

VW-980082

Water Stakeholder Meeting October 6, 1998

Present:

- | | |
|---------------|-----------------|
| Sondra Walsh | Herta Ingram |
| Steve King | Lane Demas |
| Mary Tennyson | Penny Hansen |
| Dennis Moss | Fred Ottavelli |
| Drew Noble | Diana Otto |
| Doug Fisher | Danny Kermode |
| Cathy Thorne | Gene Eckhardt |
| Pat Wiles | Peter Beaton |
| | Mary Sprouffske |

MR. KING -- Opening remarks. Language to make in writing as we go into 102 stage.

MS. WILES -- Will we be receiving CR 102 packet ahead of time?

MR. KING -- Be available when open meeting packet is available and then you'll have the time after the meeting to comment.

MR. KING -- 480-10-066 - Line Extension Contract

MR. KERMODE -- Basically intact, basically straightforward and not a lot of debate, once certain items were removed. Took out limit as to line extension. My concern was related to latecomer agreements, and tried to attach latecomer agreements into this rule. Felt Commission had enough latitude without rule to address. Lot cleaner rule.

MS. WILES -- Questioning. As things stand now it's an either/or, we don't have to have a line extension part in our tariff?

MR. KERMODE -- That's correct.

MS. WILES -- You're proposing we have it, even though we will go almost always contract?

MR. KERMODE -- Yes, I felt it should be part of the contract.

MS. WILES -- It's almost always negotiated.

RM2

MR. DEMAS -- More or less a disclosure.

MR. FISHER -- Extend lines.

MR. KERMODE -- Yes, my intention was to truly make it cleaner.

MR. KING -- Are we fine with line extension contracts?

MR. KERMODE --

MS. THORNE --

MS. WILES --

MR. KING -- Discontinuance of service -- 071 -- Diana describe issues.

MS. OTTO -- Tried to put it in clear English. Lot of discussion in the past about disconnection and service rules. Added medical emergencies. Medical emergencies are currently in other industries we regulate. Dropped out telephone attempts entirely -- still 24-hour door notice. Added in second mail notice -- 72-hour mail notice. Added 6 days if it's mailed to someone outside of Washington.

MR. KING -- Changes from what's in effect currently.

MS. OTTO -- Yes.

MS. WILES --

MS. OTTO -- Second mail notice dropped telephone attempts and you can still do 24-hour notice at the door.

MS. WILES -- Either or?

MS. OTTO -- Yes, you can do either.

MR. KING--

MS. TENNYSON -- By one of the two options listed below.

MS. OTTO --

MR. KING -- Comments, questions, concerns?

MS. OTTO --

MR. KING -- A minute to look it over....okay

MR. NOBLE -- That would cover anything having to do with DOH regulations?

MS. OTTO -- I think so.

MR. NOBLE -- Disconnection?

MS. OTTO --

MR. NOBLE -- The old rule had something a little stronger in it, if you shut off the water for any reason...

MS. OTTO --

MR. NOBLE -- What is proper notification under B?

MS. OTTO -- I'm confused. You mean on B as notifying customer in line 3 below tells you how.

MS. TENNYSON -- It's still in there.

MR. NOBLE -- Okay, just in a different place.

MS. WILES --

MR. KING --

MS. OTTO -- We should make that clearer.

MS. WILES -- Somehow identify these as not just Number 3?

MS. WOLFE -- How about #3 title

MS. WALSH --

MS. OTTO -- SECTION 3 WOULD BE

MS. TENNYSON -- Yes, section 3 of this rule.

MS. WALSH -- We'll fix that.

MR. KING -- Next rule -- 076 service responsibility.

MS. OTTO -- This is the one we need Peter in here.

MS. WALSH -- I'll get him.

MR. KING -- Diana will discuss changes.

MS. OTTO -- I didn't make any changes -- just clear English. Had a e-mail from Dennis Moss that these WAC numbers need to change, so I'm looking to the Department of Health for that. I guess we could say much of this could be repeated in DOH rules, so we're asking what we can delete in this rule, so we're not repeating what's in their rule. Peter has some comments and changes here this morning.

MR. BEATON -- 076 I got commitments to discuss this rule, and we identified that there seemed to be a lot of overlap. Dave has gone through -- there appears to be a concept rather than specifying all these things, what we do in DOH is reference industry standards, rather than get detailed. Rather add some operational requirements -- reference 246-290.

MR. KING --

MR. BEATON -- Subsection 60-010 -- rather than have all of this just refer to WAC 246-290. These are his comments.

MS. OTTO -- He's saying to use these same subsection titles, but refer to DOH titles?

MS. WILES -- What is need for UTC to have these types of specifics. They're required of us by DOH rules, and 290-291 of the rules that apply I don't see any need for that type of specific service responsibility to be in the UTC rule.

MR. KING -- Are you agreeing with proposed DOH changes?

MS. WILES -- DOH has it, all we need to do is make a statement that 246-290 should be complied with. These are not things that you are going to get customer complaints on are they?

MS. OTTO -- Interruption of Service.

MS. WILES -- Interruption of service I can see where you need to have an attempt to notify, but that's 9 and 10, and I'm talking about first page statements -- 3-8, maybe.

MS. TENNYSON -- Test records is something we will also get complaints on. Original thoughts were if they are in UTC rules, UTC can take action.

MR. NOBLE -- As far as test records, anybody can call up.

MS. OTTO -- we're not talking about just water quality, but meter tests, flushing the mains those kinds of records as well.

MR. BEATON -- Are you proposing to eliminate all text a-e in here, we're not telling you what to do, but definite reference our WAC, and we don't have details, so we just refer to agency standards. If you want to add details that are not in our WAC, that's fine, but when you operate you have to comply with DOH regulations. We're not going to say don't use the detail.

MS. OTTO -- Does the company currently keep that kind of information --- it's currently in the WAC now. It's just how much of this we needed.

MS. WILES -- It's going into pretty minute detail, and it doesn't seem this rule is the place for it. To be required to keep records that are available to UTC and customer is one thing but to tell how us how we have to do the flushing, etc., specificity. I don't think it's necessary here.

MR. KING -- Are the requirements currently considered industry standards largely the same as what is described in sections 3-8? The issue seems to be should we just reference DOH WACs...

MS. OTTO -- They don't detail in their rules.

MS. WILES -- They refer to industry standards.

MS. TENNYSON -- Is the industry standard something written somewhere?

MR. KING -- In gas and -- same somewhere.

MR. NOBLE -- Basically if you have AWWA in 10 states, there are things that people reference to.

MR. BEATON -- I'm uncomfortable commenting, because I -- just look at 7A, for example, it's about as generic, but when you get down to C, you get specific, so if that's not something that is not in DOH standards....

MR. OTTAVELLI -- perhaps we could substitute language comply with state board RCW 70.16, or -- for

MR. KING -- Between now and the 102 staff will get through the DOH rules that we're talking about and identify the industry standards and see if

there is anything in our draft here that goes beyond those requirements and put in only those items that are beyond the standards.

MR. OTTAVELLI -- I think in reality most goes beyond what DOH requires. And I think ... is do we need it?

MS. WILES -- That would be my question, would we need as specific detail under these rules? Under hydrant management, example, we do not inspect and test hydrants, the fire department does.

MS. OTTO -- I think hydrants was one that brought up the issue of whether we need to have that at all.

MR. KERMODE -- I wonder if we would remove the engineering related -- like 9a, avoid deadends, I can't see the Commission pursuing a complaint on that, it seems kind of empty, however if you go to D, I can see a purpose being begged there. It seemed as the engineering ones doesn't seem appropriate for the Commission to have in place.

MS. OTTO -- And we do use those clauses from time to time in complaints.

MR. KING -- Is this a way out -- staff will go back and scrub out parts of rules that aren't needed and make reference to DOH and comments can be made. Respond to your caution. My sense is staff is a little uncertain what to agree to without further research. ..

MS. OTTO -- Yes, remove parts in DOH, but not remove parts that aren't covered.

MS. TENNYSON--- Yes, we need to read the rules and checkout.

MR. BEATON -- There are items that you want to come to you, and people saying that even though you want it, you...

MS. TENNYSON -- We rewrote them because the are in the rule.

MR. KING -- Do a check if we need it, keep things we really need or would use.

MR. OTTAVELLI -- Comments right now, which give real heartburn.

MR. KING -- Three through eight...

MR. FISHER -- I have a comment on 2, -- we understand we need to maintain our equipment.

MS. TENNYSON -- Install and maintain.

MR. FISHER -- Change there?

MS. OTTO --

MS. TENNYSON --

MR. FISHER -- B is good. Little problem with C, immediately make notices when changes are going to occur.

MS. OTTO -- What are you considering immediately.

MR. FISHER -- Immediately if making substantial changes.

MS. OTTO -- Remove immediately?

MR. FISHER -- That would help.

MS. INGRAM -- *(unable to hear)*

MS. OTTO -- If I was a customer, I'd certainly want to know why I had a big drop in pressure.

MS. INGRAM -- If you're talking about a smaller system that might be possible.

MS. OTTO -- It seems if DOH has approved the system for a certain amount of connections that you should not see a huge drop in your system in that...Seems to me if you're approved for a certain amount you should be able to keep pressure all that you're approved for.

MR. ECKHARDT -- Question is if adding new customers does this require notice...

MR. KING -- It's unclear what the rule is requiring -- substantial changes.

MS. TENNYSON --

MR. KING -- Reading is not clear.

MR. BEATON -- Efficient, versus inefficient operations? -- discretionary...

MR. OTTAVELLI -- good example would be if pressure dropped would we require notice, even though it's still within parameters.

MR. FISHER -- How about changing from 120 pounds down to 90...that's the problem we have.

MR. OTTAVELLI --

MR. FISHER --

MS. OTTO -- I didn't change these rules, I rewrite them for clear English. Maybe this needs to be changed.

MR. ECKHARDT -- Rule speaks to changes -- is intent to notify all customers, or customers of poor service.

MS. TENNYSON -- We're reviewing for whether they are still necessary, do they make sense, how can we write them to make them clear. Diana has taken a paragraph and shortened. The biggest question is do we need it, if it's a necessary thing, she hasn't changed the nature of it. What we need to talk about is in what circumstances do we need to state...

MS. INGRAM -- There's a substantial difference in what you read and section C that was in this -- new version. What you read sounded to me like if the customers were to make a change in their equipment.

MS. INGRAM -- Read part right after character of service.

