

April 18, 2000

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Dr. S.W.

PO Box 47250

Olympia, WA 98504-7250

Attention: Records Center

Re: *Docket No. UG-990294 Gas Companies Operations Rulemaking
Chapter 480-90 WAC – Comments on Staff's 2nd Formal Draft Rules*

NW Natural (NWN) submits the following comments, edits, and proposed changes to Staff's Second Formal Draft Rules distributed 3/21/00 for consideration in the above-referenced matter.

Only those rules where we have comments or proposed changes are addressed here. Our comments, in the order of the draft document, are as follows:

GENERAL RULES:

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

We suggest that staff consider including a statement that identifies how the commission would handle a request for interpretation under this rule. For example, will the commission respond in writing or other form; is there a mediation process that takes place, etc. Also, can the interpretation come from a staff person, or will it always be issued by the commission proper?

CONSUMER RULES:

WAC 480-90-041 Information to Consumers.

With respect to Section (3) of this rule, NW Natural would assume that a bill insert or bill message would still be an acceptable way to "directly advise" customers. Further, we would assume that the bill insert could be the actual rights and responsibilities brochure, so long as it also addressed the criteria shown at subsections (b) through (d). If this is not correct, please explain.

Under Section (6), we are concerned with the proposed language that requires that this information be provided "prior to delivery of such material to its customers". In order to comply with the rule as it is proposed, NW Natural would need to add one to two weeks lead time to our entire customer communication process. Often, we do not have that luxury. If staff's reason for requiring copies of this material is informational only, then we would suggest a

change in the rule as follows:

~~(6) The utility must provide the commission Copies of all pamphlets, brochures, and bill inserts of that pertain to the utility's regulated services information prior to the delivery of such material to its customers. must be provided to the commission coincident with the dissemination of the information to the utility's customers.~~

WAC 480-90-046 Application for service

With respect to Section (2)(d) of this rule, the primary concern to NW Natural is that any proof of identification provided by a customer is verifiable. We see no need in creating a list of acceptable identification sources from which a customer would have to choose. We would suggest changes to Section (2)(d) as follows:

Proof of identification. The utility may require that an applicant present proof of identification at the time of application. The type of identification may be in any form the customer chooses, so long as the information can be easily verified by the utility, such as a driver's license number or employee identification card. ~~must allow the applicant to choose from a list, provided by the utility, of at least five sources of identification. The list must include a current driver's license or other picture identification;~~

WAC 480-90-051 Deposit Requirements.

NWN proposed changes are only intended to improve the readability of the rule. We would suggest changes as follows:

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

(a) Has had residential service with the utility, or another electric or gas utility within the prior twelve months, and unless during any six consecutive months:

- (i) The applicant or customer received three or more delinquency notices; or
- (ii) The applicant's or customer's service for a similar class of service was disconnected for nonpayment;

(b) There is a prior customer living at the residence who owes a past due bill to the utility for service at that address; or

(c) The applicant or customer has an unpaid, overdue balance owing to any electric or gas utility for a similar class of service; ~~or~~

~~(b) Can furnish a satisfactory guarantor. A guarantor will be considered satisfactory if the guarantor has at least established credit with the utility as outlined in this section. A utility may, at its discretion, accept a guarantor that does not meet the requirements of this section. If the customer has been disconnected, the guarantor is responsible for the amount stated on the disconnect notice, not to exceed the amount of the deposit as defined in subsection (45) of this section, unless the guarantor has agreed to guarantee an additional amount as specified in subsection (9) of this section; or~~

~~(c) Has notified the utility of the inability to pay a deposit as provided in WAC 480-90-xx5, Winter low-income payment program.~~

(2) Other deposit criteria applicable to residential applicants - The utility may not collect a deposit from a residential applicant who:

