same (8). We were fine with the language.

MS: Inaudible.

VE: Well, I think — yeah, generally, it's due today and then the 10th of this month, the 10th of next month, and the 10th of the month after that. So, I think probably if they can't mutually — you know, maybe that's not even necessary because we already say they pay in equal installments over this many months and so maybe it means the 10th and the 10th and the 10th. And the company can require it if they don't mutually agree on something, but I don't think we've ever had problems with that.

MS: I'd just like to mention that page 18 is missing in the handout.

[Discussion takes place regarding pagination and missing pages and some inaudible discussion take place for a few minutes before a male voice begins a response]

LL: We haven't been involved in too many of them, but we use a similar service at another location — look at that — we accept, for example, a payment bond rather than an actual cash deposit — some kind of a credit instrument in some cases. You know, if you _____.

MS: Inaudible response

LL: No, you've got another location across town or in a different city — we look at that one and see did you pay your bills there? I think, at times, if we've questioned the ability of a customer to pay — an existing customer to pay — a commercial customer — we've pulled credit reports on them — to find out, you know, how close they are to bankruptcy — you know, for example, the Ernst Stores when we were dealing with them trying to figure out, you know, are they going to pay their bills or not.

MS: Maybe it would be helpful to me [inaudible]

LL: I think it's varied by customer and situation.

LS: I'd ask why you want it? It's existing; it's working — is it not working?

MS: That's what I'm asking — I don't know — is it working?

LS: I think so.

VE: I think we've had one complaint that I can think of.

LS: In how many years?

VE: Yeah.

LS: So I say it's working.

DM: Okay, so while we're waiting for those pages to appear, let's talk about 11

VE: Eleven — we don't have any comments on and 12 we only have one and I think we're going to straighten that out with that — it's the same issue that I wrote up on the board, so we'll clear that up.

DM: Okay, that has to do with the delinquency notices.

VE: And the 12 months and, yeah.

LL: On paragraph 11, what's described in here is not the current practice. The current practice is based on this, but then it's further adjusted and I can't describe to you the calculation that the Commission goes through. I know when I used to deal with this every year, this was used, but then sometime in the last couple years there has been an additional calculation which raises the interest rate, so you end up with a higher percentage than the average — what this rule says.

?: What part of is is not . . . ?

VE: Well, you know I think he's not saying it's not the current rule; he's saying it's not the current practice.

?: Oh, okay.

VE: I'll have the person that computes this for us take a look at it because I have no idea.

LL: I looked at it and I'm not a finance person and I can't describe what they did, but I took it to our finance people and they understood what was done and I know it resulted in a higher interest rate.

DM: Sounds like there might be a need for some coordination with the person responsible in the companies on this.

VE: I don't think we changed anything -- we were scared to -- we didn't even know what this meant, so —

LL: I know how to do this -- I didn't know how to do the other part was my problem because when I got it this past year, I calculated the deposit interest rate and then I looked at the letter from the Commission and it didn't agree and I wanted to find out why.

VE: Well, we'll check on that.

DM: I'm going to move us backwards to ten because we ____ capture the comments on page 19 and I'll just read the first part of it. 10 is Security Deposit Payment Date and the proposed rule reads: "Any security deposit or additional deposit amount required after service is established is due and payable no sooner than 5 p.m. of the sixth business day after notice of the deposit requirements is mailed from within the state of Washington or the ninth business day if mailed from outside the state of Washington. If the utility delivers the notice in person to the customer, the deposit or additional deposit amount is due and payable no sooner than 5 p.m. on the sixth business day from the date of deliver."
And then there are couple of comments.

VE: These comments again go back to the timing of mailings within the state of Washington

and outside the state of Washington, so . . .

DM: Staff's going to be looking at adjusting that in connection with the other rules discussion.

VE: Yeah, we'll be looking at it. I don't know what we'll do with it yet.

DM: Okay. I'll tell you what. I don't want to waste time -- I don't know what the hold up is on getting these copies, but let's just go ahead and move on to another rule and then we'll come back to this.

WAC 480-90/100-xx3 Reconnecting Service After Disconnect.

Let's go ahead and move on to XX3 which is on page 36. And this is Reconnecting Service After Disconnect. Okay go ahead.

TT: These rules were actually moved from the current disconnection of service rules into its own rule. This has to do with reconnecting instead of disconnecting, so I guess the idea was to set it on its own rule. Do we want to wait and go back? Okay, so Northwest Natural had some questions. First question is what is staffs' justification for requiring a one-day service restoration. There will be times when this is not possible. So then our question again is what's a normal restoration time? Is it more than one day to restore service?

CR: This is after a disconnect for a default, right?

VE: Inaudible.

DM: This is once a disconnection has occurred and the customer has then brought the bill current.

OK: Normally, we do try to have the reconnection made the same day, but there are times where it goes to the next day when it cannot be scheduled.

VE: I think we tried to ____ within the day, so ____.

OK: Within a day defines a 24 hour period as opposed to on that calendar day? Okay. So, for example, if it was 4 o'clock in the afternoon today, having it restored tomorrow by 4 o'clock is sufficient?

TT: Is 24 hours clarifying it better then?