MS. TENNYSON --

MS. OTTO -- I think Herta is right. If the company is going to have to change their equipment in anyway.

MS. TENNYSON -- It's the same -- make changes or requires adjustment.

MR. KING -- Question on the table was do we need it, and if we need it could we be more clear about circumstances that would require...

MR. OTTAVELLI -- Peter, DOH has certain requirements, do you know....

MR. BEATON -- I know it is of interest, but I'd be more than willing to go back if need be.

MR. OTTAVELLI -- Seems that would be helpful.

MR. KING -- Has there been issue of notice?

MS. OTTO -- Not me personally, I've not used this rule.

MS. WILES -- I don't think it's essential that that section be in there, but I would draft the rules a lot shorter than anybody else.

MR. OTTAVELLI -- May have come up years ago..

MR. NOBLE -- Looking at this, "notify all effected customers immediately" ... so actually, in your case of dropping pressure won't affect the operation of the customer's equipment, the only place I could see this is in a commercial or industrial equipment, -- residential I can't see where this would affect this.

MS. TENNYSON -- What about increasing pressure?

MR. NOBLE -- There is no upper limit?

MS. TENNYSON --

MR. NOBLE -- There is under WAC no adjustment -- if you need adjustment it's the customer's responsibility to put on a PRV.

MS. TENNYSON --

MR. INGRAM -- I think there are so many notice requirements, adding this one just seems it is very ??? and if a customer were to call in say for info -- customers aren't always truthful, may not give all the situations that have occurred, and then the company gets a call, and we may find ourselves in violation of a rule we never intended to violate. Water companies issue a lot of notices anyway.

MS. WALSH -- You listed out some we don't cover, so does DOH have a rule that requires..

MS. INGRAM --

MS. TENNYSON -- I was looking at other rules.

MR. KERMODE -- Line 26 notify all affected customers if making substantial changes to (strike character of) is sponge to me -- to the service being rendered to the

MS. TENNYSON --

MR. NOBLE --

MR. KERMODE --

MR. NOBLE -- I agree strike in character.

MR. KERMODE -- If it's not substantial -- take out spongy wording,

MS. TENNYSON -- Right, efficiency...

MR. KERMODE -- Broad brush -- Major or industrial complex coming on board may affect customer.

MS. INGRAM -- In a situation like that where you're bringing industrial complex in , you have to get DOH approval, etc., it seems like if you've done all the appropriate things, and have all appropriate approvals, they're not going to consider everything. Why should we have to notice...

MR. KERMODE --

MS. INGRAM -- We can all agree today what is substantial -- 10 years from now that may be different.

MR. KERMODE --

MR. BEATON -- I think we've...

MS. TENNYSON -- And the next two sections talk about who pays for it...

MR. BEATON -- If *(unable to hear)*

MR. KING -- On to item 3.

MR. NOBLE -- Why couldn't you put 3-8 under 3 -- maintenance?.

MR. OTTAVELLI -- We did agree to do that, we just wanted you to let us know if you have any...

MR. NOBLE --

MR. OTTAVELLI -- We're going to take out where DOH has responsibility. Where we feel it is necessary or required we're going to leave it in. We just want to identify issues that create a special problem for you

MS. TENNYSON -- In lieu of 3-7 we make a statement that company has to comply...

MR. KING -- So we understand which items staff would have issues 6a on page 3...

MR. NOBLE -- One question on 5 -- quality of water -- you want copies of all wellhead protection plans?

MR. OTTAVELLI -- No.

MS. OTTO -- Why do you think that implies this?

MR. NOBLE --

MS. OTTO-- We are just saying you need to comply with those with DOH.

MR. OTTAVELLI -- DOH.

MR. BEATON -- Duplicating WAC have to comply with DOH.

MR. KING --

MR. NOBLE--

MS. OTTO --

MR. NOBLE -- If it is here you...

MS. OTTO --

MR. NOBLE -- As long as you don't have ...

MR. KING -- Cross out 6-7 items that you don't think are needed before end of meeting and give to staff, and staff can go through and eliminate things we don't need.

MS. OTTO -- Copies.

MR. KING -- 9 or 10 Interruptions of service, -- are any comments.

MR. FISHER -- 9 and 10 we need I the rule.

MR. KING -- break 10:35 - 10:55:

MR. KING -- Back in session -- Form of bills -- 110-101 Diana.

MS. OTTO -- This is an attempt at clear writing and I added a few other things. 1C, we added for clarification. Which says you need to show each approved separate line item. Original rule says you need to give customer enough info to compute the bill,. G, we included phone number , and 4 on page 2, those are the new items.

MR. KING -- Any discussion --

MR. NOBLE -- 4

MS. OTTO -- okay -- comments...

MR. NOBLE -- Only comment is this would require new investment in billing program....

OTTAVELLI -- So...

MR. NOBLE -- We'll be applying for a.....

MS. OTTO --

MR. NOBLE -- The problem is I don't know -- we've got about 40 percent renters and they change -- what is this going to even accomplish on the bill.

OTTAVELLI -- For that 40% nothing -- that would be the exception.

MR. NOBLE -- Basically what it is we have to go out and get a new program and change over...

MS. OTTO -- It is an item for discussion -- it is a consumer issue, the power and gas companies provide this type of information, it allows a customer to see if they are increasing their usage or not, and see if there is really a pattern, and like Fred, I think it does something so people can see what previous water usage was. However it is open for discussion.

MR. KING -- Costs have been increasing because of -- more specific information for customers reduces the numbers of questions and anxiety that they don't know what they're paying for, so it can reduce the company...

MR. NOBLE -- That would be covered more under 1c above.

MR. KING --

MR. NOBLE -- Whereas the number 4 here is also another thing of saying the customer can't be expected to keep track of their own records.

MS. INGRAM -- To Drew's \$2,000 investment -- that's pretty conservative -- to Diana's the premises doesn't follow with the account, it stays with the name.

MS. OTTO -- A program that you've looked into...

MS. TENNYSON --

MS. INGRAM -- This essentially would prohibit postcard billings.

MR. KING -- Specifically related to 3 and 4.

MS. INGRAM -- 4.

MR. KING --

MS. HANSEN -- we just had a series of public hearings on water issues and public made comments they would like to see what they're paying for, so the customers do want to see that kind of information.

MS. INGRAM -- Information public would like, but unfortunately water companies don't have large billing departments, we have information available, it's presentation on bill that makes it difficult.

MR. BEATON -- Raise rates to see that info, -- mandate info available if someone calls, but are people willing to pay for it in their rates.

MS. INGRAM -- If we're going to be spending \$2,000 we could be buying a couple of booster pumps for that. They can get info by calling company.

MS. THORNE -- With our customer notifications it's such a small percentage that reads notices. Consumption history is such a small percentage --

MR. KING -- How often you get calls about usage for prior periods.

MS. WILES -- During these months (August-September) we do have it available, and we can answer them, and we can print out, and we often do where somebody questions, but ...

MS. THORNE -- I think they're more interested in what their neighbors used.

MR. KING --

MR. NOBLE -- Most people that want to know are usually renters who came from an area was based on a different rate. Very seldom get questions from permanent residents.

MR. KING --

MR. BEATON -- One other possibility is similar to when you have -- is it a matter of do you want it, do system users want it.

MR. NOBLE -- Are we talking about rate hearing -- basically that's the way does the Commission want to be bothered with all rate hearings?

MR. KING --

MR. ECKHARDT -- Answer is no. Companies provide statement would additional statement...

MS. INGRAM -- If you can fit 43 characters

MR. ECKHARDT --

MR. KING -- What if the rule required the information be maintained for a particular period and available for a period of time.

MS. OTTO -- I think it's already in the rule.

MR. KING --

MR. OTTAVELLI -- Last several sessions of legislature has resulted in language that Commission may consider conservation goals in rate setting. I hear all the reasons as to why we can't do it and not why we can. It seems to me especially for the large companies that when you're looking at putting in new billing companies -- it's something the industry should be think about.

MS. WILES -- we have available 11 months we would only need to put additional month in and we use post card billing and we would be able to do it. I think if you're going to take that one out we ought to back up to 1e.

MR. KING --

MS. INGRAM -- I agree with Fred it's a nice piece of information, but if it stays as it is currently stated it's a requirement as of the effective date of the WAC.

MR. NOBLE -- When I tell them it's going to cost them \$8 to \$10 per person to ...

MS. OTTO --

MR. NOBLE -- That's conservative billing figure.

MR. OTTAVELLI -- Again, the problem is that you have a small customer base, yet a larger customer base ...

MR. NOBLE --

MR. OTTAVELLI --

MR. ECKHARDT -- We're looking at cost benefit at this point, we're looking at cost benefit.

MR. OTTAVELLI -- First rule gives waiver ability to Commission.

MR. KING --

MS. WILES -- clarification on 1B -- what are you asking to be put on the bill.

MS. OTTO -- Could be schedule number on tariff, metered or unmetered, so that when a customer looks at their bill they could telephone Commission, and ask for...

MR. KING --

MS. OTTO -- Rate schedule or metered or unmetered or fat rate. We're just trying to identify what rates should.

MR. KING --

MR. NOBLE --

MS. OTTO --

MR. KING -- You had a question about 3?

MS. WILES -- Yes E

MS. THORNE -- I think what you just described in B would direct them to the right rate schedule.

MS. OTTO -- For instance present or past reading of the meter. If a reconnection fee should be separated out. So they could see what they're being billed for.

MS. WILES -- Would we have to put on each bill the rates then?

MS. OTTO -- No.

MS. WILES -- For them to be able to compute the bill, you would have to be able to put in the schedule.

MS. OTTO -- You make reference to the schedule so they can call in ... but rest of fees show as separate.

MS. WILES -- Customer is going to think that rule if you will tell them what you charge per cubic foot is.

MS. OTTO -- I don't disagree with that, but it's something that we can refer that you give them enough information that they can be a...

MS. WILES -- Compute the bill.

MS. OTTO -- We want then to be able to compute bill.

MS. INGRAM -- If they're being charged -- they want specific.

MR. ECKHARDT -- The way E is currently written and customer should be able to take a bill and with nothing else compute -- is that the intent? I think I heard from Diana that the intent was that the bill should contain enough information on the services received so they could take the bill and the tariff and compute the bill, is that correct?

MS. OTTO -- I'm not asking that the companies provide each rate block, ...

MS. WILES -- You don't want compute in there then.

MS. OTTO -- What would you suggest?

MR. KING -- Do your bills have enough info in now?

MS. WILES -- No.