- (a) Can demonstrate they have had residential service with an electric or gas utility within the prior twelve months and that no delinquency or disconnect notices were received during any six consecutive months, ~~met the criteria stated in subsection (1)(a) of this section with another electric or gas utility~~. provided the credit reference can be quickly and easily checked, and in writing, if requested by the utility; or
- (b) Can demonstrate consecutive employment during the prior twelve months ~~with no more than two employers~~ and can demonstrate that the applicant is currently employed or has a regular source of income; or
- (c) Owns or is purchasing the premises to be served; or
- (d) Has notified the utility of the inability to pay a deposit as provided in WAC 480-90-xx5, Winter low-income payment program.
- ~~(3) Deposit collection from residential applicants and customers - The utility may collect a deposit from residential applicant or customer where:~~
- ~~(a) There is a prior customer living at the residence who owes a past due bill to the utility at that address; or~~
- ~~(b) The applicant or customer has an unpaid, overdue balance owing to any electric or gas utility for a similar class of service.~~
- ~~(4) (3) Deposit Criteria for Non-Residential Applicants and Customers - A non-residential applicant or customer for gas service may be required to demonstrate that it is a satisfactory credit risk by reasonable means appropriate under the circumstances.~~
- ~~(5) (4) Deposit Amount - Required deposits for an applicant or customer may not exceed:~~
- ~~(a) Two-twelfths of the service location's most recent twelve month billings for utilities billing monthly or two-twelfths of an estimate of annual billings if actual service did not exist; or~~
- ~~(b) Three-twelfths of the service location's most recent twelve month billings for utilities billing bi-monthly or three-twelfths of an estimate of annual billings if actual service did not exist.~~
- ~~(6) (5) Deposit Payment Arrangements - When an applicant or customer is required to pay a deposit but is unable to pay the entire deposit in advance of connection or continuation of service, the utility must allow the applicant or customer to make payment arrangements of fifty percent of the deposit prior to service. The applicant or customer must then pay the remaining balance in equal amounts over the next two months on the dates mutually agreed upon between the applicant or customer and the utility. The utility and applicant or customer may make other mutually acceptable deposit payment arrangements.~~
- ~~(7) (6) Alternative to Deposit - The utility must allow any customer or applicant who is required to pay a deposit but who is unable to pay the deposit, to~~
- ~~(a) Prepay any service initiation fees and reasonably estimated regular service charges or budget at periods corresponding to the utility's regular billing period for the length of time during which a deposit would ordinarily have been required. The utility must then bill the applicant or customer in a normal fashion; or~~
- ~~(b) Furnish a satisfactory guarantor. A guarantor will be considered satisfactory if the guarantor has at least established credit with the utility as outlined in Section (2). A utility may, at its discretion, accept a guarantor that does not meet the requirements of Section (2). If the customer has been disconnected, the guarantor is responsible for the amount stated on the disconnect notice, not to exceed the amount of the deposit as defined in subsection (4) of this section, unless the guarantor has agreed to guarantee an additional amount as specified in subsection (8) of this section.~~
- ~~(8) (7) Transfer of Deposit - When a customer moves to a new address within the utility's~~

service territory the deposit, plus accrued interest and less any outstanding past-due balance owing from the old address, must be transferred or refunded.

~~(9)~~ (8) Additional Deposit - If a deposit or additional deposit amount is required after establishment of service the reasons must be specified in writing to the customer. Any request for a deposit or additional deposit amount must comply with the standards outlined in this section. If the original deposit was secured by a guarantor and the guarantor does not agree to be responsible for the additional deposit amount the customer will be held responsible for paying the additional deposit.

~~(10)~~ (9) Deposit Payment Date - Any deposit or additional deposit amount required after service is established is due and payable no sooner than 5:00 p.m. of the sixth business day after notice if the deposit requirement is mailed from within the state of Washington or the ninth business day if mailed from outside the state of Washington. If the utility delivers the notice in person to the customer the deposit or additional deposit amount is due and payable no sooner than 5:00 p.m. of the sixth business day from the date of delivery.

~~(11)~~ (10) Interest on Deposits - Interest on deposits collected from applicants or customers must:

- (a) Accrue at the rate calculated as a simple average of the effective interest rate for new issues of one-year treasury bills, computed from December 1 of each year through November 30 of the following year. The commission will advise the utility each year of the specific rate;
- (b) Earn the calculated interest rate during January 1 through December 31 of the subsequent year;
- (c) Be computed from the time of deposit to the time of refund or when applied directly to the customer's account; and
- (d) Be compounded or paid annually.