DM: The suggestion is to change the language to 24 hours. That would seem to accommodate the . . .

OK: I think that would work for us.

CR: Twenty-four business hours. I guess 24 hours wouldn't always work.

VE: It wouldn't?

?: No, that's true.

DM: Not with weekends.

TT: Well, we'll figure it out.

Okay, number two the structure of the introduction paragraph is confusing.

OK: Could this be me? I'm just not sure what it's exactly saying.

VE: This first paragraph here? The gas utility must restore disconnected service within one business day after the customer has paid or at the time the utility has agreed to bill any reconnection charge when and then all of these things have happened or one of these things has happened..

OK: Okay, so either the customer pays the charge, or we agree that we'll bill the charge?

TT: Right. Still confusing?

OK: It is, but . . .

LL: The 'when' needs to be changed to 'and' at the end.

OK: I agree. That's a good clarification.

TT: And it's your last question again -- it's one of those four.

OK: Okay, thank you.

VE: PacifiCorp — the company would like to discuss this issue further to ensure that the intent is not to obligate the company to reconnect service without payment. Do we need to discuss that further?

RC: I think that the 'and' clarifies that.

VE: Oh, it does?

RC: M-hm.

TT: Public Counsel had some comments. Gas electric utility must disclose the following

reconnection options to every disconnected customer. The utility must restore disconnected service within one business day after the customer has paid — and it goes on. Number 4? Oh, the delinquent account, and then you remove ‘has been disconnected’ and inserted ‘is a prior obligation account as defined in the WAC.’ Do you want to clarify that a little bit why you’re asking for that restriction of the sentence?

MS: Inaudible.

DM: Once it has been designated _____.

MS: Inaudible.

DM: Anything else on this one?

WAC 480-90/100-051

Okay we can jump back to 51. Where were we? Page 19? We pick up with 8.

VE: [Tape inaudible -- notes only] PSE. In nine PSE had some comments, we agreed with the intent of the comments and we’ll clarify that. Public Counsel had some comments regarding what circumstances _____. I think we clarified. It talks about _____.

MS: Inaudible.

VE: There isn’t really one. I mean, I guess the difference is that maybe they _____ the project but at some point after that they find _____ can increase the deposit amount.

MS: Okay. Is there no other reason. I _____.

VE: It would increase if. Based on the new place that you live the deposit would _____.

MS: It’s based on the usage _____

VE: They can do that, but it has to be based on the _____ — they can’t just . . .

MS: That’s sort of where I’m going _____.

VE: It comes back under deposit amount where it’s 2/12 of _____.

MS: Okay. So that rule applies to both _____.

PS: There has been times when they’ve asked for too much and the usage has been lower and so the company is also inclined to give some money back.

MS: Inaudible.

VE: Public Counsel had another question about the two major credit cards which in the current rule it allows two major credit cards to qualify for ____ and we didn't keep track ____ I think it made sense 20 years ago.

RR: Inaudible.

VE: We just didn't _____

DM: We did 10 and 11. We're _____. Well 13, I guess is where we are now.

RC: I believe that our comment was related to number 12 as far as refunding the deposit. Our preferred method is to apply the deposit to the customer's account with _____. It's a lot easier to apply it than it is to refund it back.

VE: Yeah, we didn't write that very well. We actually agree that the company should first apply that to the account unless it was requested by the customer that it be refunded. So we'll clarify that. And then Northwest Natural had a comment about how this entire section added the word 'security' before the word 'deposit.'

JR: That was my fault.

VE: So we could take that out.

OK: My only comment was that we don't use the term 'security deposit.' It just seemed like kind of a new _____. Okay.

VE: I think the other comments have been answered. Oh, and your question on number two was referring to a delinquency notice ____ first and second _____. It's the first.

OK: The first? Thank you.

VE: They've been noticed if they get the first. And then in number three there's a series of questions that _____ and my question is how do companies do this now? We've never addressed these issues.

OK: I don't know personally.

LS: What we do, we normally ask that the guarantor be one of our customers and we then will ask that customer to sign a form and they can either come to our payment center or they can mail it in.

OK: Do they receive copies of the bills that they're guaranteeing?

LS: No. Nor any of the notices for disconnect.

VE: In number four you had some questions about paragraph 7 about prepaying the charges and ___ the deposit and we actually in our first informal draft we took that out because we don't know when it's ever been used, but the companies suggested it, so we put it back in.

OK: I don't think we've ever used it.

DM: Inaudible.

VE: Number 5 installation charges. I don't know if we want to change that name. We're not referring to line or main extension installations. Some companies have when you sign up and you have — and it's a fairly nominal amount that you pay to initiate service -- that's what we're talking about. So we called it installation but maybe that's not the right word.

OK: But there is a term that the utilities use.

LL: We use service initiation charge.

DM: That seems reasonably generic so maybe that's a possibility for clarifying language.

VE: We'll change that.

WAC 480-90/100-xx4 Winter low-income payment program

DM: Okay, that brings us to the completion of the comments on 51, but are there any other comments that we need to take up today? Okay, then let's move right along to XX4 which is on page 40 for most of us. And this is the _____ payment program and it does appear that there are a few comments on this. This is the winter low income payment program and it does appear that there are a few comments on this.