MS. OTTO --

MS. INGRAM -- Differentiate between services -- Compute means so many consumption at so much per usage.

MS. OTTO-- The companies currently put in their rate schedules their overages, etc.,

MR. FISHER -- We designed our bill with that thought in mind, but if we go to some sort of inverted rate schedule, I agree with Fred, we're going to work on getting some sort of program together for conservation. It's going to take years to get any reading done. It's a \$20 or less bill, and the time the concern occurs is July-September. Put in the base rate and overage helps, but I'm still going to get the call.

MS. OTTO -- Would it work to leave compute in, but add in along with tariff schedules obtained from the company or Commission....use the word compute, but make it clear that they would need to obtain the additional schedules from the...

MS. WALSH -- Provide, not include on bill...

MR. OTTAVELLI -- Enable customer to compute bill in conjunction with tariff.

MS. WALSH -- In conjunction with information provided by the company.

MR. OTTAVELLI -- Current rule says you if you have tariff you should compute the bill

MR. KERMODE --

MS. THORNE -- If we're showing applicable rate schedule -- what do we put on the bill to what are we searching for on the bill to all them to do this.

MS. OTTO -- Still on e?

MS. THORNE -- Yes still on e, but b and c give applicable rate schedule --

MS. OTTO -- You may be charging road maintenance that's not a tariff charge, that would still have to play into computing bill.

MS. THORNE -- Would be line item...

MS. OTTO --

MS. THORNE -- If you're putting your approved tariff as line items, -- separate stuff would have to go under a separate line item. In item e, what additional information are we trying to provide?

MR. KING -- That the information on the bill -- what we want to get to is information on bill, plus information provided by company would allow customer to compute bill. Rather than having to put each water usage block.

MS. THORNE -- Each block is tariff rate item.

MS. WALSH -- You only put the rate to that block...

MS. THORNE -- I must be confused, because we don't have step tariffs.

MR. OTTAVELLI --

MS. THORNE -- With B and C I'm saying they have the information they need.

MR. OTTAVELLI -- Unless you have items in your tariff you're not billing for.

MR. FISHER -- I agree.

MR. KING -- Clarifies what's needed.

MR. ECKHARDT -- Yes. I think we've agreed on principle, and I don't think it would
be...

MR. KING -- Staff will make changes to clarify changes. Meters...

MR. NOBLE -- Is 4 in, out or being reconsidered?

MR. ECKHARDT -- Are you withdrawing 4?

MR. FISHER -- I think you need to retain bills.

MS. OTTO -- It's in records retention -- up to 3 years. I'm not opposed to putting
something in here if you think it's necessary.

] MR. FISHER -- If records retention covers it that's fine.

MR. KING -- Meter rules.

MR. DEMAS --

MR. KING -- Walk through each of the rules.

MR. DEMAS -- Water company rights and responsibilities.

MR. KING -- Did you add responsibilities in the redraft?

MR. DEMAS -- These are excerpts of all eight rules, categorized rules that apply more
directly to the company.

MR. KING -- No new requirements here.

MR. ECKHARDT -- 1a4, line 18, instead of company, should that be customer?

MR. DEMAS -- We have it also down in customer.

MR. ECKHARDT --

MR. DEMAS -- Yes that should be customer there. Okay...

MR. FISHER -- No. 1, the meter cost -- we've talked about service charge, drop in installation ---

MR. DEMAS -- Water company would own the meter and meter installation...

MS. OTTO -- You have to read 2d in its entirety to show that company will reimburse them.

MS. INGRAM -- Under old rule 2d was sub of 2a.

MS. TENNYSON -- Structure needs to be redone. When customer requests a meter be installed, the company can charge customer, and reimburse them at 10 percent a month.

MR. KING -- That's much clearer.

MS. INGRAM -- 2e appears to be the same as 2d.

MR. DEMAS -- Yes, redundant.

MR. DEMAS -- Separate issue if whether company may charge in advance -- tried to separate out in components there.

MS. OTTO -- I agree with Layne what he was trying to do was set out customer rights and responsibilities. They may ask as separate.

MS. INGRAM -- The way it is now, it looks like water company can charge meter in advance.

MS. OTTO -- Yes, I agree that it should be if meter is requested.

MS. INGRAM --

MR. FISHER -- Conservation wise we need to write something that gives us the ability to use standard meter. 3/4 or 5/8.

MR. DEMAS --

MS. OTTO -- Are you suggesting that instead of 1 inch?

MR. BEATON -- Why have anything?

MR. FISHER -- Most of our tariffs we read some kind of a standard meter that the company installs, anything other than that...

MR. KING -- This is that they can request a meter.

MR. FISHER -- Where we have a right to charge for larger meters...

MR. DEMAS -- If somebody requests a meter, a flat rate service with metered rates, separate anything else other than standard

MR. KING --

MR. DEMAS -- I'll combine a little more and clarify if customer is requesting meter.

MR. NOBLE -- If they wanted one inch we'd be paying for entire thing.

MR. DEMAS --

MR. BEATON -- Do you have a tariff for 1 inch?

MR. FISHER -- 1 inch or less is standard meter other than that we charge time and material.

MR. BEATON -- I don't understand why we're referencing.

MR. OTTAVELLI -- Standard residential meter...

MR. FISHER -- That would work...

MR. ECKHARDT -- What's that?

MR. OTTAVELLI -- Whatever is in their tariff.

(Roundtable)....

MR. KING -- Add on as defined in company's tariff.

MR. FISHER -- That would be fine.

MR. NOBLE -- A standard residential meter as defined in company's tariff.

MR. KING -- Does that take care of item 2 a and d together? Any other changes in section 2 to the proposed rule?

MS. WILES -- 2f -- Would you clarify exactly what you're saying, because normally if someone requests a second meter, we simply handle it as a regular installation with a regular installation charge and regular meter charges on a monthly basis.

MR. DEMAS -- Submetering. I believe this one would be along the line of master meter and submeters.

MR. ECKHARDT -- Would it clarify to say more than one meter on a single connection?

MS. WILES -- No...

MR. DEMAS -- I think submeter would be a better clarification.

MR. KING -- Does that take care of your question?

MS. WILES -- Would this reference -- a single customer in a mobile home park requesting a submeter.

MR. DEMAS -- In that respect it could...

MS. WILES -- Single customer -- if a single customer within a mobile home part requested an individual meter, then we would have to put a master meter on that, but we would probably have to be computing that bill separately from the rest of the park.

MR. BEATON --

MS. INGRAM -- If we are is there any way we can exclude this from the monthly statements? I can see -- how do you handle...

MS. THORNE -- Person could put their own meter in, and company wouldn't be responsible for it at all. I think in F in any situation if the company wants another meter, the company should stay out of it, when it's just something for their personal use.

MR. DEMAS -- I think it should be optional for the company then to decide what they want to do.

MS. THORNE -- Our company would not want to go on private property to install meters

MS. INGRAM -- What's the applicability of it. Rental on a meter?

MR. DEMAS -- I know one instance that existed...four-plex wanted four meters, company put them in and charged rent because company wanted to install these and charge rent, it is an optional mechanism for the company.

MR. KING -- So the rule is intended to be permissive....

MR. NOBLE -- Why would it be covered by tariff?

MR. DEMAS -- I have that written ...

Roundtable discussion

MS. OTTO -- Layne is saying it's the customer to pay rent on that meter..

MR. NOBLE -- Why does it have to be in the tariff? Why worry about naming. You're worrying about something that's completely off the books...

MR. KING -- You mean it's not a regulated service.

MR. NOBLE -- Yea, why make it a regulated service?

MS. WALSH -- So am I hearing company don't want to install meters and charge rent --

MS. INGRAM -- If they want a meter sell it to them or tell them where to get it

MR. ECKHARDT -- Would it be clearer if the company said you can't do this.

MR. KING --

MR. DEMAS --

MR. NOBLE -- If a customer requests more than one meter -- it doesn't say that the company can just say forget it we're not going to rent you a meter.

MR. DEMAS --

MR. NOBLE -- So a customer could say I want 50 meters, so I can keep track of water usage.

MS. WALSH -- We don't need this part in the rule.

MR. NOBLE -- Should be up to the company's discretion.

MR. BEATON -- Do you have to allow them -- can you put miscellaneous charge in their tariff.

MS. WALSH --

MS. TENNYSON --

MS. INGRAM --

MR. BEATON --

MR. KING -- Draft rule F goes away? I hear company, I don't hear staff agreeing.

MR. OTTAVELLI --

MS. WILES -- But the rule can go away.

MR. KING -- Anything else on meters?

MR. NOBLE -- How much extra fine can we put on G?

MS. INGRAM -- Does H really need to be there?

MS. OTTO -- Actually that has been a problem in the past. I'd like to address G.

MR. NOBLE -- I agree with G and can we put some sort of penalty on there.

MS. OTTO -- He's not kidding these happen -- we're saying you can cover through rule to cost to repair. Other is through civil...

MR. NOBLE -- We could disconnect right there...

MS. OTTO -- That's under disconnection rules.

MR. KING --

MR. DEMAS -- Meter complaints --

MR. FISHER -- I'm going to add one thing in testing for meters -- two tests low-flow, high-flow, there's usually an average between those that tells you the flow and if you test under high flow it can be different than test under low flow - I'm a little concerned when we talk about 2% plus or minus....

MR. OTTAVELLI -- Is that a term that would be used here.....

MR. DEMAS -- We talked around 2% and low-flow and highflow...

MR. KING -- Is there an industry standard.

MR. NOBLE -- Yes.

MR. KING -- Can we reference that methodology

MR. FISHER -- As we receive meters new you get test results as to their flow and they range from 98 to 10-0% accurate.

MR. OTTAVELLI -- It's the average of high-flow, low-flow.

MR. FISHER -- I's in the benefit of the utility to charge, not in the benefit of the customer to change.

MS. OTTO -- But it's appropriate.

MR. FISHER -- The only part that bothered me is the 2 percent. There's a wide range between high-flow, low-flow, I'm not sure how to deal with it.

MR. DEMAS -- You take the high-flow and low-flow and average.

MS. OTTO -- And then it has to fall within the 2 percent range.

MR. NOBLE --

MS. OTTO -- I think we have that in the rules right now.

MS. INGRAM --

MS. OTTO -- 2 percent -- this what we have in other industries.

MR. NOBLE -- In number 5, add "if it's more than the meter records back charge --

MS. OTTO --

MR. NOBLE --

MR. KING -- Have we resolved the 2 percent?