~~(12)~~ (11) Refund of Deposit - Deposits plus accrued interest must be applied to the customer's account or refunded at the customer's request when there has been satisfactory payment or upon termination of service.

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

- (i) The utility has not initiated disconnection proceedings against the customer; and
- (ii) The utility has sent no more than two notices of delinquency to the customer.

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

~~(13)~~ (12) How Deposits are Refunded - Any deposit plus accrued interest must be made available to the customer no later than fifteen calendar days following completion of twelve months of satisfactory payment or the cancellation of service by one of the following methods:

- (a) Applied to the customer's account for service beginning in the thirteenth month; or
- (b) At the customer's request, in the form of a check delivered either by mail or in person at the utility's local business office.

WAC 480-90-056 Refusal of service.

We would request clarification on the proposed Section (3). If we read this

correctly, this section would allow the utility to refuse service to an applicant or customer if three or more times in one year, the applicant or customer left unpaid bills. A possible scenario then would be:

- February 5 – customer disconnected for non-payment.
- February 20 – customer reconnected on payment of deposit
(amounts owing for February 5 disconnect not collected by utility per WAC rules)
- April 5 – customer disconnected for non-payment
- April 25 – customer reconnected on payment of deposit
(amounts owing for February 5 and April 5 disconnect not collected by utility per WAC rules)
- September 5 – customer disconnected for non-payment

Utility can refuse to reconnect service until all amounts due from February 5 to September 5, plus a deposit amount, are paid in full.

If this is not correct, please explain what actions the utility is allowed to take when a third incident occurs.

WAC 480-90-071 Discontinuance of service.

We have several comments on this rule.

The first is on Section (5). We do not agree that a four hour reinstatement period is reasonable, as it leaves the utilities more vulnerable to potentially unfair rulings of 'at fault' complaints. We would much prefer that the rule be more general to allow that the reinstatement occur on the same day the customer contacts the utility. Our proposed changes follow:

(5) Medical emergencies - When the utility has cause to disconnect or has disconnected a residential service, it must postpone disconnection of service or must reinstate service for a grace period of five business days after receiving either verbal or written notification of the existence of a medical emergency. The utility must reinstate service on the same day ~~within four hours~~ if the customer contacts the utility between 8:00 a.m. and 5:00 p.m. If the customer contacts the utility after 5:00 p.m. the utility must restore service by 12:00 p.m. the next business day. When service is reinstated the utility will not require payment of a reconnection charge and/or deposit prior to reinstating service but will bill all such charges on the customer's next regular bill.

Further, a customer that waits until 3:00 p.m. or later to contact us will likely be billed the higher after hours reconnect charge because it may not be possible to dispatch a technician to arrive before 5:00 p.m. In such case, the customer should be allowed the option to request service reinstatement during office hours the next day. We assume that nothing in this rule would preclude the availability of that option to the customer.

Our next comments address language contained at Section (5)(d), and Section (6)(c) regarding different disconnect dates based on in-state or out-of-state mailings. We have significant concerns with the additional three days when notices are mailed from out of state. In NW Natural's case, our billings are mailed from our Portland, Oregon office. The city of Vancouver and outlying areas that we serve in the state of Washington are so close in proximity to Portland, Oregon that they are often thought of as a suburb of Portland. In this instance, the state boundary makes no difference whatsoever in the amount of U.S. mail time required for delivery. If staff insists on different periods based on in-state or out-of-state mailings, then at a minimum the proximity between the mailing place and the recipients should be considered. Possible language (using Section (6) for illustration purposes) would be:

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

(a) The utility must serve a written disconnection notice on the customer either by mail or by personal delivery to the customer's address with notice attached to the primary door. If the disconnection notice is for nonpayment during the winter months the utility must advise the customer of the payment plan described in WAC 480-090-072, Payment arrangements, and WAC 480-90-xx5, Winter low-income payment program. Each disconnection notice must include:

(i) A disconnection date that is not less than eight business days after the date of personal delivery or mailing ~~if mailed from inside the state of Washington~~ or a disconnection date that is not less than eleven business days if mailed from outside the states of Oregon, Washington, or Idaho. ~~state of Washington;~~

(ii) All relevant information about the disconnection action including the cause for disconnection, the amount owing, and how to correct the problem;

(iii) All relevant information about any charges that may be assessed; and

(iv) The utility's name, address, and toll-free telephone number by which a customer may contact the utility to discuss the pending disconnection of service;

(b) If the utility discovers the notice information is inaccurate, the utility must issue another notice to the customer as described in (a) of this subsection;

(c) In addition to the notice required by (a) of this subsection, a second notice must be provided by one of the three options listed below:

(i) Delivered notice - The utility must deliver a second notice to the service premise and attach it to the customer's primary door. The notice must state a scheduled disconnection date that is not earlier than 5:00 p.m. of the second business day after the date of delivery;

(ii) Mailed notice - The utility must mail a second notice which must include a scheduled disconnection date that is not earlier than 5:00 p.m. of the third business day after the date of mailing ~~if mailed from within the state of Washington~~ or the sixth business day if mailed from outside the states of Oregon, Washington, or Idaho. ~~state of Washington;~~ or

(iii) Telephone notice - The utility must attempt at least two times to contact the customer during regular business hours. A log or record of the calls must be kept for a minimum of ninety calendar days showing the telephone number called, the

time of the call, and details of the results of each attempted call. When the utility has been unable to reach the customer by telephone, a written notice must be mailed to the customer providing a disconnection date not earlier than 5:00 p.m. of the third business day after the date of mailing ~~if mailed from within the state of Washington~~ or the sixth business day if mailed from outside the states of Oregon, Washington, or Idaho. ~~state of Washington~~ or delivering a notice providing a disconnection date of not earlier than 5:00 p.m. of the second business day following the date of delivery;

Please note that we do not support the requirement for separate criteria. The above revisions are merely intended as a suggested compromise.

With respect to Section (5)(e), the 120 day limitation may be unnecessarily restrictive for instances where the customer suffers from a chronic illness. We suggest changes as follows:

- e) A customer may claim medical emergency and be entitled to the benefits described in this subsection for a maximum period of only twice within any one hundred twenty consecutive days period for any illness identified by a qualified medical professional as non-chronic.

We suggest the following changes to Section (6)(a)(ii):

- (ii) All relevant information about the disconnection action including the cause for disconnection, the amount owing, and how to avoid disconnection. ~~correct the problem;~~

WAC 480-90-xx3 Reconnecting service after disconnection.

NWN makes the following suggested changes to the proposed rule for clarity:

(1) A gas utility must make every reasonable effort to restore a disconnected service within one business day, subject to customer's payment of a reconnection charge, when after the customer has paid, or at the time the utility has agreed to bill, any reconnection charge and:

- (a) The causes for disconnection not related to a delinquent account are removed and the customer pays ~~at~~ any delinquent regulated charges, ~~including plus~~ any required deposit; or
- (b) The customer has entered into an agreed upon payment arrangement for a delinquent account, and pays any required deposit; or
- (c) The delinquent account is a prior obligation account as defined in WAC 480-90-056, Refusal of service, and the customer has paid or made arrangements to pay for a deposit, plus any prior obligation amounts owing to the utility, if applicable.

(2) The commission may require reconnection pending resolution of a bona fide dispute between the utility and the customer over the propriety of disconnection.

WAC 480-90-072 Payment arrangements.