TT: Well, basically I'll just start off saying that this is extracted from the current payment arrangements rule and put it into its own rule and I took the current existing rule and compared it to this RCW and I cited that for you for your information and tried to pretty much just keep to what that statute stated. and not change that statute and there were several sections that were not in the current rule — somehow they didn't get included in there so I put them in there because it was in statute, so I tried to. And the statute itself, of course is written a little bit awkwardly, so it was a little hard to understand, so I tried to put it in plain English, and that was challenge, but that's basically what I did and some of the comments were, "Well, this isn't in current rule." Well, it's in current statute and so that's what I did.

LL: But It only applies to electric service, does it not?

MS: It's heat — it's winter heat.

TT: It just says for residential space heating.

RR: Yeah, so if you heat with gas.

LL: Oh, okay.

TT: Would you like copies of this at all because I have copies.

?: We have the RCW.

[Inaudible conversation and pause]]

TT: Puget had mentioned that the existing rules explained self certification may be subject to verification by grantee since the Commission does not regulate grantees the most reasonable interpretation is that the utility may require the grantee to verify the self certification. I had actually talked to DCTED on this and the person who works this in their agency and the language I got was the language they told me to put in there. So, if it's still not clear, if you're not agreeing to that, let me know, and I can go back to them and say, well, maybe this isn't working right or something, but that's the information I got from the people that handled this.

MK: The Energy Project is a partnership between DCTED and the Community Action Agencies statewide, so and I worked on the moratorium language initially, but the thing about the grantees and the demands on the grantees at this point as I mentioned yesterday the Lyhee (sp?) Program got cut back from \$2.4 billion to a billion this year with an uncertainty about what that status is and so there's not the certainty that staff or agencies are without any compensation can perform this service. It works when there's a Lyee Program. They're struggling staffwise now because there's some rule changes with that, so that's a different type of situation and environment than the past as far as that people are still struggling with on how to resolve.

TT: How's that relating to this rule and the statute? I guess I'm lost.

MK: You just mentioned some language about the authority of the Commission vis a vis these grantees and so forth and the language in here — the need to have this eligibilized by these subgrantees — and I'm just trying to give that as backup relating to that — am I missing something?

TT: I'm not real versed to the process, so if this is the language the way I understood it from DCTED representatives, so. . .

MK: Which language are you referring to when you say that?

TT: In (1)(b).

MK: I was responding to the clause in (b) that says "the grantee will within 30 days determine that the household income...", you know, and . . .

RR: So what he's saying -- it's an impossibility because these agencies don't exist -- they close down when heating season the customer gets in a problem, they need to have their income certified by this agency, the agency doesn't have its doors open -- it doesn't exist -- what do you do? That's what the problem is

LL: That would be (4)(b) "The grantee shall determine the household income does not exceed the maximum allowance." We can't deviate from that.

RR: Right.

TT: Okay, we'll look at that again.

MK: There's another piece in the next line that has to do with seven percent.

RR: No, I think that's in the next rule.

MK: It's in (b), and the -- first of all the WAC says "not less than 7" let's see, "through this period is less than 7 percent". We've been using a figure of 5 percent in the comprehensive review of the Northwest Energy System in subsequent proceedings because where this figure is coming from is that non low income pay -- 5 percent of their household income for energy costs and the issue has been trying to have low income on a parity with that. That's where the figure came from and it's a changing figure with time. This statute goes back quite a ways. In recent years we've been using a 5 percent figure. And . . .

TT: The statute talks about 7 percent.

RR: It says, "is less than 7 percent." In the statute if you look at (e) on the . . .

[Pause for partially audible discussion]

TT: Okay I can check that out again, too.

MK: Just have a language match of less than 7 percent.

TT: Okay, okay. I just want to be consistent with the statute. And I probably missed a couple things here, that's true.

RC: I don't know in my history of any customer that has gotten a better arrangement out of doing this than what ____ utility, so I don't know that we need to spend a lot of time on this issue because customers don't even . . .

TT: We use it as a very, very last resort.

MK: Exactly, It's a last resort, but important to have as a last resort. And it's obviously not in the customer's best interest to have a huge bill accrue and have to deal with in the spring and so we don't promote it, but as a last resort, it's critical.

RR: Is that general true of all of the utilities. . .

JM: The customers _____.

MK: It is beneficial if you need your heat during the winter months, as a last resort.

JM: There are other alternatives that we offer the customer that are _____.

MK: Some of the alternatives, the assumption has been that there's other resources available for those, and I'm telling you that that may not necessarily be the case any more.

JM: Inaudible.

DM: What else do we have on this one?

TT: Anybody have anything. Public Counsel, you had some questions on (e)? Again I referred to the statute information. The information that I've put in there is per statute, so you might want to look at that. Again if I've missed something bring it to my attention.

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

DM: 096 on page 47. It's in connection with this rule that we will go back to the glossary issues insofar as the customer complaint/customer inquiry question in _____, so let's take up that discussion now _____.