MR. NOBLE -- We use basically throw-away meters, and over a period of time they will wear and that's where inaccuracy comes out. I would go to five percent rather than two percent -- where do you meet your two percent.

MR. OTTAVELLI -- You do a high and low and apply the two percent? Is that what we want to do?

MR. FISHER -- 2% of what .. 2% to the accuracy of a new meter, meter originally installed...

MR. OTTAVELLI -- Actual amount of water should not vary more than 2% of what it reads.

MR. FISHER --

MR. ECKHARDT --

(Roundtable)

MR. FISHER --

MS. INGRAM --

MR. ECKHARDT --

MR. NOBLE --

MR. ECKHARDT --

MS. INGRAM --

MR. ECKHARDT --

MS. INGRAM --

MR. ECKHARDT --

MS. WILES -- Some place you need to put that first statement you're talking...

MR. NOBLE -- Maybe if the overage is greater than 2 percent...

MR. ECKHARDT -- So you're suggesting if the company tests the meter and you find it's reading at 97 percent you're suggesting the company should be able to use the meter?

MR. NOBLE -- Leave it in there, but go on using it.

MS. OTTO -- What about if it's using over rather than under? Consumer has right to care if it's over.

MR. FISHER -- 2 percent plus the company must repair.

MR. KING -- It's agreeable to everyone.

MR. OTTAVELLI -- Testing at consumer request the statutes is 2 percent, so it's by statute. We may want to look at statute in doing something with it.

MR. BEATON --

MR. OTTAVELLI --

MR. NOBLE -- To the company...

MS. OTTO ---

MS. INGRAM -- Why do we need it in rules if it's in statute.

MR. KING-- We've agreed on 4?

MR. BEATON -- Language if the meter tests reveals 2% in prejudice to customer company must correct.

MS. WALSH -- Does that address your issue?

MR. FISHER -- It would almost be required to be replaced at any test period if it says either direction, and we use it on a basis that once meters get to about 20 years old we go in and replacement and deal with it on an ongoing basis. For planned replacement.

MR. OTTAVELLI -- Sounds like you may want to look at legislation -- 4% for electric meters.

MS. OTTO --

MR. KING -- Do we agree.

MS. OTTO -- Doug mentioned about high-flow, low-flow and wanting to work that in.

MS. TENNYSON -- If we ask the company has to provide a description of the test descriptions and procedure.

MS. OTTO -- I think that it is except that who is going to know that if we don't put it in the rule. Will Consumer Affairs know.

MS. THORNE -- There are other methods of testing meters.

MR. DEMAS --

MS. HANSEN -- Listing get in to danger.

MR. DEMAS -- Range of acceptable.

MR. NOBLE -- Industry standard and manufacture recommendations?

MR. KING -- Is that a separate number.

MR. NOBLE -- Put it right there in now.

MR. KING -- We've got some language.

MS. TENNYSON -- I've got that.

MR. KING -- We're done with 1 and 4

MS. INGRAM -- #3, my concern is that with double income homes it's difficult to have company representative on site at same time customer is. We may have to make appointment for Saturday or evening -- standard

MS. OTTO -- We do tell the customer that they have the right to witness if they choose to. They should tell the company when they want the meter -- no that's in pressure

MR. KING -- Says the customer has a right to be there.

MS. INGRAM -- If we perform a pressure test and customer isn't there, we have to perform test. If you leave it like this we have to within 10 days make arrangements to be at the

(Roundtable)

MS. OTTO -- it is reasonable -- customers need to see these things to believe these things.

MS. TENNYSON -- Customer makes arrangements.

MS. OTTO -- In the case of pressure problems the customer want's the company to come when pressure is at it's lowest, and...

MR. NOBLE -- We're talking about meter tests.

MS. OTTO -- Meter flow and meter tests are incorporated in this rule.

MR. BEATON -- I think you can clarify this as to who gets the call for clarifying.

MR. KING -- Two issues -- meter tests and pressure tests. Pressure tests is time sensitive. Can we separate these two?

MS. INGRAM -- In pressure tests, customer has to be there when we test. If you leave this, the customer has to be there when we test meters.

MR. BEATON -- The company will notify the company when the meter test will be conducted.

MS. INGRAM -- The customer has the right to be there any time.

MS. OTTO -- What were suggesting is that the customer has an opportunity to know when your company -- we're talking about complaints here -- the customer has the right to negotiate and company has an obligation to...

MS. INGRAM -- It puts all the rights on the customer the way this is stated.

MS. OTTO -- I think we need to suggest that we separate pressure out from meter, but the company has an obligation to ...

MS. INGRAM -- That's covered under two different ways...

MS. OTTO -- You're notifying them because you're in the process of a complaint with them.

MR. ECKHARDT -- If the customer files a complaint the customer has the right to be there. The company needs to agree to be there when the company can be there.

MS. INGRAM -- I don't have an exception with that...

MR. NOBLE -- During normal business hours should be put in there.

MR. OTTAVELLI -- Will check and see what was done in natural gas during the lunch hour.

MR. FISHER -- Testing isn't always done in the site...

MS. OTTO --- I had both in mind. Meter and pressure and that didn't come through here.

MR. KING -- Staff come up with clear language before end of day.

MR. NOBLE -- Also address how to deal with off-site testing.

MR. KING -- I think Fred's got a good suggestion. -- the only other thing I section 2 that people feel a need to talk about other than maps....water quality,

MR. NOBLE -- water quality...

MR. KING -- Lunch 12:20 - 1:30.

MR. KING -- Meter complaints --

MR. NOBLE -- We were on three...

MR. KING -- Witness to the test -- Gene and Sondra worked out a solution. I think we need to make a distinction between pressure and meter testing.

MS. WALSH -- This was.

MS. OTTO -- I saw it as both...

MR. KING -- Doug share how your company did it...

MR. FISHER -- We're supposed to keep equipment to do this, if somebody has a pressure complaint, we put a pressure recorder on their meter for a few days, give them a copy of the report. It gives them a chance to see what is going on. I see that as still in here testing equipment available. Meter complaint is a different problem. Most of us test on a best at the office, and one problem is we're in two or three counties, which means a customer could be 30 or 40 miles away, I can't take the equipment to them and so how do we deal with it. But if they want to witness it, that's always fine.

MR. DEMAS -- Basic assumption is that -- may not be valid in every case.

MR. NOBLE -- Standard test is you have a big graduated barrel and you talk about you don't just pick that up and move it into the field.

MR. OTTAVELLI -- Under gas rules there is a requirement that in essence says the meter will be sealed and may be in the presence of the customer, and then the customer will have the opportunity to watch the testing...

MS. TENNYSON -- That's in the water rules.

MS. WILES -- That's in the old rules.

MR. OTTAVELLI -- Will that work?

MR. KING -- The issue of time and location of testing is moot, because most companies have a testing facility somewhere.

MR. OTTAVELLI -- Meter is sealed on the premises in front of the customer and transported to testing site and tested.

MR. NOBLE -- Double income families -- says customer is present to watch it, what if only instance is 7:00 a night and I'm not the only one there....

MS. OTTO -- I was referring to pressure, and I think we agreed this needs to be rewritten -- as far as the meter test, if the meter test has to be sent out to another facility, then I'm going along with what Fred's suggesting, that the meter be sealed in the customer's presence, and they have the right to go, but when the company is normally available.

MR. DEMAS -- Sealing issue -- you would know if anyone would tamper, we haven't made that a requirement of the company. Who seals their meters?

MR. NOBLE -- They come sealed on the dial...

MR. FISHER -- They come sealed on the body, and they can't change it without affecting the body. As long as that seal is in tack then it couldn't be tampered with it.

MR. DEMAS -- As far as I was understanding it's that seal versus the whole meter being replaced and resealed. If you sealed it in the customer's presence, --- once you remove the meter and haul it off somewhere, unless anybody has the ability to reseat, ... I'm not that...there's a lot of problems with #3 there. What the whole intent was to give some credibility that some test was taken and that the meter was good or bad and they could see it for themselves. How do you verify this.

MR. KING -- I have some If the customer requests it, the meter will be sealed,. ...

MS. OTTO -- Facility...

MR. KING -- Testing facility instead of testing location..

MR. NOBLE -- What if the customer says they want to be there on a Saturday?

MR. KING -- Not mutually agreed.

MR. NOBLE -- Somewhere there's got to be a breakpoint...

MS. TENNYSON -- Current rules says seal is not to be broken....

MS. HANSEN -- This is already a complaint here at the Commission, and I think between Commission reps and company could work

MS. OTTO -- This isn't at the Commission yet.

MR. FISHER -- We're testing 40--50 meters, because our last was in 90 degree weather and they think they couldn't use that much water.

MR. KING -- Fred

MR. OTTAVELLI -- Put in language similar to what you've suggested that makes it so that reasonable people can reach a decision very easily, if that fails.

MR. MOSS -- If a customer requests outside hours, a \$20 fee.

MR. ECKHARDT --

MR. NOBLE -- Or at customer expense.

MR. MOSS -- it would be their option.

MR. OTTAVELLI -- problem with tariffs adopting in terms of levying a charge where -- in any event I think it would have to be in the tariff not in the rules.

MS. TENNYSON -- Right now it's the tests beyond the first tests that the customer is required to pay.

MR. OTTAVELLI --

MS. TENNYSON -- Rather than set a set amount, if the test is outside the normal business hours, the test...

MS. INGRAM -- Test must be at no charge to the customer, unless test is preformed outside normal working hours.

MS. OTTO -- I'm not opposed to that other than I would want to know who's costs would be in that.

MS. INGRAM -- Whatever it costs the company to perform that test.

MS. OTTO -- Does the company normally incur costs?

MS. INGRAM -- Absolutely they have to send someone.

MR. NOBLE -- I can bring it over during regular hours, but if it's going to be after hours, I have no clue what that's going to be, but I know that getting a City of Olympia employee after hours to do a meter test is going to be very expensive, and that shouldn't be my responsibility to do that.

MS. OTTO -- If the meter is fast, the company incurs the cost.

MR. NOBLE -- I like that...

MS. TENNYSON -- If the meter runs fast...

MS. OTTO -- I don't think it's going to come up very often, but we do need to address it.

MR. KING -- If it's fast the company bears the responsibility, if it's slow the customer.

MR. NOBLE -- .

MS. TENNYSON --

MR. NOBLE -- First one.

MR. OTTAVELLI -- First one if it's outside the normal hours.

MR. ECKHARDT -- Companies file tariff charge setting for testing on off hours.