NWN disagrees with the proposed language at Section (4)(a) with regard to

limiting the availability of the six-month payment arrangement to once in the customer's entire service period. If nothing else, it seems very non-consumer oriented. Since subsection (b) appears to allow the utility to make any other payment arrangement at any time with a customer, it would seem that the need to retain subsection (a) is non-existent. We would suggest changes as follows:

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

~~(a) The customer may enter into a one six-month payment arrangement prior to disconnection of service during the customer's total service time with the utility.~~

~~(b) If the customer does not choose to enter into a six-month payment arrangement, then the customer and utility may make arrangements appropriate to both the customer and utility. If the customer does not propose agree to payment arrangements acceptable to the utility, the utility will advise the customer of the payment plan described in WAC 480-90-xx5, Winter low-income payment program, if appropriate.~~

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

NWN has only editorial suggestions to the proposed rule. First, references to the Department of Community, Trade, and Economic Development should probably be capitalized. Second, at Section (1)(e), we suggest clarifications as follows:

(e) Agrees to and abides by the agreement ~~to that agreement~~ to:

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

(ii) Pay a monthly payment each month during the winter period. The utility will not require a monthly payment greater of more than seven percent of the customer's monthly income. In addition, the customer must pay one-twelfth of any billings from the date application is made through March 15. A customer may agree to pay a higher percentage of income during this period, but the customer's account will not be considered past due unless payment during this period is less than seven percent of the monthly income plus one-twelfth of any past due amounts accrued from the date application is made and thereafter. If the customer does not pay the past due bill by the following October 15, the customer will not be eligible for protections under this section, until the past due bill is paid;

WAC 480-90-081 Service connections.

NW Natural's current tariffs define the point of delivery as "the meter at the interconnection between the Company's distribution facilities and customer's house line." We assume that the proposed rule does not require a change to this definition, and that no changes in procedure are necessary to comply with this proposed rule.

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

Our comment here at Section (2) is the same as that in earlier rules regarding

the in-state vs. out-of-state differences. Suggested edits to Sections (2) and (3) follow:

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

(3) The utility must allow a customer to change a payment date when the customer has a satisfactory reason for the change. A satisfactory reason may include, but is not limited to, adjustment of a billing payment due date cycle to parallel receipt of income. The preferred payment date must be prior to the next billing date.

WAC 480-090-xx7 Gas customer notification requirements.

As proposed, Section (1) of this rule would require the utility to do one of two things; either always notify customers under this rule by direct mailing, or make any filing with the commission at least 60 days prior to the effective date rather than the currently required 30 days. Neither of these are acceptable options. Therefore, we would suggest that Section (1) be revised as follows:

(1) Customer notice prior to commission action:

(a) Each affected customer must receive notice coincident with the filing made to the commission, ~~at least thirty days notice prior to the requested effective date~~ when a gas utility proposes to:

(i) Increase recurring monthly rates other than purchased gas adjustment changes;

METERING & STANDARDS RULES:

WAC 480-90-136 Meter set assembly location.

NW Natural's comments on this rule apply to Section (3). Please explain why staff thinks it is necessary to receive prior notice when inside meter sets are installed? It would seem sufficient for the utility to maintain complete records that would be available should staff request them.

In NW Natural's territory, it is very common for meter sets to be installed inside the building in downtown office buildings, malls, and department stores. Unless the intent is to exclude meter set assemblies for this type of large commercial customer, we would suggest changes to Section (3) as follows:

(3) Residential and commercial meter set assemblies ~~must~~ will be installed outside at the building wall except where an outside location is not feasible. All outside meter set assemblies must be placed, whenever possible, away from doors, windows, building overhangs, intake ducts, and other outside areas where gas can accumulate and migrate into buildings.

~~When it is not feasible to install residential or commercial meter set assemblies at the building wall the utility must provide prior notice to the commission of such installations. When it becomes necessary to locate meters inside buildings, the~~ Each gas utility must keep a record of all meter set assemblies that are located inside buildings, including in such record the location, installation date, and leak history. Utilities must submit copies of such records to the commission upon request.

Thank you for the opportunity to comment and to participate in this process. It is likely that we will have additional comments at the upcoming workshop. If you have questions, contact me at 503.226.4211 ext. 3586, or by e-mail at ork@nwnatural.com.

Sincerely,

Onita R. King
Tariff Consultant
Rates & Regulatory Affairs