PS: Well, why don't we start at the beginning of the rule and then we can hit those because I think it will come out in the end. Complaints and disputes. Public Counsel's first comment, they would like when there is a complaint to have the companies report -- they wanted the requirement within five business days to report to the investigation to the complainant. We didn't have a time frame. They want it promptly and I don't know if the companies want to address that?

MS: Did you guys _____.

CR: What we're doing in our merger commitment is responding to either the Commission or the customer within three business days. It really depends -- sometimes we work directly with the customer and so that's who we get back to quickly and let them know that, yes, there'll be somebody over from meter _____ or whatever, and then we always follow up

later with the Commissions, but it was critical to get our communication to the customer, so we've kind of let the person responsible for responding to the complaint decide that. Either the customer or the Commission's in three business days and we hope that that will give everybody the updated information that they need and keep everybody apprized of what's going on and we think that that's a very doable commitment for us in the three business days. Rather than maybe doing the five days here and then the two days that we have in existing rule to get back to the Commission, maybe people would want to think about the three business days that we're currently proposing in the mergers. Either/or respond to the customer or the Commission. I don't know — that's just a possibility.

LS: The only thing I see here is that we're making an assumption that we're through with the complaint in three or five days and sometimes we're not finished with the investigation at that point in time. So, certainly we would be responding back to the customer to let them know where we are, but if there's some reason we don't have to finish, putting in a specific time frame might be ____.

CR: That's why we call it respond — see, we're not done, but we respond so the customer knows what's going on and they're not just sitting out there in limbo.

PS: Well I guess that's a little different issue than. [end of Tape 3 Side A] That's why we've just.

[Begin Tape 3 Side B]

VE: I don't think we've had a particular problem that we've been aware of ____.

PS: The next one is when a customer is dissatisfied. Public Counsel's thoughts were that you should inform the complainants as early as possible after initiation of the complaint; that the customer's right to pursue the complaint with the Commission if they should remain dissatisfied, so they're trying to shore up when — at what point does a representative advise the customer that the Commission is out there? And, I don't know if the company has any comments.

LL: I believe all customers are advised and their rights and responsibilities pamphlet — I believe it's in there.

TT: My thoughts on this is I'm concerned, although, I agree that the Commission should be brought up if the customer continues to be dissatisfied, but I feel that if you bring up the Commission early on in the discussion of the complaint between the customer and the company, that sets up kind of a negative rapport between the customer and the company or then the customer says, "Well, whatever you say, I'm not going to agree to; I'm going to go to the Commission now." And I feel that doesn't give the company a full opportunity to present their side of it and resolve it on their own and we'd like to give the

company that opportunity. And then at the end the company is required to say, "Okay, you're still not satisfied," you know, "I'm the supervisor" -- or whatever -- "here's the supervisor" -- he's still not satisfied; "okay, here's the Commission, maybe they can help you in a way that we can't." So, we just would like to have the company the company the full opportunity to resolve it on their own before setting that up.

DM: Okay, anything else on this?

PS: Okay, and then on three Northwest Natural was wondering why the staff requested reducing investigation reporting requirements from three days to two days, and actually it hasn't been reduced; that's the current rules -- two days.

OK: I'll take a look at that -- I must have misread it.

PS: Okay, and then moving on the number 4 -- Public Counsel wanted to add an (e) which is "All correspondence and records regarding the complaint -- " and we thought that was a good choice and we agreed to add that. Northwest Natural wanted to know about paragraph 4 -- Why does staff propose to increase the records retention period from one year to three years? That makes it consistent with the statute of limitations, so we thought _____. And then, I think the only other comment is when Avista brought up a complaint in the definition of complaint, and I don't know. . .

CR: We have some comments, too.

PS: With regard to?

VE: I guess I'll just tell you from staff's perspective, you know, this comes up now and again with companies on what's a complaint and what's an inquiry and how does that get counted and staff's perspective is that -- and a couple of things that were suggested here I think Avista suggested that it's only a complaint if the Commission finds that the company was in violation of a rule. We don't agree with that. The reason that we don't is when -- first of all, the customer has already talked to the company and the company has had a chance to work with the customer to resolve whatever the issue is. That's both documented here as part of the complaint process, but also when they call our section, the first thing we say is "Have you talked to the company?" And if they say no, we say, "You need to talk to the company first and give them an opportunity" and then if they say yes we say "Have you talked with the supervisor?" And if they say no, we say, "Well, you know, we usually have numbers for the company and we say call this number and ask for a supervisor -- you have a right to work it out with a supervisor first." So we only take those complaints -- or at least we try to. Now, I'm not saying that every once in awhile we get somebody that's so angry that we just take them, but for the most part, everyone we talk to has already talked to the company and has already talked to a supervisor and they are calling to complain -- they're not calling to make an inquiry. They're calling to complain. If a customer calls us and has a true inquiry which we

count as, you know, like, "Today I was talking to the company, and they said blah-blah-blah. Is that true?" They don't have a complaint; they just want to make sure it's true. We don't open those as complaints anyway. We call them inquiries and we count them as inquiries. So the only ones that we open as a complaint are the customers who have already talked to the company and they've already talked to a supervisor, and they've called us to complain. And whether or not the company has violated a rule, we don't think has anything to do with the complaints we get from customers. So that's kind of our perspective on what a complaint is and what an inquiry is.