MR. NOBLE -- Yes.

MR. ECKHARDT --

MS. INGRAM -- Short of debating a tariff issue right now, just go with time and cost.

MS. WALSH --

MR. OTTAVELLI -- There is language that works now that doesn't have to be in tariff, and bring it around to apply to off hours testing, I think we can work on that.

MR. KING -- Anything else with meter complaints that we haven't talked about. That language will be in the 102 version... Let's go to maps which is one page back from meter complaints.

MR. KERMODE -- Basically this is same we brought forward the first time. Herta had question about five day turnaround. We felt five days would be adequate. So basically it's what we think it should be right now.

MS. INGRAM -- It's not quite clear to me on since I lost the five days -- elaborate on what kind of detail.

MR. KERMODE -- Basically if somebody calls up and says I've applied to the water company and they say they don't serve my areas, we would be able to look at a map and see that they were totally out of your area or that they are right in the middle of your area and we would have questions why you can't serve them.

MS. OTTO -- And where facilities charge might apply.

MR. KERMODE -- Multiple tariffs also.

MS. INGRAM -- So maps need to include street information as well as system names.

MS. OTTO -- Whatever information it takes to make that understandable.

MS. INGRAM -- It would be specified of which area you were talking about.

MS. OTTO -- We would ask specifically for the map that related to that complaint.

MR. KERMODE -- This rule versus what the old rule required is a lot more limited and takes a lot of burden out of you.

MS. WILES -- Closer to what we've been doing.

MR. KING -- Handout -- Peter walk us through where this came from.

MS. WALSH -- We originally drafted this and got some input from DOH.

MS. OTTO --

MS. WALSH -- Some word changes from what was originally drafted.

MS. OTTO -- Are you expecting something from me at this point?

MR. BEATON --

MS. OTTO -- Let me read it first.

MS. WALSH -- What was the original rule.

MR. FISHER -- One question that's going to take ... What are we refunding, is it the 5,000 gallons they used on their yard or the 3 gallons they consumed.

MR. KING --

MS. HANSEN --

MR. OTTAVELLI --

MR. NOBLE -- What is the staff recommendation?

MR. OTTAVELLI -- The staff recommend they go to potable water, so only what they drink.

MR. BEATON -- Maybe add another question stating that ...

MR. OTTAVELLI -- We took national averages for human consumption as opposed to washing dishes and lawns.

MS. TENNYSON -- At what level do you stopped.

MR. KERMODE -- We wanted to leave that open because people who have a fair amount of money would water more, we need the flexibility to be able to debate it debated by the parties and not set out by the rule.

MR. BEATON -- All the water that you supply have to meet the standards. It doesn't make a difference, the water company is not fulfilling it's obligation to serve, I think the total refund until you get your act together.

MR. NOBLE -- Does that required of other nonprofits, etc.

MR. BEATON -- I don't know.

MR. NOBLE -- No requirement for refund.

MR. BEATON -- This is an investor owned company -- different from customer-owned. This is for companies that are not willing to address problems.

MS. INGRAM -- In relation to secondary contaminants, it's been my experience that secondary contaminants are very difficult -- it's very possible to have a pit on secondary contaminants and it's not of high concern. The second -- customers already have recourse against companies who are ignoring or violating. Why are we double penalizing?

MS. TENNYSON -- Statute requires us to.

MS. OTTO --

MS. INGRAM -- This one is extremely restrictive...

MS. OTTO -- We don't want the consumers to come to us with frivolous complaints and ask for refunds. We're trying to contain it and hone it in as to what we would consider.

MR. NOBLE -- Would you consider secondary contaminants?

MS. OTTO -- DOH helped us with this...Be...

MR. BEATON -- That's why I wanted to preface this. ... Although the revised mentioned secondary contaminants, it's primary standards.

MS. WILES -- Then why is that in there?

MS. INGRAM -- It doesn't state that. After (1) there --not anywhere in that statement does it address primary and secondary.

MS. OTTO -- Unless that WAC is primary that you're alluding to...

MS. WILES -- Under the new WAC I understand that correction of secondary standards is at the option of the consumers.

MR. OTTAVELLI -- Peter, is the intent that this rule be triggered only a violation of primary standards?

MR. BEATON -- that's what I was going to start saying. I would say that in my discussions with Dave, I think right now we were thinking primary, but what is the

Commission's position on secondary. If all the customers wanted secondary treatment and the company blew it off, ... the secondary is a little more complicated. What is staff's opinion, regulated community .. Primary is already agreed, it's the secondary...

MS. TENNYSON -- Move paragraph ...work with sentence...

MR. OTTAVELLI -- The Commission's intent is to deal only with primary...

MR. BEATON -- I would just say we delete the phrase secondary

MS. WALSH -- Somebody asked a question about whether these address primary or secondary. DOH seems to address primary and not secondary.

MR. KING -- Suggestions. Move last sentence under number 1 up to the "after violations" and strike phrase "after the parenthetical ((or the aesthetic quality of the water, a secondary contaminate)) if the rule read that way, what are people's comments or concerns.

MR. NOBLE -- That's better, because DOH already has a mechanism in place for secondary contaminates.

MS. WILES -- The paragraph that you reworked. Does not include a sentence or portion of sentence that is in the top sentence and the customer does not address the violations Who is going to take the call as to whether we have to refund. Each time we get a hit, after department order, or somewhere in between.

MR. OTTAVELLI -- Commission must order the refund.

MS. WILES -- Commission must order refund. How would they find out? Complaint of customer?

MR. NOBLE -- And the company does not address the violations -- must be a track record not just the NCL. Can...

TENNYSON -- Limit circumstances in which refunds are ordered. It gives the Commission some discretion under what circumstances we order a refund. When company is not doing anything to take care of it, not just when a problem is found.

MR. KING -- Comments about what does that mean. -- Do we need some examples of what not addressing the violation may look like.

MR. MOSS -- We need something to qualify that...

MR. NOBLE -- First thing is you know because you've got a notice and you fire a response back.

MR. KING -- Yes, you would say that, but what is adequate action?

MS. OTTO -- I think it's that way on purpose, because it's not up to us entirely. In a complaint we can't make those decisions at this agency.

MR. KING -- You mean a Commission complaint or formal complaint.

MS. OTTO -- I think the statute refers to formal complaint.

MR. KING -- So there would be a hearing?

MR. ECKHARDT -- I would agree with us we call DOH and find out if the company is working with DOH to resolve it.

MR. NOBLE -- If the answer is yes, does that satisfy the situation?

MR. ECKHARDT -- I think if the answer is yes, we will consider it.

MS. WALSH -- In DOH 320 alone, it identifies everything company has to do to address complaint.

MR. BEATON - If we put the language under (1) in that paragraph, take followup steps ..we could tell you yes, or no, and you could figure that out.

MR. OTTAVELLI -- These are rare occasions, and we usually have 200 unhappy customers.

MR. NOBLE --

MS. HANSEN -- Education with that report...

MR. NOBLE -- Make mandatory language...

MS. OTTO -- All the more reason to have it, we can say that the company took care of that and we have a rule that says when it's appropriate to work out to set refunds. This rule should help the companies.

MR. KING -- Peter's suggestion seemed to address.

MR. MOSS -- time lines...

(Roundtable)

MR. NOBLE --

MS. OTTO --

MS. WALSH --

MS. OTTO -- Says Commission order..you can't have Commission order without formal....

(Roundtable)

MR. KERMODE -- Commission is not restricted on how they

MR. KING -- I don't think Commission can order refunds without order.

MS. OTTO -- When we're talking about a complaint, I can't issue an order on a informal.

MR. KERMODE -- Do we want to do it for clarification?

MS. OTTO --

MR. NOBLE -- Clarification does not hurt.

MS. HANSEN -- indicate formal complaint.

MS. OTTO -- I think we can work that in.

MR. KING -- Where are we with the draft languages that we've discussed. Does that make it okay, barely viable, where are we?

MR. NOBLE -- Somebody have it written down?

MR. FISHER -- *unable to hear*

MS. TENNYSON -- Water companies may be responsible for refunding to their customers...reading from notes....and get copy from MARY. MCL and MCL is the maximum level of ...

MR. BEATON -- Maybe it makes it clearer under 1 to say under what circumstances the water company is responsible...

MS. TENNYSON -- ??

MR. BEATON -- What circumstances water company is responsible.

MS. OTTO --

(Roundtable)

MS. INGRAM -- On second paragraph after line (1) ...clarification, does that include a first run through you might have coliform on your first run through, but your second run it clears the system.

MS. OTTO -- It's chronic problems.

MS. INGRAM -- Where does it say chronic problems.

MS. OTTO -- First line after primary standards.

MR. BEATON -- I don't understand your question.

MS. INGRAM -- Never mind.

MR. KING -- Are we finished.

MR. BEATON -- On number 2

MR. KING -- That would be a no.

MR. BEATON -- Under 2 who must bear the burden of customers ... we need to clarify that. Company must pay out of his pocket...not recoup those in rates.

MR. KING -- Where is the discussion about how much to be refunded go?

MR. NOBLE -- We broke out to find out what is refundable. What I understand from Peter -- all water would be refundable...

MR. BEATON -- How would amount of refund be computed. I think it deserves a whole separate conversation there. This is a penalty.. The intent is for someone who is really dragging their feet and not correcting the problem.

MR. KING -- I'd like to hear from Commission staff.

MR. KERMODE -- I think again that when we discussed it it's a valid question, but it's something that should be debated at hearing. If you're at an apartment complex that's something different than acreage. It doesn't belong on the rule.

MR. OTTAVELLI --

MR. NOBLE -- If we get an e-coli hit, and you have to issue a boil water notice, or provide bottled water, what does DOH require you to supply water for. You are required to supply water for cooking, drinking and sanitation, so basically ...it's under the emergency rules....what you are responsible for as a water system to supply water and basically it's a health and safety issue. You're not even required to supply for washing clothes.

MS. WALSH -- Does it say how much is applicable to those standards. How much does someone use.

MR. NOBLE -- Going to an apartment house -- if you compare apartment with house, you could compare what is used for that.

MS. WALSH -- Each situation is different so each case needs to be determined.

MR. ECKHARDT -- Yes, we could debate this, Commission should make those decisions in context of a hearing.

MR. KING -- Use the question Peter -- how much is subject to refund .. that should be based on hearing.

MS. TENNYSON -- Based on individual circumstance.

MS. WALSH -- We don't want to go there.