LL: One thing that comes to mind is when a customer calls about a damage claim, which is a civil matter when they've knocked down one of our poles and we will them for what it costs to replace it, that's a civil matter for the courts to decide whether or not that's a just billing or not — at least that's been our feeling — it's not -- at least that's always been our feeling that it's not within the Commission's jurisdiction to decide whether the billing amount is right for those damages. It seems like that would be an inquiry rather than a complaint, but those I think are all taken as complaints.

VE: And again, you know, we could probably argue this for the whole day.

LL: There are lots of different changes.

VE: There are, and we do take in all industries — not just electric or gas — we sometimes take complaints that are technically non jurisdictional. But we take them anyway and the reason that we do is first of all, the customer doesn't care whose jurisdiction it is and they don't always understand and some of them are pretty gray areas on what's jurisdictional and what's not so we take them and the reason I think it's still okay to count them as complaints is because they've already talked to the company -- I mean, no matter what the issue is the company's already had an opportunity to work with the consumer.

LL: But then, what if we are right?

VE: Then what -- if I were a company, my argument would be then what's the disposition which is company upheld, but it's still a complaint. Complaints — when we — after we — when we close a complaint, then we put in what we call a disposition which is we — you know the consumer upheld, or the company upheld or company upheld with arrangements — there's a couple — I think there's always . . . and we also have a non jurisdictional category, so if you're looking at statistics, maybe what you want is not just the complaints, but the disposition or the outcome.

PS: And I would add that -- I mean I open very few complaint cases, but the ones I do, it's because they have had difficulty with getting information from the company -- speaking to the appropriate people to get information, haven't received a response from their damage claim and I think if we had to rationalize each one, use Avista's language, I

don't think anybody would want to sit through consumer rules workshops if we had to make new rules so that we could open up some of the issues that we do. Because most of it is based on customer service _____. We get a lot of calls.

TT: Those are mostly — they're ugly. The louder the customer gets, _____ and they're pretty — when the customer is insisting that we help them.

PS: I think we usually get the additional information that they're requesting.

LL: If they're filing a damage claim against us.

TT: And normally we tell them up front that it's pretty non jurisdictional, but we will see what we can do for them.

PS: I mean usually when we open up things that may or may not be a violation, it's because they haven't received information from the companies that they need or want.

TT: And aren't _____.

PS: Inaudible. Comment that they would like to suggest establishing some type of time requirement for the Commission so that _____. The problem I see with the time requirement is that we don't have any control _____ complaints that we receive, so . . .

CR: That's why we're giving you five times this long as we have. Five times as long!

?: Inaudible

CR: Well, I think it would help to have some kind of time — even 30 days or something where even a commitment that we wouldn't let things hang out there for six months or nine months. Because if we do have collections to do and the customer has a high bill inquiry, we've satisfied that from our end, we feel, and it's sitting at the Commission and maybe they're more questions or, you know, there's a lot of different things — but if it's sitting out there for six months and we can't collect, that's not good for us — it's not good for the customer ultimately, so if we could just think of any time commitment if you didn't want to be real formal about it — maybe 30 days — try or something. We wouldn't have to put in rule making, but it's just something we've come up with — we get stuck. And then I also had just one more comment. I was really happy to hear that you — if you have questions and inquiries, that you label those as inquiries instead of complaints. That's good. One other thing maybe to think about is there's a category that some of our commissions use what's called mediation and it's not a complaint per se. They call it a mediation. What it means if that the company's done everything right, okay? The customer owes some money, the customer doesn't have money, and they call the commission. And what the commissions do is call the company — our appeal line — what we do and say can you work with them? Is there anything you can do? And that's

when we start getting creative and say okay, how can we work with this customer — can we extend arrangements? And we satisfy the customer by making some creative arrangements and the commission says that's a mediation. All we did was kind of say, can you give it one more shot? If there anything you can try with the customer? So, I don't know if that would work here or help with Avista's concerns or not.

PP: How are those kinds of things classified now?

PS: I would be concerned that the customer didn't make that second call to us _____.

VE: That would be a complaint and then the disposition would be "company upheld with arrangements" which means the company didn't do anything wrong, but they were willing to make arrangements with the customer.

TT: But my question in that — so help me out with this. The customer tries to get arrangements. Okay, the customer is being straightforward here. They call us. They say, "I've tried to get arrangements with the company. They're not balking. I told them I would pay them next week; they say if I don't pay tomorrow, I'm getting disconnected." Okay, so ___ supervisor won't move. So we log it as a complaint; we go to the company; the company says, "Sure, next week is fine; sure six-month's payment arrangements is fine." ___ is really lenient. Why couldn't that have happened before they called us? That happens quite a bit and I don't understand why all of a sudden we have these wonderful payment arrangements with us, but they couldn't provide it to the customer before they called us. And that's the question I have and I don't quite get that part of it.

RC: I think the customers get great payment arrangements a lot. You probably don't hear about those, so.

RR: My experience is exactly the same. And my only thing is that the customer loses it. The customer gets irritated and keeps raising its voice, the person that's the company is trying to be polite, but then loses it and says, "To hell with it." _____, I get a phone call, I don't call this person again; I call the supervisor who is now one step from me, the temperature is a lot lower, and you work out a deal. I just think, I mean, I witness the exact same thing — I always want to know why — I'm just surmising, but I think it's a human nature thing. I think the front line person is getting in the course of a day is getting a lot of people telling them stuff and sometimes tempers flare and _____.

DM: I think what you've captured is this mediation _____. But I don't think that's very important to our rule making. Let's move along.

Any other issues? Let's move on to 161 which is on page 52.

WAC 480-90/100-161 Complaint meter test

?: Inaudible comments.

DM: Well then we'll jump to 211, 311 and I will announce that this is the last one on my list. And that's on page 55. Payment locations. 211 on the gas side and 311 on the electric side, but ____ are the same other than ____.

WAC 480-90-211/100-311 Payment Locations

TT: 211/311 Payment Locations. One of the significant issues in this rule has to do with the locations of business offices' payment locations -- payment agencies. And I think we've discussed this in our first stakeholders' meeting where Commission staff is very concerned about closing of offices or of actual physical access so that customers can pay by cash or get to the company. So in writing this rule, it was very difficult to try to figure out how to set it up so that the customers have the access geographically to meet their needs and I didn't really come up with anything good because especially when we're talking about between rule areas and Seattle and things like that, I was kind of lost so I ended up with convenient. And not saying that is perfect, but what's convenient to one person, but to me convenient does not mean an hour's drive. To me, convenient maybe means 30 minutes or something to get to a local payment agency to make that payment to keep the service on -- one thing. That's primarily what I was thinking in writing that rule and we have some comments to that and I'd like to open up for discussion because I think we need to discuss this much more fully.

DM: Okay. ____.

MK: When we were mentioning that word I was thinking affordable for folks in a rural area and having to pay the transportation costs where transportation's a big issue and so forth, so I'm not sure convenient is the word I would choose alone, but I'd like to get something that at least addresses the affordability and a half hour out is a long -- it's a long ways out as far as expense-wise for transportation for those who don't have their own vehicle and are not a public -- like rural Whatcom County and Skagit County where I live, there's no transportation up there and so people have to get a cab or pay somebody something or so forth. And I should remark that there were always centers out there in Lynden and Ferndale, and, you know, Burlington, and on the list of Oak Harbor and on and on and, you know, they all closed up, so . . .

DM: Anybody else have something on this -- some use information, some help to provide the staff in writing this rule better?

JM: [Inaudible -- notes only] I think we appreciate that although in the rural areas if there not willing to do it we throw up our hands.

PP: Another one of the things -- exactly -- it's not like we're trying to turn our back on customers and say "No, we don't want you to be happy and we don't want that personal

contact with you." But it is very, very expensive to do that and you know we were trying to pull together some statistics about how many pay stations are used relative to the bulk of our customers. And it's eyeballing it out at like 5 percent of our customers are using pay stations and I'm not sure if they use the offices or not, but, you know, it gets to be very difficult and I guess I'd say that I'm not even sure that we are totally supportive of the idea of having to have a requirement of having that pay stations or offices at all..

TT: Well, if you heard our customers calling us, you might change your mind.

PP: Well, at \$1.4 million customers, you know.

TT: But there are customers out there who are in need of accessibility for cash payments. I think that's important.

LK: I didn't have a good definition then and I don't have one now. Someone suggested a station per 1,000 of customers. I don't know. You know, of course, you also — if you don't have all the statistics which I don't, you know, you go on your personal anecdote and, sure enough, you know, "Mm, I forgot to pay the bill." And so I called up to figure out, "Well, gee, you guys got a shop in Olympia -- you'd think it would be open." Well, it isn't, but you had three or four places where a consumer could pay. And it's like, "Gee, okay, this isn't bad -- you know, within three miles I'm going to be able to go find somewhere and pay and I did, and they told me we're closing down next month and won't be doing this any more so don't count on it. So, you know, convenient is much too subjective to me and, you know, there is the cash payment, there is the fact that there are penalties that you're facing if you're late, and there isn't a way to access. So, you know, I think you need it. And this is not, you know, she's got the point. This is not the optional service. You know, you can go shop at Target or The Bon if you want to or not and incur that, but this is how you — you know, you get service from your utility and you, you know, you have to pay it somehow and you get it and I think — I mean the cash option is pretty important. And when you see the places that are even employment centers for the companies not allowing public access, then you just wonder, "Well, how do you ever come in contact with a person?" But more critically, how do you pay in a readily reasonable fashion?

OK: Are we truly talking people who only have hard cash in their hands, or are we talking with someone with a check? There are so many other options available that the utilities make to their customers -- debit, automatic payments, payments by credit card, all they have to do is make a phone call. We have programs that issue checks when they call and give us an authorization.

LK: Do you have that information -- who's using them? You know, what kind of payments are coming in?