MR. BEATON -- You get bath ...

MR. MOSS -- Is this rule intended to be proactive or reactive? In the event this occurs, it struck me as this is a proactive. If that is the case, you're looking a different set of circumstances.

MR. NOBLE -- the only problem....if you're going to be proactive . There is way of dealing with source. Every system should come up with a monstrous plan.

MR. BEATON --

MR. ECKHARDT --

MR. NOBLE -- Dry cleaners example.

(Roundtable)

MR. MOSS -- When a violation occurs then you must act.

MR. FISHER -- How would you deal with exceeding copper rule, we're in the process to abide by it, but in all honesty it...

(Roundtable)

MR. BEATON -- If you're not doing what should be doing for 320, then h...

MR. FISHER -- I'm stuck in the middle here according to this rule.

MR. ECKHARDT --

MS. OTTO -- but in your case you were ordered to do it, and you have a certain amount of time to do it.

MR. FISHER -- Working on it.

MS. OTTO --

MR. FISHER -- People would intervene under this rule.

MR. ECKHARDT -- DOH issued rule.

MR. FISHER -- Yes, as soon as we bought the company DOH put the order.

MR. ECKHARDT -- You bought it. Since you bought the order, the ... I don't know how this rule plays outI don't think it's getting us anywhere to resolving matter on this rule.

MS. OTTO -- In formal complaint, burden is on the consumer to prove that's a problem and none is taking care of it. Yes, someone is going to use this rule, but Commission will hear both sides of it...

MR. ECKHARDT -- I'd like clarification of chronic problem -- Are you differentiating between a company that has one violation versus a company that has four or five violations.

MR. NOBLE -- I think that's one of the three right in the rules...a chronic health problem...

MR. ECKHARDT -- Health effect. Diana's talking about company who has multiple violations.

MR. NOBLE -- You're using chronic in two places.

MR. ECKHARDT -- You're using it in two, but it's only written in one. If company is responding to violations that they are taking care of it, and they would not be subject to violations. It's not the chronic is in the types or how many, it is in the chronic in DOH.

MS. OTTO -- Chronic is the same thing.

MR. NOBLE -- You're talking about a person, I'm talking about a state....

MS. OTTO -- That the company does not attend to.

MR. NOBLE -- Not that it's a chronic complaint of the company.

MR. KING -- Discussion is going around on itself. Do we need a statement about refunds...It was intended or based on the idea that this is unhealthily vague of how do we get to a refund, that while that vagueness is good but maybe describing the process, i.e., formal hearing, would provide some protection about who carries the burden of proof and that it's fa fact finding effort. I'd like to hear from companies and attorneys...

MS. TENNYSON -- When if we're doing it in a Q and A form like it's written. When may be companies be required to make refunds -- and maybe we could put it here Commission order in response to Commission compliant, water companies may be responsible when there are violations of....

MR. BEATON -- That's the first thing I thought you had a two phase ... Now you're saying is it worthwhile how is the amount of refund computed.

MS. TENNYSON -- Not helpful to put in how it is computed, it's in a formal process.

MS. WALSH -- We couldn't come up with a way, each circumstance is difference.

MR. KERMODE --

MR. KING --

MS. OTTO --

MS. WALSH -- I think what Peter was trying to get at was that....we would have to come up....

MS. TENNYSON -- I don't think that adds anything if the companies would want us to come up with language like that...let's...

MS. WALSH -- Second question says who must bear the burden -- basically how much would be refunded, how would we calculate -- we're saying we can't calculate -- language would be how much would the refund be, and something along that would be determined in a formal rate hearing before the Commission.

MR. ECKHARDT -- I'm confused I didn't think we took out #2. Refunds may not be recovered in rates.

MR. MOSS -- Replace all of that.

MS. WALSH -- That doesn't really go with the current question.

MR. ECKHARDT -- Let's be sure we have #2 taken care of. We'll change the question.

MR. KING -- New number 3? How much money will be funded? -- How will refund be calculated?

MR. ECKHARDT -- Statement that Commission will determine appropriate refunds after hearing.

MS. WALSH -- Yes.

MS. TENNYSON -- If you're going to include language, I don't think you want to require hearing if we can settle through meeting.

MS. OTTO --

MS. TENNYSON -- Would come through order dismissing complaint.

MR. ECKHARDT -- Make it clear Commission will make it clear Commission will determine refunds.

MS. INGRAM -- If that's new number 3, does that make number 3 go to number 4?

MR. MOSS -- If you have a Commission determination of refunds the Commission shall determine amount of refund and to whom it should go, so you don't need any of existing #3. I think there is a policy consistency problem because of system-wide rates costs to be borne system wide...the risk you assume in language such as the existing paragraph ties the hands in an unacceptable way giving current policies.

MR. ECKHARDT -- That's the single #3?

MR. KING -- Let's wrap this up. I have a feeling this will be an issue in written comments -- might be useful for people to look at language and work on it, unless new issue.

MR. NOBLE -- Regarding these, if there are legal costs involved in one of these hearings, are those recoverable through rates.

MR. ECKHARDT -- Commission would determine that as well.

MR. KING -- Done with part 2.

MR. FISHER -- I would like a copy of this when copy becomes available.

MR. NOBLE --

MR. ECKHARDT --

MS. WALSH -- Everybody here today want's a copy ...will be filed with LAPD next week, so you should have it within a week.

MR. KING -- That version is what would go in the CR 102.

MS. WALSH -- Yes, once that goes to open meeting, we will still take comments.

MR. ECKHARDT -- CR102 we need to.

MS. WALSH -- Best if you do all comments after 102 meeting.

MR. KING -- Written comments and people may come and make oral comments at meeting where Commission considers CR102. You may make oral at meeting, written after.

MS. TENNYSON -- And at meeting where Commission adopts rules. You may make comments at that time.

MR. KING -- Different approach for part 1. These have been discussed and revised, our purpose is just to show you the changes we made since September 15 meeting. Laid out in code reviser format. We would like to go through these briefly after the break, and I think that the ones where there are a lot of changes are where we've had a lot of discussion in the past. The principal purpose is so you can see the changes, not to revisit the discussion we've had before. We need to take this to 102 and get written comments.

B

Break 2:45-3:00

MR. KING -- back in session -- start with six rules on agenda....

MS. WALSH -- I would go to the shaded areas that are the additions that we made to the rules, take comments if you have any on any of these.

MR. KING -- Bottom of page one.

MS. WALSH -- Yes changed jurisdictional threshold to 429.

MR. ECKHARDT -- Yes, on line 41 we see that we highlighted plus third party costs f... discussion at last meeting we took that out, and staff put it back.

MR. NOBLE -- I noticed one thing that you changed water availability letter further back here.

MS. WILES -- No you just added fees....

MR. ECKHARDT -- Page line number...

MR. NOBLE -- 2, line 9 Water availability letter fees.

MS. WILES -- Not to be confused with water availability letter....

MR. NOBLE -- Another place you used water availability...

MR. KING -- We're on jurisdiction.

MR. ECKHARDT -- Is your concern that we used water availability letter for purposes of construction.

MS. INGRAM -- There's no distinction.

(Roundtable -- what money the Commission counts in determining revenue per customer)

MR. ECKHARDT -- Just examples, not exhaustive. Line six, customer does not use customers who do not receive water, such as -- Use examples instead of such as.

MR. NOBLE -- Plain language.

MR. ECKHARDT -- Including, but not limited to....

MR. KING -- Turn to 032 -- Political information where does political activities pick up and making....I think examples clarify activities.

MS. TENNYSON -- Regulation...

MR. KING -- Regulations, right...

MS. INGRAM -- I still have some difficulty with legislation on number 1, funds expended to promote or counter proposed legislation I think is very important to a water company. If we aren't allowed to recover those, we have to use our profit or back off, say whatever DOE decides is whatever DOE decides.

MR. KERMODE -- I think the owner has as much footing to go forward on a political -- legislation is usually differing views, consumer should not support a legislation which they don't agree or support.

MS. INGRAM -- Alternatively we're supposed to work as efficient prudent business manger.

MS. OTTO -- Through rule

MR. ECKHARDT -- Language as currently set forth is consistent with Commission rules and orders in other industries, and should a particular company feel that they have spent monies on activities they feel are appropriate, they can petition through

MS. INGRAM -- Before or after, a rate case...

MR. ECKHARDT -- Company could file petition any time they wanted, but should only be considered in rate case.

MR. OTTAVELLI -- Yes rate case -- on notice, you can always contest in rate case that you spent money for legislation that was beneficial and you would be permitted to recover.

MR. BEATON -- DOH perspective e-- we have very strong opinion that cost of producing those some staff could construe as being politically motivated we could have something issue with this. Forwarding that one from consumer confidence ...they expect those costs to be allowable.

MR. KING -- if recoverable during ratemaking case....Invite your comments on this. Commission has well established policy on this, and we're not going to change anything by discussion here today. Application for service --

MR. NOBLE -- 1, d....thank you.

MS. OTTO ---

MR. NOBLE -- That was the one I was referring to before. So now we have the differentiation between the two.

MR. ECKHARDT -- page 2, line 9, perhaps it would be more clear for a fee for a letter to provide service.

MR. NOBLE -- Letter...

(Roundtable)

MR. KING -- We also had a lot of discussion about G...

MR. NOBLE -- Yes, I think that's very good.

MS. WALSH -- I have a question on H...application expiration date if any -- is that correct...

MS. WILES -- Yes.

MR. KING -- Service connections and service lines 081.

MS. WILES -- I'm wondering why we are progressing new flat rate customers, when all the trends and all of the directives coming out of every other department tell us that we should be metering everything, and that there should be as few flat rate customers as possible. Are we encouraging people to go to flat rate?

MR. KERMODE -- Where.

MS. WILES -- Page 2, line 4. This is just activating an already flat rate per customer.

MR. NOBLE -- They may be required to put in meters under others. DOE and DOH want you to read meters for conservation rate.

MS. INGRAM --- I see Pat's concern as showing flat rate customers as a service connection.

MS. WALSH -- Who wants to address this

MR. DEMAS -- I can either expand on it or leave it alone.

MS. WILES -- That's okay the way it's being explained you can leave it alone.

MR. DEMAS --

MR. KING -- Any more comments on application for service connection and service lines.

MR. NOBLE -- I'll say,

MR. MOSS -- On the page #2 of rule #81. As I read this section there's been a lot of deletions and it is unclear to me what it now means. How can the water company not incur the cost

MS. WILES -- Developer put it in a....

MR. MOSS -- Is that what it said before...

MR. NOBLE --

MR. MOSS -- Before there was definition to explain to me the circumstances of why

MS. TENNYSON -- Notes from first discussion was company felt it was more of an accounting issue and that if we wanted to put it in there we should put in a rule on accounting.

MR. NOBLE -- Idea being that if you purchased the system, you paid for these connections. You're buying from a developer this system installed, so you are paying for the installation of those, versus where they just contributed those to you. Therefore, you didn't incur any cost because you didn't buy the system.

MR. ECKHARDT -- Are you suggesting those language as originally drafted helped to explain the first sentence...

MR. MOSS -- Yes....

MR. ECKHARDT -- Some additional language to explain that.

MR. MOSS -- If I just have the first sentence I don't know if that means in the situation where a water company buys a system, I don't know whether that means that water company has paid the cost to install the connection or not.

MS. WILES -- I think that was the basis of our real heartburn over the way it was originally done, was the fact that when we originally purchase the system, when we book that we book it as cost of source, line, pumps, services, meters, and when you get down to services and cost of services and meters, we are in fact paying for the services and meters when we buy a system, so we should be able to recoup the cost of that in a hookup fee or connection charge.

MR. BEATON -- I think "the company did not incur any cost directly or indirectly to the cost of connection" is that what we're talking about.

MR. MOSS -- I thought I recalled something earlier in the rules where customers did not pay the cost of the meters, and the meter is a company borne expense, so that being the case, the purchasing a system with meters, we have incurred a cost of connection, and should be allowed to be able to charge a ...

MS. INGRAM -- There is a difference between system and meter ... when you purchase a system, you have incurred cost of service connection ...

MR. FISHER -- Reason we discussed this was that when a customer comes to us we struggle to find out ...with an actual service connection charge, we're forcing people to come to us for service connection. By service connection charge, this does reduce rate base, does reduce rates. It is detrimental in that aspect, yet it does force that customer to come to us and give us all the proper information. By putting in the information "not incurred any cost" ...in the purchase of a new system it allows usBy being simple, short to the point, we eliminated a lot of if, ands, and so forth.

MR. ECKHARDT -- Do the companies object to the language as it is currently written

All -- No, we like it.

MR. ECKHARDT -- Dennis would like additional language.

MR. MOSS --

MR. ECKHARDT -- Developer had installed the connections and deeded the ...

MS. INGRAM -- Why not use accounting terms, "if a system is 100 percent contributed".

MR. MOSS -- That's what I hear the company say they intend to encompass with this sentence. CIAC accounting when a connection fee is paid, if it's already CIAC, you've already taken care of that, so that's the distinguishing factor..If there's language that says something like that.

MS. OTTO -- I'm opposed to accounting language -- whole purpose was to get this in clear English...How are we going to interpret...

MR. KERMODE -- I think there are ...

(Roundtable)

MS. OTTO --

MR. MOSS -- If the language as written now, if this is sufficiently clear to achieve your goal I'm not suggesting changing it, but add a sentence to clarify accounting for companies.

MS. OTTO -- I think the next sentence is plain English --

MS. TENNYSON --

MR. KING -- Why don't we put a parenthetical after the first struck sentence, that...

MS. OTTO -- That contributed by another party...

MS. INGRAM -- So what would number 1 then read?

MR. ECKHARDT --

MR. KING -- Service connection charge will not be charged to the applicant if the company did not incur any cost to install the connection. (The plant has been contributed)

MR. KERMODE -- Or plant in construction -- contribution in aid of construction -- if we're going to...

MR. KING -- e.g., it is being treated as CIAC.

MR. MOSS -- In plan language we're talking to several individual ...help all

MR. ECKHARDT -- Will that work for everybody?

MR. BEATON -- Read that back.

MR. ECKHARDT --

MR. KING -- Adopted and initial tariffs.

MS. WILES -- What about water customer notice is this the one where you have to come up with the definition of potential customer. Just want to be sure we define that.

MR. KING -- Adopted and initial tariffs. --

MS. INGRAM -- 2b -- Does that have to be tariffed, or how does that work, it just says the water company may charge? What line are you one?

MS. TENNYSON -- 2b, line 32. Rates charges shown on the new tariff pages.

MS. INGRAM -- Rates in effect prior to the transfer.

MR. NOBLE -- Where a nonregulated company has been taken over....

MR. ECKHARDT --

MR. DEMAS -- First rule is whatever rates were in existence go across,

(Unable to hear)

MS. TENNYSON -- When we're looking at language on line 31 and sentence on line 39, to line 40, we're talking about the Commission setting the rate, but does that have to be in a tariff filing or how does that get done.

MR. ECKHARDT -- Tariff filing...

MR. DEMAS --

MS. INGRAM -- I can see myself in being in this situation it would be helpful to combine the first sentence starting on line 30 and next sentence on line 31, ..rates and ...it's just clearer for me.

MR. DEMAS -- One big sentence.

MS. INGRAM -- Yes.

MR. KING --Anything else on that rule.

MR. DEMAS --

MR. KING -- Facility charge .. Lot's of new stuff here.

(Roundtable -- problem with diagrams...over simplifications, difficult to get something to fit.)

MS. TENNYSON -- Just found your diagrams were helpful.

MR. ECKHARDT -- Yes.

MR. DEMAS --

MS. OTTO -- Isn't some illustration better than none, in example ...but not limited to....

MR. KING -- How about language?

MR. MOSS -- I'll begin at line 8.."these applicants" I'm not sure who we mean.

MS. OTTO -- The applicants.

MR. ECKHARDT --

MS. TENNYSON -- We're trying to avoid inside-outside....

MR. MOSS -- Any applicant who applies to water service, does that who we were referring to?

MS. TENNYSON -- We don't need that sentence?

MR. ECKHARDT -- I think the word "These" does refer to applicants in first sentence

(Unable to hear)

MS. TENNYSON -- Do we need sentence that begins "These applicant"? Confusing to have even that sentence in there?

MR. KERMODE -- Can you strike that sentence.

MR. FISHER -- Get rid of these and start with only?

MS. WILES *...(roundtable)* ...take that whole sentence out.

MR. MOSS -- *(Unable to hear)*

MS. TENNYSON -- Only applicants related toSentence on line 10, only the applicants directly related to growth of the related system may be charge a facilities charge to*Get rest of sentence from Mary....*

MS. THORNE -- Problem with that -- typically when you do your improvements you're maxed out and you have one customer -- typically it's going to install a service tank ... since facilities are in place.....

MR. BEATON -- When does it stop being growth. The day you put it on, or when you ...it's not strictly growth.

MS. TENNYSON ...*roundtable*.....

MS. THORNE -- I think staff's protection comes in where it's just recovering a portion of the cost. Facilities charge with multiple companies, you want to use that as a tool where growth pays for that, but the growth that happened yesterday, we accumulate the funds ...those facilities have to be in place for that growth to hook on.

MR. ECKHARDT -- Your example of a tank that provides 30 more connections you would intend to charge a facilities charge to each of the 30 connections.

MS. THORNE -- That is correct.

MS. INGRAM -- You're talking about 30 additional, Cathy's talking about 30. Y....

MR. ECKHARDT -- Is that what you said, Cathy?

MS. THORNE -- No...

MR. ECKHARDT --

MS. THORNE -- I can see where that scenario works to part-- if you have 99 connections to get to 100 connection, you may have to build a storage tank to get to that 100. If you have funds available you can build it to 120 but sell additional charges to....

MR. NOBLE -- You have a tank, stock size, if you need to add storage for one connection, you need to add five fee...that one connection is causing you \$60-70,000 is UTC going to say, yes, go to that one new customer, and that one new customer must pay even though it benefits the company.

MR. DEMAS -- If it was the only one customer, you may have to pay for it differently. Maybe facility charge would not be appropriate in this case.

MR. ECKHARDT -- When you expand to accommodate growth you expand ...those facilities will allow you to add.. When you take the new section or tank in place, under the normal circumstances, you-- not from 99 to 100 from 99 to 119, intent would be to distribute cost of tank expansion among 20 new customers.

MR. KING -- So that facility charge would continue until that additional was sold or hooked ip

MS. INGRAM -- I think it's worth brining a little bit of history in this. ...facilities charge was originally meant to be a reserve fund. Because once a service is built to capacity you would have to do some substantial refurbishing before another person can connect. ...every customer

exerts some burden on entire system....fund created to be able to fund expansion. Definition now is only for growth. Which is different, because that is future, potential customers. ...

MR. DEMAS -- In writing rule the old facility charge text pretty much discussed growth only, and that was the direction we were headed. Versus having current customers pay for other growth. Unable to hear...this really addresses the original, as in text, as far as initial intent of facilities charge was.

MR. BEATON -- Diagram illustration -- as 31 customer comes on, this guy is allowed to charge customer.... *(Unable to hear)* You're not treating -- you're penalizing someone

MR. NOBLE -- In other words he had the forethought to understand there may be something out there..roundtable....

MR. OTTAVELLI -- The other thing in play at facilities charge was problem with most water companies not having enough money to put in plant to serve its customers and meet growth, and that was resolve of Commission not to put in CIAC. And that's where we came up with the facilities charge that it was understanding it was only a portion of the requirements that would be ongoing. Companies would file with the Commission the backbone costs of providing facilities and we would permit a recovery of portion of that from customers as they came on line.

MR. KING -- What do we need to fix draft language?

MR. DEMAS --

MR. KING -- are we finished?

MS. INGRAM -- I think in light of there's still a definition of what a facilities charge is. Layne is under only where you have growth; Fred new customer, major difference there, Major difference there. Because plant capacity scenario A, you're not charge . *(Unable to follow conversation)*

MR. ECKHARDT -- Major difference between Layne and Fred...way rule is written is way Layne said.

MS. INGRAM -- Which means Fred's definition is history if this rule goes into effect.

MR. DEMAS -- *(unable to hear)*....expansion to allow infill

MS. INGRAM -- I guess at this point in time, I as a company representative can't support this rule if the old meaning is still recognized. It was my understanding that facilities charges were only going to be allowed under growth. What I'm hearing is a direct conflict here between staff perception of facilities charge.

MS. TENNYSON -- Fred's giving you his historical perspective. Layne is saying this is reflecting the current staff position.

MS. INGRAM -- but at the time facilities charges were created it was because companies didn't have the money to put in....by limiting this..Peter is here from DOH and perhaps he can answer this, DOH asked the Commission to do something about this. Companies would love to put in storage tank but don't have money to do it.