- OK: Sure, sure.
- LK: So what kind of payments are coming in on these? What kind of payments are coming in at the remote centers? Remote. You know, in person facilities. Are they paying by check?
- DM: Perhaps I can rephrase the question. How many of your customers are paying by cash on a regular basis? 1 percent? 10 percent? Do you know?
- LS: Less than 5 percent _____. We get very little cash through the mail _____.
- LK: We mean at the payment center.
- PP: Certainly it has to be less than 5 percent, right. But, I mean, even in that case. I'm not sure that we can even get those statistics. But even if you did, that still isn't defining who -- like you may have paid in cash, but you probably didn't have to. That's the problem. So if you're trying to define the universe down to what do you do for those folks that have to pay in cash? I mean, if the interest that we're trying to address here is what do you do for customers that have to pay in cash. I mean, they don't have to be rural areas because Bothell it would take you a half hour to go three miles, so. You know, it seem like that's -- if that's the main underlying interest there, you know, what do we do for customers that need to pay cash.
- TT: We need to back up. It's not just cash. It's for urgent payment where they need to get it in now. And maybe have an alternative to that, as well.
- RC: We do. ___ with the electric check and stuff like that -- quick check. Or you can just call up and if you've got a checking account, automatic.
- ?: This intelligent consumer is not aware of any of those options.
- LD: We have a lot of customers that call us that have urgent notices and we just write the check over the phone. They give us a check number and we write it -- they don't have to come in or do anything. Everything's handled over the phone.
- VE: Inaudible.
- ?: It's also cheaper for the customer to do that.
- LD: We charge them \$2.50 and we cost justified it through the Oregon PUC and customers love it. In fact, they complained before we got it -- that's why we implemented it and they complained that we didn't have a way that they could pay over the phone and we charge a lot less than the retail stores do. And we're not making money on it -- we're just wanting to recover our cost.

- DM: Well, it looks like this one is ____ additional effort . Inaudible.
- LD: Can I just add one more thing. You say you didn't know anything about it. We do advertise it. We put an enclosure in bills telling our customers that we provide that service, so if they get an urgent notice, they know they can call us and can use it.
- LL: There was affordability mentioned. What dollar figure are you thinking about as far as affordability. We'll come out and pick up your payment for \$9. Do you consider that affordable?
- MK: No. Not for the folks I'm thinking about, but I can't come back and give you a figure off the top of my head either. I think it's, and I'd be interested in, you know, meeting with the ____ or whatever to, you know, to look at narrowing that further, but I wouldn't do anybody justice to throw out a figure.
- LL: Inaudible.
- DM: Anything else on this rule generally?
- TT: Puget had deleted "Payment agencies must clearly post and maintain regular business hours." And I'm a little confused by that because that's in current rule and do they never do that?
- PP: There is a place not far from my house that does that — or at least they have been doing it, and they actually don't have their business hours posted. It's one of the hose Mailboxes Etc.-type places where part of the place is open all the time.
- TT: Can't that be part of your contract to ensure that those -- I mean what's the problem posting the hours?
- PP: Then you just get into this issue of trying to police their business and it's not that easy to get them to do it in the first place and so if we're going to start coming in there and starting to tell them, "You must post your business hours." I just don't see why it's necessary.
- TT: Isn't that part of setting up the process of how to be a payment agency?
- DM: I think his point is It's difficult enough to get these people to agree to be a payment agency and if they start _____ and then that may create an additional barrier ____.
- PP: And it's probably not necessary anyway. I mean, because these ____ if they're open when they're open, they don't want to tell people when they're open — it seems odd, but there is that situation.

LL: And we don't have a direct contract with the agency itself. We have a contract with APS who sets up the agencies.

TT: Northwest requests that paragraph 3 be clarified to indicate that this requirement applies only during normal business hours, and we agreed with that. Puget deleted number 3? Oh.

PP: I guess just kind of reading that, I wasn't even clear what it meant, so I guess being cautious I thought to suggest to delete it.

TT: This says that the company must tell customers ___ issues. The brochure says other things. In the other rule it talks about other things. This is more direct with actually detailing billing issues.

PP: My question was I didn't know if _____.

TT: This is a little different than in 041.

PP: And is this associated with pay stations or I guess I — you know what I mean?

TT: We kind of ___ more generic about — we didn't differentiate between — I'm sorry, Phil, let me look again.

PP: I didn't say we shouldn't do any of this, but it just seems out of place right there at least.

TT: We'll look at it again. I think this is more generic. It's not for payment agencies. It's just to the company — that the company will provide the toll-free number to provide all this information. Okay? So, it's kind of lieu of payment centers and business offices and payment agencies that helped out in the past — it's just providing this toll-free number to provide all this information now.

OK: That's how I read it. This was just a general requirement. The utility must make this kind of service available. It's kind of a given, but I can see where it could be stated.

DM: Okay, does that bring us to four?

TT: Public Counsel had some comments on four. This is the issue about notifying their customers of closure of one. Matt, I think we talked about your issues here, I think, is that right?

MS: I think we went through this at the first workshop. Inaudible.

TT: I think on that part of it, we've addressed your issues there. And I don't know what else. Puget had struck out the entire fourth section. I think your main issue is that you're

concerned about having to notify the customers of closures of payment agencies. We have a concern about not notifying customers.

PP: How was the notice being made. It certainly wasn't clear to me; maybe it was clear to somebody else.