MR. KING -- Does staff have to decide what it is recommended as future policy...

MR. MOSS -- I think Layne's comments were addressed toward team and was consensus on team to bring this forward. If that's not true, team needs to know.

MR. OTTAVELLI -- What I gave was historical...perspective, I assume what is being proposed is what the staff direction is going, to that extent, That's what the water staff is doing.

MR. KING -- So the draft rule reflects evolution and how it will go forward.

MR. DEMAS -- Surcharges have been able to be implemented much easier. Determines who the cost burden is going to be spread to. And that is one example of where we've had several in the last couple of years of filings that have enabled companies to do these plant upgrades...that if they were handled in a surcharge manner.

MR. KING -- Right more financing methods available.

MR. DEMAS --

MR. ECKHARDT -- I think Fred's comment helped put everything back in to perspective. New rule is clearly change of direction from past practice. As far as debating whether it's appropriate to have facilities charge for growth or growth and other things, I don't know if it would be helpful to debate that issue at this time I think everything understands pros and cons of those issues at this time. Team has discussed those in our discussions. Staff is not going to take this off the table today. We understand the companies don't like it, and if the rule goes forward with CR102 the companies can provide written comments. Would like to suggest today we review rest of this rule to see if company has problems with rest of rules as we go forward.

MR. KING -- If this is to be a future direction with facilities, is the rule drafted in a way that is reasonable clear and workable?

MS. WILES -- My comment would address that...under 2A, line 30, inside or infill connections -- only cost causer -- how do you determine infill?

MR. DEMAS -- If existing structure remains and may be in place -- thought this might be moot point ...you can fill up to ...

MS. WILES -- If you have an approved plat and the plant was installed with eh idea of phasing in the distribution system but the pumps and pipes were put in the ground to make use of the necessary water rights or water available for the entire plat, and under current scenario and legal opinions that have come down and DOE regulations as they are operating now, the system now does not have the capacity to provide for the extra lots in that approved plat. Are you going to say, then, that those customers who have not book hooked up yet, although they bought the lot with the understanding that there was a water system available, are going to have to pay facilities charges when the first 20 lots didn't have to pay any charges.

MR. DEMAS -- Yes. That's what all shaded language is to allow infill.

MS. TENNYSON -- These are things we added after the last stakeholder meeting.

MS. WILES -- I know...It does pose problems because more problems because of the recent supreme court decisions.

MR. DEMAS -- You mean where somebody didn't pay it...

MR. ECKHARDT -- You mean the water rights

MS. THORNE -- Item 2 a cause changed. "Causing or having caused the additional plant improvement.

MR. OTTAVELLI -- Would force you to go back and recover.

MR. BEATON --

MS. TENNYSON --

(Roundtable) --

(Confused)

(Roundtable on storage tank issue).....

MR. BEATON --

MR. DEMAS --

MR. ECKHARDT -- we'll look at that Cathy -- it may be five years Before last customer is hooked up.

MR. KING -- Suspend discussion for just a minute. Sondra needs to describe

MS. WALSH -- In Part I only rule we had a change to redraft "when does a person become a customer" either put it in definition ... definite potential, customer for jurisdictional purpose, or service (not sure what third one is yet) how we've used customer in all of the rules and define customer as it relates to the rules. So that will come out in the rules with the 102. Just to let you know we didn't forget about the rule, it needs comment and work

MR. KING --

MS. WALSH -- We've talked about it, and have a lot of comments, and didn't get to this last floor.

MR. KING -- Opportunity to say whether staff hit the mark or not...there will be plenty of time to work on that after the CR102 -- other part we don't have is definition. It's hard to define if you don't have a rule. The two things you'll see in 102 is customer definition and definitions. Those are the only two things you haven't seen today.

MR. ECKHARDT -- Sign in sheet do we have everybody fax numbers?

MR. KING -- This will be included in language that has to go to legal department next week. This will be available shortly. Not on eve of 102 meeting. We'll get it to you as soon as it goes down to regulatory affairs. When we send out rewrite.

MR. BEATON -- Next stakeholder meeting?

MS. WALSH -- After CR102

MR. ECKHARDT -- I think we understand the issue and Cathy's concern and we'll review that. I think we agree in principle, but she's concerned the language there doesn't convey the intent.

MS. THORNE -- Item 3 also defeats that --- because that plant would not be considered used and useful until those other 32 plants were.

MR. DEMAS --

MS. THORNE --

MR. DEMAS -- May not qualify used and useful is different category than facility charge...if its built and just sitting there, is it used and useful? Do we want them to recover through ratemaking, through rate base, that's outside facilities charge issue. If somebody does build that and has a standalone system...and now do have people hooking up, do we let them charge facilities?

MS. THORNE -- Would be good idea -- not recovering through existing ratepayers, existing ratepayers are not going to pay for it. Why not allow facilities charges recoup a portion of that.

MR. DEMAS -- You can't grow until you put this tank up.....differentiation you don't build for growth and....

(Roundtable)

MS. THORNE -- we're missing a big point here -- facilities charges don't recover completely, will be a case-by-case basis. Concern is companies dilute rate base where there is no return, facilities will determine where it's applicable or appropriate to apply it. *(unable to follow)*...

MR. DEMAS -- I used may because it gives us flexibility.explain facility charge...???I was thinking more of a stand-alone system off alone may not qualify because it's growth in its own right is not taking away connections from another system that's going to require improvements for infilling...

MS. INGRAM -- Although I agree with Cathy's scenario, under this proposed rule, #3 directly conflicts with definition at top. #3 talks about stand-alone -- growth to distribution system vs. It's own distribution system? Is this rule even necessary?

MS. THORNE -- If the company wants to put in a line extension in anticipation of growth and they're not asking for recovery of that, why not allow it to charge a facilities charge. It's more prudent.....Than piece meal it in. Suggest we drop section d sentence of #3.

MR. BEATON -- If we get back to service connections -- when would it be appropriate for system to recoup -- sounds like to me it's the same issue. On one case you're allow companies to recoup, but on general facilities, you're saying you're not allowing it, seems like inconsistencies.

MS. TENNYSON -- Connection fees and facilities charges are different.

MR. BEATON --*(unable to hear)*....Making investment in plan, concept is whether they get it one lump sump or whether it's rate based. Either or, over long period all at all at once.

Can't you approve type of process. Seems if you've made your decision that it's only growth related.....this is way to complicated.

MR. ECKHARDT -- Yes. That's the way the rule is drafted.

MS. TENNYSON -- Assuming this is the way the language goes, is there problems with implementing ...

MS. INGRAM -- I still contend #3 is in direct conflict with definition.

MR. ECKHARDT -- I agree.

MS. INGRAM --

MR. KING -- Does that mean it's coming out?

MS. TENNYSON -- I don't know.

MR. ECKHARDT --

MS. TENNYSON --

(Roundtable)

MS. INGRAM -- why have it in there?

MS. TENNYSON -- It may be surplusage not inconsistent...

MR. ECKHARDT --

MS. INGRAM -- Confusion created on my part by having it there.

MS. TENNYSON -- I'm concerned about dropping it out because someone coming in might not understand....

MR. ECKHARDT -- Staff reviewing this meter with goal of clarifying rather than leaving it as it is.

MR. FISHER -- Getting definition would help make better sense. We understand what the meaning is, and not what the definition is.

MR. MOSS -- That may go a long way clarifying these points.

MR. ECKHARDT -- Right.

MR. KING -- Anything else on facilities charges? Do we need to talk anymore about process? What's coming up? Any questions?

MS. INGRAM -- I don't have question about process - but are we done now or do we haveminimum filing requirements.

MR. KING -- Yes, it wasn't on our agenda.

MS. INGRAM -- when we discussed this last time...if number was of use in determining rates or policies and practices of my company (Item G) #4. Before a company sends out notice, the notice has to be sent through Penny and she states if it is appropriate to file. When you file...you must give customers 30 days notice. How can you include this as filing requirement. Prior to

MR. KING --

MS. HANSEN --

MR. ECKHARDT --

MR. KING -- Practical reality is to have 30 days advance notice you have to file notice before you file with the Commission. Four reads you have to notify Commission before notifying customer. You have to file a copy of the notice ((prior to mailing should come out)))

MS. HANSEN -- G -- last rule meeting we specifically write that companies wanted number ...

MS. TENNYSON -- File with department of health rules will be required.

MR. ECKHARDT -- Right it's not a rule, it's a policy that's how they keep their data. When we ask them a question we have to speak language.....

MR. KING -- If we have water system plans filed with the Commission, why is filing that with the filing necessary?

MR. ECKHARDT -- It's important to us so that we don't have to go dig that. Out.

MR. BEATON -- *unable to hear....*

MR. ECKHARDT -- If all companies file we know where the info is. They will...

MS. INGRAM -- It doesn't sound like a lot of volume 3 or 4 pages, but it's a lot of work. If I've already filed a copy of my water system plant, it's a redundancy to now ask me to file this along with my tariff filing. Oryou're asking us to provide you essentially everything that you may possibly need....with the exception of a rate that would be specific with a rate.....it's going to encompass every single one of our systems

MR. ECKHARDT -- just to clarify --

(MR. MOSS -- Left room to avoid conflict of interest)

MR. ECKHARDT --

MS. INGRAM --

MR. ECKHARDT --

MR. BEATON --

MS. INGRAM --

MR. ECKHARDT --

MR. BEATON --

MS. INGRAM --- *roundtable...*

MR. BEATON -- Rate filing issues.....

MS. INGRAM -- This is the type of information I would expect staff to get from their reviews or audits, I've already provided it It's like asking me to send in a copy of my filing with the annual report.

MR. ECKHARDT -- I'd look at it as asking for some detailed account information . .

MS. INGRAM -- I'm not performing any analysis on these numbers...WIF are already here.

MR. ECKHARDT -- I understand your point.

MS. TENNYSON -- We understand the concern.

MR. ECKHARDT -- and we'll consider it.

MR. KING -- Any other questions about process or going forward. IF there is an additional stakeholder meeting it will be after 102 comments are filed and will depend largely on nature of those comments.

MR. ECKHARDT -- Probably not, because we would have to set stakeholder meeting relatively early in the comment period.

MS. TENNYSON -- Can be during the comment period. There's a little over a month between CR102 and proposed adoption date.

MR. KING -- My thought was it would be helpful to have written comments on CR102 and discussion focused on those comments. Now it's down to what do we think is right and what

Ended 4:45 pm.