TT: If you have to provide 30 days to us, the Commission, then maybe it's just a bill message or bill insert or something to the customers in that area or something.

PP: There's a few things. First, it's going to be really expensive. On number two, I'm not sure — although we could probably check — if you'd be able to define the universe of customers you'd send that to in your billing system. You know what I mean? I'm not sure a set of prese--- that microcosm kind of thing.

HP: I can interject on that too. There are some real difficulties in ascertaining which customer groups are going to be affected by a closure of a pay station, for instance. Are we defining it by actual use which could mean a customer commuting to a work location and paying close to their work location, or are we actually defining their convenient location as being near their home? There's an awful lot of different ways that that can be construed. There is a significant expense to doing some programming to put on some messages. There's also an expense to doing the programming and also the printing and all of the other stuff for doing a bill message and there's some preparation time that we may not be given enough time to do the notification by the time the payment station closes because of the time frame that the pay station actually notifies us of their intent to close.

?: Inaudible

HP: It's available on request.

LS: So if someone calls in, one of the options on the VRU gives them the pay stations that are close to them? You know, they can ask once they ____ the 1-800 number because that seems to be the one place that we keep updated very quickly and then people can get notification immediately.

HP: It's available.

PP: And perhaps it might to clarify that, you know, with what's included — you know, what you can get when you call at toll-free number — if that were to be one of the requirements of what we tell folks what they can get out of that toll-free number.

TT: So if I'm being disconnected and I've got to make an urgent payment, and I run down to the payment agency on the critical day and it's closed and I didn't know about it, then what do I do.

- HP: You can call the company and find out where a payment location might be available.
- PS: Is it practical when the payment agency notifies you they're going to close to require your contracts that they post that for the people, you know what I mean? So they say we're no longer going to be — I've seen it — at stores, they say effective whatever day.
- LS: What I have found on that is that I found also that unless ____ business tried to that, the customers then thought they were closed, and so ____ attempted to do that. It is a difficult issue, there is no doubt. In fact, on the way down, we were talking about buying our license tabs and we go all over and buy our license tabs. Well, it's kind of the same issue ____.
- VE: Both the issue about payment agencies and where I make my payment, and business offices and then whether the company is in the community and then payment agencies and where to locate, and whether they've closed and I didn't know that — these are really big issues. We get a lot of complaints about them and a lot of calls -- probably more than you get because we try to take them as inquiries, but you know, sometimes we have to open complaints. Anyway, we get a lot of them and that's really where this comes from. We didn't make it up.
- TT: It's a sensitive issue with a small number of people that use this.
- VE: Small, but vocal.
- TT: Yes. Small but important.
- VE: And I even hate to say it's real small.
- TT: It's still a significant issue to those people and we're taking it very seriously.
- PP: As Linda mentioned, I don't think the company is all that happy with the way — you know if you took this snapshot in time and made believe the whole world was static, then I don't think we'd be very happy with the way the world is right now in this area. One of the things that we are trying to figure out ways to deal with all of these issues and to optimize that stuff and, you know, I'm not sure — I really couldn't tell which direction — how it'll eventually be solved because we're not happy with that situation either. I'm not sure, though, that even going that extra step of notifying customers — I don't know that can even be done effectively. That's what's kind of concerning and it seems like going in that direction of trying to make sure the customers know to call this phone number or one of the things we'd talked about is getting it onto our corporate Web site which is great if you can get to a public library. You know that's not a perfect remedy, but if we could somehow communicate that better to customers to call our 800 number. Because like I say I think this is a temporary problem as we get to a more stable solution.

VE: I don't know if that's true or not. We have -- you know US West is one of our biggest phone companies, so they have payments agencies all over and they have a huge volume and the only difference I can see is they've been at it longer than you guys have. So they have the same problems and I guess from a strictly a consumer perspective, you used to have an office here and then you made the choice to close your office and install a payment agency at the corner grocery or whatever it is and now, all of a sudden, the burden shifts to me as the consumer to do things that I've never had to do before. I'm not prepared to do from monopoly service that provides me heat and light and then what I hear from the companies a lot is, "Well, we can't make them post business hours because that's not us and we can't make them post notice because that's not us. Well, it's not you, but it's your responsibility and you've made these arrangements so that you could close a business office and so it seems to me that although it's not you, it's your responsibility. You know, it's hard to explain to customers that it's any different than that.

DM: Does anyone have any unusual suggestions or ideas on this one? Inaudible.

[Remaining comments were inaudible -- notes only]

JR: [Inaudible -- notes only] Next step. We'll draft another round of the rules. We'll have the minutes available from the meeting as soon as possible. Contact the people in the consumer or accounting areas. Hopefully you make some notes. We'll get that out of the minutes. Tentative date by the first of November.

OK: If we're done I'd like to make a closing comment. I would like to thank staff for putting the comments together in the way that they did. That was very useful in going through this last version of the draft. It was very useful in getting a feel for the entire perspective.

JR: [Inaudible -- notes only] We want written comments on the consumer rule especially. The accounting area I got the sense we're pretty close and the metering areas. We'll get the accounting and metering rules out as soon as possible.

I may send out an e-mail.